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PARLIAMENTARY DEBATES.

First Session of the Twelfth Parliament.

LEGISLATIVE COUNCIL AND HOUSE OF REPRESENTATIVES.

Eighty-sixth Volume.

COMPRISING THE PERIOD FROM
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LEGISLATURE OF NEW ZEALAND.

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NEW ZEALAND.

PARLIAMENTARY DEBATES.

First Session of the Twelfth Parliament.

HOUSE OF REPRESENTATIVES.

Monday, 17th September, 1894.

Death of the Hon. Mr. Hart.

Mr. SPEAKER took the chair at half-past seven o'clock.

PRAYERS.

DEATH OF THE HON. MR. HART.

Mr. SEDDON.—I rise to move, That the House do now adjourn. I do this as a mark of respect to the memory of the Hon. Mr. Hart, Member of the Legislative Council, who has passed from amongst us. He was one who connected us with the past. As a colonist he has done his duty well. As a resident of Wellington, with those who have known him, from the first to the time when he passed away, he has always borne the highest respect. As a public servant he was ever conscientious, ever willing, and he performed the duties of his position in a manner which reflected credit on himself, and which was of great benefit to the public. As a member of the Legislative Council, though of late years he has not taken a very active part, yet his works in his prime speak for themselves. He was ever looked upon as one desirous of doing that which was right. Those who knew him best spoke well of him. Knowing him as I have done, and as those in the House have done, in matters that came before the Council, his words were words of wisdom, and his actions those of a conscientious public man.

Mr. MITCHELSON.—I rise to second the motion. This is one of those melancholy occasions which we all regret, but which it is usual for the House to take notice of. I quite agree with what has fallen from the Premier in regard to the late Mr. Hart. He was one of the first colonists to arrive in New Zealand, and continued to reside in the land of his adoption for over half a century. He was a member of the first Parliament in New Zealand, and occupied a seat in the Legislative Council

for over twenty years; and there is no doubt that the public of New Zealand owe his memory a debt of gratitude for the services he rendered to the colony.

Sir R. STOUT.—Sir, as one who knew the late Mr. Hart for over twenty years I may be permitted to say one or two words. Those of us who are lawyers knew him as a distinguished lawyer: indeed, thirty years ago he was looked upon as one of the best lawyers in New Zealand, and, though he has not practised his profession since 1878, yet even almost up to the last his opinion has always been valued by any one who wanted a clear exposition of the law. What, perhaps, was his leading characteristic was his extreme conscientiousness and high sense of duty, both public and private. Those acquainted with him could not but be struck with these characteristics. In every act of his life—and he has lived in the colony for now over fifty years—he has always won the highest respect. His whole life has been patriotic, and was one against which no one could say the slightest word. Our old settlers are passing away, and, for the sake of the memory of one who bore the heat and burden of the day in the days of early settlement, I am exceedingly glad that the Premier has moved the adjournment of the House. I do not think it necessary to say more than to express, as I feel sure every member of the House would wish, our sympathy with his widow in her affliction.

Dr. NEWMAN.—As one who lost in the late Mr. Hart a personal friend of many years' standing, I should like to say a few words. His death is the more remarkable because he was the last link to bind the first Parliament of New Zealand in 1854 with this. He was the only man of either House who sat in our Parliament forty years ago, so quickly does everything change. Several others are alive who were in that Parliament, but he alone has more or less had a seat in Parliament ever since; and though, of late years, failing health

has caused his attendance to be irregular, those of us who were privileged to know him know that to the last he kept an interest in everything. I believe that almost the last thing he did in Parliament was to come off a sick-bed to vote for the enfranchisement of women. Though he never achieved Ministerial honours, yet forty years ago he was considered one of the ablest members in Parliament, and one of its leading speakers. Almost the first Bill he introduced was a Bank of New Zealand Bill, to improve the condition of banking in the colony, and, like many other things in these days, it was a slaughtered innocent. From that time he took a very keen interest in the colony, and, as the honourable the senior member for Wellington City has said, he has always borne the highest name amongst those who knew him best.

Motion agreed to.

The House adjourned at twenty-five minutes to eight o'clock p.m.

LEGISLATIVE COUNCIL.

Tuesday, 18th September, 1894.

Railway Officers—Taumutu Block—Death of the Hon. Mr. Hart.

The Hon. the SPEAKER took the chair at half-past two o'clock p.m.

PRAYERS.

RAILWAY OFFICERS.

The Hon. Mr. BONAR asked the Colonial Secretary, Whether he has any objection to lay on the table of this Council, before the Railway Bill is brought before the Council for discussion, the classification of railway officers which has been in force for the past fourteen years? And whether the said classification has been suspended, and, if so, from what date and under what authority?

The Hon. Sir P. A. BUCKLEY said he had the honour to lay on the table of the Council the regulations referred to in the question.

TAUMUTU BLOCK.

The Hon. Mr. TAIAROA asked the Colonial Secretary, Why there has been so much delay in sanctioning the removal of restrictions applied for by Rewi Kōruarua and others with respect to Subdivision 5b, Section 901, Taumutu, and recommended by the Native Land Court on the 29th April, 1894? He was compelled to ask this question, because the Natives concerned had been waiting for some months already.

The Hon. Sir P. A. BUCKLEY said this was one of a number of matters which were under the consideration of the Government, and as soon as a decision was arrived at he would inform the honourable gentleman of the result.

DEATH OF THE HON. MR. HART.

A message from His Excellency the Governor was received, announcing the death of the

Dr. Newman

Hon. Robert Hart, and declaring his seat vacant.

The Hon. Sir P. A. BUCKLEY.—Sir, I believe that, in the discharge of a melancholy duty, I have had the misfortune to announce to this Council the death of more of its members than any other honourable member who has occupied this position. Some of them, Sir, have left in our memories recollections which we can never forget; some of them were very near and dear to us, and have left behind to this Council a character which I trust it will ever maintain. In announcing the death of an old friend, I feel that I am quite unable to convey in any language at my disposal or at my command anything like what I should wish to say about him. It was my good-fortune to have been his partner, and to enjoy the closest intimacy and friendship with him for a period of over forty years, and I have no hesitation in saying that during that time I do not think we have had a single unpleasantness. To speak of him to honourable members in this Council who knew him would be talking about what they already know. In his domestic life he left nothing that could be desired. He had a refined taste and every quality to make him happy, and I am quite sure that no two people I have ever met have been so thoroughly happy as my late honourable friend and his widow. He was the personification of honour; he was a brilliant orator; he was probably the best man who ever addressed a jury in this country, and the very fact of having retained Mr. Hart was almost a passport of success, for he never undertook a case in which he did not fully believe. I feel that I am unable to give expression to my feelings about him, and trust that it will be some comfort to his widow to know that the entire sympathy of this Council will be extended to her without a single dissentient voice. In paying this small tribute to an old friend, I will ask the Council to adjourn out of respect to his memory, and I therefore move, *That the Council do adjourn.*

The Hon. Captain BAILLIE.—I desire to second the resolution of the Hon. the Attorney-General, and in doing so I may say that our honourable friend who has just departed has been known to me for upwards of thirty years, —twenty years of that period in this Council. He was one of the most able-minded men, and was able to grasp everything that came before him, and the assistance which he gave to the counsels of this country was invaluable. He also had a clear head, and on every point his legal knowledge was of a high order. He was kindly disposed to everybody acquainted with him. I may say he was also a man of considerable artistic taste, and of very great literary ability. I feel that I am unable to express the feelings of the Council in its sincere sorrow for Mrs. Hart in the loss of a faithful friend and husband.

The Hon. Mr. BONAR.—As one of the oldest members of this Council, I cannot allow the present opportunity to pass without saying a word or two in support of the motion which

has been so ably proposed and seconded by my honourable friends. As one of the oldest members of the Council, I can speak of him not only as a public man, but also as a private citizen, and I can only say that I most thoroughly concur in the expression of opinion which has fallen from those honourable gentlemen. He was a kind friend and an able man. I desire also to express the deepest sympathy with the widow he has left behind.

The Council adjourned at a quarter to three o'clock p.m.

HOUSE OF REPRESENTATIVES.

Tuesday, 18th September, 1894.

First Reading—Chinese and other Asiatics—Customs Revenue—North Island Main Trunk Railway—Warkworth Roads—Exhibition—Sheep Disease in North Island—Clover-seed—State Farm—Matata Native School—Grapes—Intercolonial Free-trade—Police-constables moved—H. Gay—Wellington—Palmerston Telephone—"Sarah and Mary"—Audit Department—Inebriates—Government Advances to Settlers Bill.

MR. SPEAKER took the chair at half-past two o'clock.

PRAYERS.

FIRST READING.

Wilson Land Bill.

CHINESE AND OTHER ASIATICS.

MR. MEREDITH moved, That a return be laid before this House showing—(1) The number of Chinese, and (2) the number of all other Asiatics, exclusive of Chinese, in the colony on the 31st March, 1894; (3) the number of Chinese, and (4) the number of other Asiatics, exclusive of Chinese, in receipt of charitable aid during the year ending the 31st March, 1894.

MR. SEDDON said, so that the honourable gentleman might not be under a misapprehension, he had made inquiries as to how much of the information asked for in the return could be given. Although it was unusual, this being an unopposed motion, he would ask the leave of the House to read a statement from the department as to the information which could be supplied:—

"In reference to the above, I would remark that (1) the number of Chinese in the colony on 31st March, 1894, can be given; but, as regards; (2) the number of all other Asiatics (excluding Chinese) for the above date, it cannot be stated exactly. The latest information is that of the census of April, 1891, at which time the number must have been exceedingly small. Of 1,168 persons born in India, only seventeen were stated to be of the Asiatic race. There were, besides, 276 persons born in various foreign countries other than those of Europe, China, the Continents of Africa and America. A few of them may have been Asiatics, but details have not been kept."

Motion agreed to.

CUSTOMS REVENUE.

MR. MITCHELSON asked the Colonial Treasurer, If he will state for the information of the House the amount of revenue received by the Customs for the month ending 31st of August last? He would ask the honourable member if he would, in addition to supplying the information asked for in the question, be good enough to adopt the course which had been usually followed by previous Governments, and, after the rising of the House, give the public that information as to the Customs revenue which was previously supplied monthly by all Colonial Treasurers, and even by the honourable gentleman himself until December last.

MR. WARD might say that the honourable gentleman appeared to have a misconception of what his idea was in not giving this information monthly. He had informed the House before, and he repeated it now, that the withholding of this information monthly was not done for the purpose of keeping back from honourable members or from the country the particulars of the revenue. The object of the change was to insure that the information should not be misleading, as they knew very well that in some months there was a falling-off in the revenue, while, perhaps, the next month there might be an excessive amount, so that the state of the monthly returns did not give a proper idea of what the position of the Customs revenue was. The right way was to take the quarterly statement, which would give a fair estimate and a correct idea of the returns from the Customs Department during the three months. He thought the former system, which the honourable gentleman wanted him to revert to, was a mistaken one. He was, however, prepared to consider whether it was desirable to revert to the old system or not. As to the question whether it was not his intention to lay the statement the honourable gentleman referred to for a particular month on the table of the House, he might say that at the end of this month the quarterly statement, covering this particular month, would be laid on the table in the usual way. He could inform the honourable gentleman that the revenue for last month was considerably beyond the average of the monthly statistics of the Customs Department, and in that respect was very satisfactory. He could assure the honourable gentleman that he was not withholding the particulars merely for the purpose of not giving information, but because this was a bad way to give it. He thought the course which he (Mr. Ward) suggested was the one which would give the House the fullest information at the earliest possible time.

NORTH ISLAND MAIN TRUNK RAILWAY.

MR. MITCHELSON asked the Premier, If he will, in the Public Works Statement, announce the decision of the Government respecting the route determined upon for the North Island Main Trunk Railway? His reason for asking this question was that, owing

to the delay in the settlement of the route to be adopted for the North Island Main Trunk Railway, a great portion of the money set apart for the construction of the railway had been devoted to the purchase of Native lands, to surveys, and also to road-making in the interior of the Island, and to snagging the Wanganui River. He thought it was advisable that the Premier should indicate to the House and the country the route it was proposed to recommend for the construction of this railway, and also whether more rapid progress might not be made with the construction of the railway than had been made during the last five years.

Mr. SEDDON said it was not necessary for him to inform the honourable member as to the necessity there was for the Government, when bringing down the Public Works Statement, to set out what they intended to ask Parliament to

30. make appropriations for. The question of route was not before the Government at all; it was a question of what allocations would be made out of revenues available for the Main Trunk Railway. That was the only question before the Government. The question of the route had been before a Committee of the House, and that Committee had reported. They had the Engineers' reports now, and it was his intention to refer the reports of the Engineers upon this railway to the Railways Committee, and ask the Committee to report thereon. The reason why the Select Committee appointed to deal with this question could not finally report was obvious, and arose from the fact that they had insufficient information. However, the information was now in possession of the House, and he intended to move, as he had said, that the Engineers' reports be referred to the Railways Committee.

WARKWORTH ROADS.

Mr. MASSEY asked the Premier, In what way he intends to give effect to the promise which he made to a deputation of settlers at Warkworth when he told them that the Government would either take over the main road or provide funds for the local bodies to do the work?

Mr. SEDDON said he thought the honourable gentleman should first have ascertained whether or not any such promise had been made. He had no recollection of having made such a promise; consequently it was scarcely fair to ask him in what way he was going to give effect to it. The honourable gentleman knew very well that this matter was brought up in the middle of an election, and that, under such circumstances, it would have been improper to have made such a promise. He was very much amused when he read the question, as he saw what was beneath it. However, he would not refer any further to that, as he might be brought up for breach of privilege. It would be seen from the Press reports that he had informed the deputation which waited upon him at Warkworth that the Government would take the matter into consideration; and it had been under the consideration of the Government, and the Government were of opinion

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that there were places in the colony in which there were main roads that it was almost impossible for the ratepayers or the local authorities to maintain. There were proposals before the House at present, and, if those proposals were carried, his colleague the Minister of Lands would no doubt give favourable consideration to such requests as were contained in the question, both from this local body and from other local bodies similarly situated.

EXHIBITION.

Mr. E. M. SMITH asked the Government,— (1.) If they will favour a Grand National Exhibition of Arts, Manufactures, and Industries, to be held in Wellington, to illustrate the rise and progress of New Zealand, the said exhibition to be held in the year 1900? (2.) If they approve, will they recommend the setting aside of £3,000 a year for this national purpose, and make a start at once, so that the greater part of this work may be done by the Government staff, such as preparing ground and plans, &c.? (3.) Will they submit this scheme to their Engineer, with a view to getting him to report if it is feasible or practicable to build the said exhibition of brick and stone, so that it can be used afterwards for a permanent Parliament Building or National Museum, or for any other national purposes? This was a most important national question, and the reason he had placed it upon the Order Paper was that for a long time it had been suggested that the House should set aside a vote of £10,000 for the construction of a brick library; if his suggestion, however, were carried out, it would get over the difficulty. He awaited patiently the reply of the Government, knowing their desire to see the colony progress.

Mr. SEDDON said the Government were of opinion that one of the safest ways of providing for the arts, manufactures, and industries of the colony was by making the country progress by placing the people upon the land. If they found the country prosperous and land-settlement going on, the arts, industries, and manufactures would progress also in the towns. Those matters would not be lost sight of; but he thought the money asked for by the honourable gentleman would be better expended in making roads and bridges for settlers in the country districts. There was another objection to granting the honourable gentleman's request, which was that, even if the matter were taken up by any of the large centres, unless the public generally went into the question it would not be a success; and for the Government to take it up under any other circumstances would, in his opinion, result in failure. If any part of the colony should propose anything of the kind, and apply to Parliament for assistance, that would be the proper time to carefully consider it, but for the Government to take the initiative would, in his opinion, be a mistake.

SHEEP DISEASE IN NORTH ISLAND.

Mr. MASSEY asked the Minister of Agriculture, Whether he will direct the veterinary

surgeons of his department to take whatever steps may be necessary to discover, if possible, a remedy for the sheep disease from which most of the flocks in the North Island are suffering at the present time?

Mr. J. MCKENZIE replied that the Government had already an experimental farm in existence, near Waverley, in which those inquiries and experiments were being carried out, and every care would be taken that every case brought under the notice of the Government should be subjected to experiment at this farm.

Mr. MASSEY asked if experiments were being made at the present time.

Mr. J. MCKENZIE said, Yes.

CLOVER-SEED.

Mr. BUDDO asked the Government, in view of the successful cultivation and production of red-clover and cowgrass seeds in New Zealand, will they take into consideration the question of granting a bonus on the export of clover-seeds, such bonus to be granted on per hundred-weight of red-clover and cowgrass, but would require to be on per pound on the finer clovers, such as white-clover and alsike? He might state there was a large amount of money leaving this colony annually for grass-seeds, and, though they had nearly overtaken the colonial demand in the heavier seeds, such as cowgrass and red-clover, he believed that, with a little care, they would be able to export in the course of a year or two a considerable amount of red-clover and cow-grass seed; and we ought to encourage the growth of small seeds, such as white-clover and alsike. Those seeds were more difficult to grow, and the amount of labour required was nearly double that required in growing the cow-grass or red-clover seed.

Mr. J. MCKENZIE said the Government had considered this matter very carefully, and had come to the conclusion that it would not be advisable at the present time to grant a bonus for this purpose.

STATE FARM.

Mr. W. HUTCHISON asked the Minister of Lands, if he will furnish some information to the House touching the progress of the State farm, and generally its aims and objects as a State institution? He understood that there were State farms, more than one, and a statement from the Minister in regard to any of them would give the information required.

Mr. REEVES said there was a statement with regard to the State farms in the annual report of the Labour Department, and there would be, of course, special statements with regard to the matter in every annual report issued by that department. Since the report was written he might state that considerable progress had been made. There were now fifteen families there, and there would be three more very shortly. The work of cultivation and of felling the bush was going on steadily. People were erecting cottages—he thought there were seventeen erected there now—and generally speaking the condition of the place

was satisfactory. If the honourable gentleman cared for any more specific or detailed information he should be most happy to give it to him, as he had a good many details in his possession in regard to the matter.

Mr. W. HUTCHISON understood the State farms were under the Minister of Lands, and he had, consequently, expected a reply from him.

Mr. REEVES said, No; he was the Minister in charge.

MATATA NATIVE SCHOOL.

Mr. W. KELLY asked the Minister of Education, if it is correct that the Native school at Matata, in the Bay of Plenty, has been closed; and, if so, why this was done?

Mr. REEVES said the work at that school was still going on, and he trusted it would continue to go on in future.

GRAPES.

Mr. PIRANI asked the Commissioner of Customs, whether he will take steps to remove the prohibition on the importation of grapes to the colony?

Mr. WARD said that, from information the Agricultural Department had received during the last twelve months, it was considered absolutely necessary to take precautions against phylloxera, which was very destructive in Australia, and it was not considered desirable to admit grapes into this colony at the present time.

Mr. PIRANI asked why the Government considered it necessary to prohibit the importation of other fruits which this disease did not affect?

Mr. WARD would be glad to find out, and let the honourable gentleman know.

INTERCOLONIAL FREE-TRADE.

Mr. O'REGAN asked the Premier, if, in view of the revulsion of feeling in the neighbouring colonies in favour of intercolonial free-trade, the Government will at once communicate with the Governments of the Australian Colonies, with a view to holding an intercolonial conference for the purpose of adjusting trade relations between the various colonies? He need hardly say this was a very important question, and one which, unfortunately, had for a long time been overlooked, on account, probably, of a number of other minor questions having to be considered. He would very much like to see the different colonies come to some understanding with regard to the tariffs, and he hoped to receive a satisfactory reply.

Mr. SEDDON said the Government were not at all sure that there had been any general revulsion of feeling in the colonies in reference to this matter. They had only the honourable gentleman's authority for it. It was quite true that the Free-traders had carried the elections in New South Wales; but he might say that the Government on two occasions had made some advances in this direction. On one occasion the Colonial Treasurer, when he visited Australia, was empowered, on behalf of the

late Administration, to make every effort to reciprocate with one or the whole of the Australian Colonies. His advances, however, were met rather coldly at that time. On a later occasion, when a representative of the colony went to the Canadian Conference, he was requested to ascertain what the feelings of the people were in regard to a proposal to reciprocate with New South Wales or other colonies, in the event of his having an opportunity of meeting the Premiers of those colonies. He might say that the information he had received from that gentleman was not at all of a favourable character — in fact, quite the reverse as regarded New South Wales. However, the elections had since taken place, and there might be a change. He hoped there was a change for the better, and that the retaliatory tariff of that colony would be repealed, or amended in the direction of allowing, on terms fair to both colonies, the products of New Zealand to enter New South Wales. The Government would not lose sight of the question. He thought he was voicing the feeling of the House and the country when he said they had nothing to fear from the neighbouring colonies, and they were quite prepared to reciprocate with either one or the whole of them.

POLICE-CONSTABLES MOVED.

Mr. BUICK asked the Government, If it is the practice of the Defence Department to pay the expenses incurred by constables in the Police Force who are shifted from one part of the colony to another at the instigation of the department?

Mr. SEDDON said, Yes; it was the practice, when removing any constable, to pay all reasonable expenses.

H. GAY.

Mr. DUNCAN asked the Minister for Public Works, If he will direct the Railway Commissioners to forward an official reply to the petition of Mr. Henry Gay, of Oamaru, and their decision upon the recommendation of the Railways Committee of this House? This was a question which would interest a great many members of the House, who would like to understand how the Commissioners could be approached. There was a recommendation from the Railways Committee a month or more ago, but since then he had had no intimation officially as to what action was to be taken in the matter. He would like to know from the Minister whether the Railways Committee or the House could in any way approach the Commissioners in order to get answers to questions from them.

Mr. SEDDON was afraid there was no way of approaching the Railway Commissioners direct. That, he thought, had been ruled previously. It was a very good reason why the House should place itself in the position of being able to deal with matters of such importance. He, at all events, would write to the Commissioners and ask what their intentions were in respect to the petitioner mentioned in the question. He might say that the rule

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followed was for the Clerk of the House to communicate with the Minister for Public Works, and through the Minister for Public Works communications went to the Commissioners; and replies were sent by the same channel. He would make inquiries into the matter, and ask the Commissioners to send a reply.

WELLINGTON-PALMERSTON TELEPHONE.

Mr. PIRANI asked the Postmaster-General, If he will arrange for the completion of telephone connection between Wellington and Palmerston North, and between the telephone exchanges in those centres? He would like to point out to the Postmaster-General that already there was telephonic communication between Wellington and Palmerston, with the exception of two small gaps between Paraparamu and Otaki, and Shannon and Longburn. If these two gaps were filled up there would be complete telephonic communication. That would be a great advantage not only to the public generally, but to the residents in the places named.

Mr. WARD said if the completion of the gaps referred to would enable this work to be done the Government would be very glad to have it done; but, unfortunately, the line was 100 miles in length, and if a No. 8 iron wire, which was the wire now used in the colony, were erected between Wellington and Palmerston the continued induction would be so great as to render the wire useless for telephone purposes. The only way in which that could be done would be by erecting a main trunk copper wire, and to do that would cost over £2,000. It seemed to him, under the circumstances, that it would not be possible to have such a line erected between here and Palmerston, or, he might say, between any towns at such distances apart in New Zealand, until the copper-wire system was adopted. Under present arrangements the telephone system for such long distances was absolutely useless. He had tried the experiment himself, and he might assure the honourable gentleman that it was absolutely unworkable.

"SARAH AND MARY."

Mr. TANNER asked the Minister in charge of the Customs Department, Whether he will cause inquiries to be made, and the result communicated to the House, as to the seaworthiness or otherwise of the "Sarah and Mary," which is reported to have left the Thames in June last with a cargo of timber for the South, to have been compelled to put into Napier for refuge, to have partly unloaded and undergone repair at Napier, and to have reached Lyttelton on the 21st July in a sinking condition? He had been induced to ask the question in consequence of the singular agreement in sequence of events as shown in newspaper statements. The House would probably pardon him for a moment if he quoted some of the statements which were made in reference to this vessel. The *Hawke's Bay Herald* of the 29th June

stated, "The brigantine 'Sarah and Mary' put in here yesterday in a sinking condition. Captain reported had left Thames on 19th; scarcely clear before vessel began to leak badly; crew took to pumps, and captain took refuge under Mercury Island, where, in smooth water, crew were hardly able to keep water under by constant pumping. Left Mercury Island, and, when off Portland, the leak increased to 10in. per hour; and the crew, quite worn out by incessant working, demanded that the vessel should put into Napier, which was done." The *Hawke's Bay Herald* added, "The 'Sarah and Mary' is an old vessel of thirty years, labours very heavily in rough weather, and is now in such a rickety condition that it was fortunate for the crew no catastrophe occurred." The *Lyttelton Times* of the 23rd July stated that of her cargo of 130,000ft. of timber 45,000ft. were discharged at Napier. The *Evening News* and *Hawke's Bay Advertiser* of July 12 reported, "The 'Sarah and Mary' towed out this morning. She had taken on board an American patent pump with her, which would enable the crew to keep her dry should she commence to leak again on the passage. As she was considerably lightened, she should reach her destination without further mishap." The *Christchurch Press* of the 23rd July said, "Extra hands were shipped at Napier for the voyage down." The *Lyttelton Times* of the 23rd July said, "'Sarah and Mary' left Napier, making 10in. of water per hour, increasing to 15in., 16in., 17in., 18in. at sea; pumps kept going the whole voyage. Off Cape Palliser met particularly stormy weather; pumping had to be kept going if ship kept afloat to reach Lyttelton. When entering Lyttelton Heads she was making 16in. per hour, on the 21st July." It was right to state that the newspapers said that the "Sarah and Mary" belonged to Mr. W. S. Waterson, of Invercargill, who, during the year, had lost the iron barque "Gazelle." The barque "Othello," on the eve of very extensive and necessary repairs, was sold for a coal hulk. The schooner "Crest of the Wave" was lost on the voyage from Timaru to the Bluff. The "Circe" was lost on the Australian coast two years ago.

Mr. SPEAKER thought the honourable gentleman was introducing debatable matter.

Mr. TANNER said he thought a case had been made out for inquiry.

Mr. WARD said he knew Mr. Waterson, and he might state that he was one of the most careful men in this colony, so far as ships were concerned, and he thought there was no shipowner in the colony who expended more money for the purpose of keeping his vessels in thorough repair than Mr. Waterson did.

An Hon. MEMBER.—He does not insure.

Mr. WARD said, in addition to that, Mr. Waterson did not insure.

Mr. TANNER asked if that was not rather a proof that his ships were not worth insuring.

Mr. WARD might state that one of the vessels which the honourable gentleman had named as having been lost was one of the finest vessels in the colony. She was a splendid vessel in every sense of the term. As a reflection

had been made upon an enterprising shipowner—from want of information, he had no doubt—he thought it was only right that he should say what he knew upon this matter. The "Sarah and Mary," he was informed, before leaving Napier on the voyage in question, was surveyed by two shipmasters, Captains Dawson and Todd, who recommended that before proceeding to sea a certain quantity of her cargo—timber—should be discharged at Napier. The quantity of timber so discharged was 45,000ft. Certain repairs recommended by the two shipmasters were also done. The whole crew were willing to go to sea in the vessel, and she left on her voyage. On reaching Lyttelton she was docked, and underwent a thorough overhaul, and the surveyor certified that the vessel had been thoroughly overhauled and repaired. She was thirty years old, but was not at all unseaworthy. There were many other vessels of that age at sea. If it were necessary to have an inquiry into the matter he would afford the honourable gentleman the fullest facilities for it, but he could assure him that the Customs Department had a certificate from the surveyors of the Underwriters' Association stating that the vessel was in a thoroughly seagoing condition, and that nothing further was required.

Mr. TANNER said he neither desired to cast, nor had he cast, the slightest reflection on the owner of the vessel. All his statements were copied word for word from the newspaper reports, and he did not add any comment to those reports.

AUDIT DEPARTMENT.

Mr. PIRANI asked the Colonial Treasurer, If he intends to appoint a Commission of inquiry into the methods and working of the Audit Department? He might remind the Minister that, when he was asked early in the session as to an inquiry being held with regard to the Public Trust Office accounts, the honourable gentleman stated that accountants would be appointed to make an inquiry into both the Public Trust Office and the Audit Office. The result of the inquiry into the Public Trust Office had been made known, and it was satisfactory, he supposed. Therefore there must be a screw loose in the Audit Department. He trusted the Colonial Treasurer would have a Commission appointed to inquire into the system adopted by the Audit Department.

Mr. WARD said the inquiry to which he formerly alluded, so far as the Audit Department was concerned, was as to whether they conducted their system of audit with reference to the Public Trust Office in such a way as they ought to do in such an important branch of business. The investigation into the Public Trust Office accounts showed that the accounts were thoroughly well kept. He might say that the Government were of opinion generally that the audit system in this colony required reorganizing, inasmuch as the separate system of auditing accounts at present in existence was very unsatisfactory. To have a proper audit it should be under the complete

control of the Audit Department. During the recess the Government would consider this matter, and they hoped to be able to deal with the whole question when Parliament met next year. It was a very important matter.

INEBRIATES.

Sir R. STOUT asked the Minister of Education, Whether he is aware that some Judges of the Supreme Court have refused to commit inebriates to the asylums; and what steps he proposes to take to provide sufficient accommodation for such persons? It was sixteen years since this question first came before Parliament. A Bill was introduced into the Legislative Council by Sir George Whitmore, then Colonial Secretary, to have this question put on a proper footing, but nothing had been done; and now one or more Judges of the Supreme Court refused to send any inebriates to an asylum, because there was no special provision made for their treatment. He thought it was necessary, in order to comply with the Lunatics Act, that there should be put up at one of the asylums in the North Island, and perhaps also in the South Island, some special buildings in which special treatment could be given to those people who could not keep away from drink so long as we had drink sold in the colony.

Mr. REEVES believed that Judge Williams, two years ago, on the appeal of a patient detained in the Ashburn Hall, decided that the patient should not be detained because he could not be kept in a separate ward.

Sir R. STOUT.—He has refused to send them since.

Mr. REEVES said the Judge on that occasion refused to sanction the detention of the inmate at Ashburn Hall because he was not being kept in a separate ward there—away from the other inmates—although, under the Lunatics Act, that was absolutely necessary in the case of inebriates. It would be therefore necessary for the department either to build a separate inebriates' home or a separate wing to an asylum. Perhaps the better course to pursue would be to build a separate home altogether. There was a home built at Sunnyside a number of years ago, but in 1881 Mr. Dick, then Colonial Secretary, had it converted into a doctor's residence. He believed that in Victoria they had established two inebriates' homes, but that since then they had been both closed on the ground of expense. So far as his department was concerned, it was absolutely a financial matter. When the Cabinet saw their way to grant the money he would be most happy to establish an inebriates' home. He thought it would be a very good thing. It was purely a financial matter, and, so far, the Government had not seen its way to grant the money.

Sir R. STOUT asked if the honourable member would look at some of the old buildings connected with some asylums, and see if they could not be used for the purpose.

Mr. REEVES said he would do so.

Mr. Ward

GOVERNMENT ADVANCES TO SETTLERS BILL.

ADJOURNED DEBATE.

5.30. Mr. MONTGOMERY.—Sir, on

Friday night we listened to a very interesting speech by the senior member for Wellington City on the subject of the Bill which is now before us—the Government Advances to Settlers Bill—and we listened to it with the more interest because it was naturally thought that he, being a critic of the Government, would endeavour to put his finger on the weakest points in the Bill. This, I think, he did in many instances. Many of the points he brought forward were undoubtedly weak points in the Bill, and deserve the best attention of the Colonial Treasurer. For instance, the objections he made with regard to the expense seemed to me vital objections. The proposal to have District Solicitors and District Valuers seems a very complicated scheme. He raised that objection, and I think rightly, and hoped that some simpler scheme would be arrived at. Then, I agree with him with regard to the land-bonds. The issuing of land-bonds seems to me an unnecessary and complicated proceeding; and I am also inclined to agree with him in connection with the last remark he made, with regard to the Bankruptcy Act, when he said it was entirely unfair that the Bankruptcy Act should not apply to debts to the Government incurred under this Bill. I agree that the Bankruptcy Act should apply to such debts. It would be quite unfair that, where a settler has gone through the Bankruptcy Court and has been freed from his liabilities with regard to other creditors, has had his land sold up, and is, in fact, worth nothing, he should still be obliged to owe a debt to the State which he does not owe to other creditors. That, however, is a Committee objection, and I hope in Committee it will be obviated. But I was sorry to notice in his speech the same note of pessimism with regard to advances to colonists which he struck in speaking on the Financial Statement. He said he thought it was impossible that this loan could be raised at 3½ per cent. when the previous loans had not been raised at that, and he thought the credit of the colony was not good enough to enable it to obtain money at that rate. Now, I do not think he gave sufficient reason for his belief. He said—or rather he asked whether the Agent-General had not telegraphed that the colony could not obtain money at 3½ per cent.; and it was replied by the Colonial Treasurer that it was not a fact, and that the Agent-General had not done so. He did not, I think, give sufficient reasons why we should not be able to raise money at that rate. When we look at what the neighbouring colonies are doing, I see no sufficient reason myself why we should not. I read in the newspaper on Friday that New South Wales is floating a loan of £832,000 at 3½ per cent., with a minimum of 100, and that the tenders are to be opened on the 20th. It said the success of that issue was certain, as it was already quoted at a ½ premium. Now, if New South Wales can raise a loan at par,

which is quoted at a premium, I think New Zealand should be in a condition to do the same. If we look at the condition of New South Wales stocks and the condition of New Zealand stocks we shall find that, whether it is $3\frac{1}{2}$ per cent. or 4 per cent., New Zealand stands the highest, and I see no reason why we should not do the same as New South Wales. Then, Sir, I think he might have left out one word in his speech, and that was the word "repudiation." He introduced it towards the end of his speech. It was entirely unprovoked, absolutely uncalled-for; and there is no reason why any New Zealand statesman should introduce such a word in the debate in this House. If there is one word more than another which ought to be considered unparliamentary it is that. I hope, when our credit is the highest of any of the Australasian Colonies, we shall not hear even a passing remark with regard to repudiation. Now, Sir, I am supporting this Bill on its second reading because I believe in this policy of lending cheap money to farmers—the policy which the Colonial Treasurer has proposed. I say there is a necessity for some Bill of this sort when we consider that the average rate of interest in this colony is, we will say, at least 7 per cent., and that will not include loans to small farmers. The loans to small farmers run to 8 per cent., and, perhaps, to 9 per cent.; and when the Treasurer proposes to reduce the rate of interest, and to make it 5 per cent., we see that this is something which is not only necessary but which will be a great gain to the country. That is an object which it is worth legislating about. If the rate can be reduced, it is a "consummation devoutly to be wished." We often hear it said as a joke that what the people want is a Government that will raise the price of mutton 1d. per pound, or the price of wheat. Well, Sir, of course we cannot do that; but I think, if we succeed in reducing the rate of interest by perhaps 2 per cent., we shall be doing something that is at least as good. Besides the effect of reducing the rate of interest on the loans actually made by the Superintendent of the Government lending body, it will have very considerable indirect effects. It will, I think, tend also to reduce the rates of interest charged by the large lending bodies of New Zealand, for, when they find that they cannot get the same interest on good security since the Government are taking up the loans, they will naturally lower their charges, and we shall have the charges lowered all over New Zealand. It will also be especially beneficial to small farmers and settlers, who at present have to pay large charges before they get their loans at all. There is often a fee charged for obtaining the money, and this and the valuation and solicitor's fees run away sometimes with as much as one or two years' interest on the loans. With this scheme, which puts valuation and all fees on a simple system, with the money obtained at a cheaper rate to begin with, with lessened initiative charges and lessened expenditure, there will be less difficulty in obtaining loans. The senior member for

Wellington City said that this measure would have the effect of driving capital from the colony,—of driving away the loan companies. If we drove away the loan companies, what would that mean? It would mean, if they were driven away, that the rate of interest had been lowered to 5 per cent. That is exactly what we are trying to bring about. But I do not think it will drive away the loan companies. I do not think that at all probable or even possible. I think the natural effect will be that it will tend to lower the rate of interest—that the loan companies will find it necessary to lower the rate of interest, and will do so in consequence all over the colony, so that instead of driving capital out of the colony it will succeed in keeping in the colony 1 or 2 per cent. of the capital that would otherwise go out of it in order to pay interest on loans. Now, a great deal has been said with regard to the margin of the loan—as to whether we had sufficient margin or whether we had not. It was said that we had not, and it would be a loss to the country. But, before I say anything on this question, I should like to ask the Colonial Treasurer a question. The question I should like to ask is this: Under this system, are the mortgagors to pay the land-tax, or are they not? I should like the Colonial Treasurer to answer that,—Yes or No,—because I should then know how to proceed.

Mr. WARD.—I will answer the honourable gentleman when I reply.

Mr. MONTGOMERY.—Quite so, Sir. Then I say—

Mr. WARD.—"Yes" or "No" would not suffice; it would require an explanation.

Mr. MONTGOMERY.—I do not know what the explanation may be; I only know that this is a very important point—a point without which it is almost impossible to discuss the question of margin at all, because the land-tax comes to about $\frac{1}{2}$ per cent., and the question of $\frac{1}{2}$ per cent. one way or the other is a question of very large importance as affecting the margin. But I will say, if the mortgagors are to pay,—and I believe, whether they are to pay or not, there ought to be no question whatever about the margin,—there should be a very safe margin for the difference between $3\frac{1}{2}$ per cent. and 5 per cent. for the charges of raising the loan, the Assurance Fund, which is $\frac{1}{4}$ per cent., and the management expenses. Now with regard to these expenses of management. Of course we cannot tell accurately what they may be; although we make an estimate, we can only guess at it to a certain extent; but it would be interesting, perhaps, for me to read what the expenses of management have been in other countries in which they have some system of *crédit foncier* similar to this, and I have made a note of what they are in several countries. In Pomerania the expenses are $\frac{1}{4}$ per cent., in Galicia $\frac{1}{4}$ per cent., in Würtemberg $\frac{1}{2}$ per cent., in Hanover $\frac{1}{2}$ per cent., in Bavaria 1 per cent., including management and reserve fund. These, Sir, are the rates in countries in Europe, and, of course, it is naturally to be expected in New Zealand we, having to pay higher salaries,

shall have to pay more. At the same time, it seems to me there is a margin, between the rates I have quoted and what we should have to pay, of from $\frac{1}{2}$ to 1 per cent., according as to whether we pay the land-tax or the mortgagors pay the land-tax. It seems to me that there will be a sufficient margin. Of course it will be a matter for time to decide, but, looking at it now, I think there will be. I, however, think, if we are going to make this a safe scheme, we must, if we can, certainly reduce the amount of the expenses. We can reduce the expense of the District Solicitors and the Valuers. It is quite true, as the Colonial Treasurer has pointed out, that they would also do other Government business, and relieve the Government of a good deal of expense; but it is to be noted that we have it in the Bill that they are to do only Government business—that it is to be impossible for them to do any private business of their own. I think there may not be, perhaps, in some districts, sufficient Government business for them to do. At any rate, I believe it would be cheaper to employ a solicitor to do the work.

Mr. WARD.—That can be considered in Committee.

Mr. MONTGOMERY.—The Colonial Treasurer says he is prepared to consider this in Committee, and I hope he will consider it with the suggestion I am making. If the business is given to a private solicitor he can undertake to do it more cheaply, because having the Government business will attract to him other clients he would not otherwise get, and so I should think he could do it as cheaply as any one. Then, if we are to have only ten districts, it means, perhaps, that there will be only one Solicitor for Canterbury, and it would be a long way for some to go if they wanted a loan—to perhaps the centre of the district—whereas, if there was a system of employing private solicitors, a man might go to the solicitor in his district and have the business arranged there. The same thing would, to a large extent, apply to the Valuers. It seems to me unnecessary to have an official Valuer who could do no other business. And, while speaking of Valuers, I would say I hope the Colonial Treasurer will also reconsider the question of Valuers' fees in Committee. It is not necessary to have high fees, but it is necessary that the fees should pay their way. We should be able with the fees to pay the Valuers; they should be sufficient to do that, and just at that lowness, and no more. Now I come to the question which is to some extent the critical point of the Bill—namely, with regard to the amount to be advanced. We see it stated in the Bill that the amount is to be two-thirds valuation; and we have in the Financial Statement this statement: "To stipulate that these advances should only be made upon a 50-per-cent. valuation would, in my opinion, entirely neutralise any general good that the scheme is intended to confer." I fail to see how it would neutralise this general good. In nearly every country in the world in which a State bank or a *crédit foncier* has been established

it is the regular practice to have a one-half limit. I have made a list of the places where the advance is to one-half, and where it may be two-thirds, which I will read. In Poland, Galicia, Württemberg, Saxony, Hanover, and Nassau, one-half is the maximum; and there are only one or two cases I have been able to find where two-thirds value is advanced—namely, Belgium and Denmark; and in those two countries, as one knows very well, like all old-settled and old-established countries, the land is not very variable in value. We have it stated that in the Government lending departments—in the Trust Office and Government Insurance—the maximum is also one-half; and we have heard the Colonial Treasurer tell us what a very great business they have, and how much they lend out. He said that what they lend is a very considerable sum, that they had succeeded in lending on a one-half basis, and the Insurance Department had only lost about £1,000 since the present Board came into office, which appears to be a very successful result of their business. It has been said by the honourable member for Wellington Suburbs that this Bill has been taken from the Victorian Bill—a statement in which I do not agree with him, because any one who reads the two Bills will find that there is not one single clause the same. But there is one remarkable thing in the Victorian Bill, which is a Bill that is to give advances to settlers and others, called the Savings-bank Bill, and that is that the limit there proposed is one-half. If we go to the most spendthrift country in the world—the Argentine Republic—where they issue cedulas and pay 6 per cent. on them, we find it there also insisted on that the value of the land shall be double the amount of the loan. If we look at these precedents all over the world we shall find the fallacy of the Colonial Treasurer's opinion that having a limit to 50 per cent. of value would entirely neutralise any general good that the system is intended to confer. We shall find these systems have been established, and have done a great deal of good, and that the good has not been neutralised by the 50 per cent. which is insisted upon. And we have a particular position here as compared with the countries of Europe. In those countries, as I said with regard to Belgium, which have been long settled, the price of land does not vary as it does here. In New Zealand we depend so much on the frozen-meat trade, the dairy industry, and the price of wool that it is not uncommon for the land to vary one-third in value within six months. This does not happen in the old countries. There are additional uncertainties here that we should do well to guard against. Then, we know it has been the custom to advance up to two-thirds, and we know what the result has been for the last few years—that nearly every loan company and private capitalist has lost money by it, and especially so on town property. Town property is much more variable in value than country property, and if it is to be included in the Bill—and it is included in the Bill as it stands at present—I hope the Treasurer will favour-

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ably consider a proposal to reduce the maximum in the case of town property, even if he does not in the case of country mortgages.

The first thing, to my mind, for us to consider is safety. We must remember we are experimenting with the money belonging to the taxpayers, and we ought therefore to be most specially careful. We cannot think, of course, of avoiding all risk. We must take a certain amount of risk and uncertainty; otherwise it would be like saying that we must not go into the water before we learn to swim. But we must make it as safe as possible. We must make this such a Bill that the taxpayers and the House, and the country in general, will feel that there is some security in the measure being brought forward; and I venture to say, if the Bill is amended in the direction I have suggested, it will command more hearty support than when the maximum is placed as high as two-thirds. In the Financial Statement we have it stated that the first essential to the introduction of money into the colony is to give an assurance to those from whom it is obtained that their loan is safe. It is equally essential to any security of that sort, I consider, to give an assurance to the taxpayers of the country that the scheme proposed—for which they will be responsible—is safe and secure for the colony. With regard to the length of term of the loan, I find no difficulty whatever, although the senior member for Wellington City did find some. He said that for a man to take up a loan for so long as thirty-six years was not desirable; and, when I interrupted him to say that it was optional to pay it off at any time, he said if he paid it off the State would not be able to reinvest it. If, Sir, we can come to a state of things when the State is not able to reinvest money at 5 per cent, we shall have attained, to a large extent, the object the Colonial Treasurer has in bringing in the Bill, and have succeeded in reducing the rate of interest in the colony. And, with regard to reinvesting, we shall want money in other ways. We shall want it for public works, and, in fact, we shall have no difficulty in finding what to do with any money we want to invest. A word with regard to the class of security. I entirely agree with the proposal to advance this money on leasehold lands—on eternal lease and perpetual lease. The primary object of the proposal is, to my mind, to advance the settlement of the land. It is impossible to settle the land, it is impossible to settle the country, if we are not going to give advances on improvements, and it is with the object of using this Bill to help struggling settlers that this clause has been put in; and I give it my very hearty support. But I will say this: it may be a little cavilling, but if you read clause 42 it seems to want a little amendment. It says,—

"No advance on the security of leasehold lands shall be granted unless and until—

"(a.) All covenants and conditions on the lessee's part contained or implied in the lease are complied with; and

"(b.) The lessee is entitled under his lease

to compensation for all improvements made by him on the land comprised therein."

Now, I think I have never learned yet that the eternal lease has any clause about compensation at the end of 999 years. It seems to me that this clause will require a small amount of amendment in Committee. In the lease in perpetuity there is a clause with regard to improvements.

Sir R. STOUT.—How can they make improvements, when they have not got any money?

Mr. MONTGOMERY.—If they succeed in making improvements at present, without having State advances on their improvements, surely they will be in a much better position when the State will advance from time to time on the improvements they have made. Then, in connection with the class of security, we have the question of town lands. I am sorry to see town lands left in the Bill; I hope we shall be able to amend it in Committee, so that it shall be what it is intended to be—financial aid to settlers. That is what we have in the Financial Statement. We do not call "settler;" people on Lambton Quay with a large warehouse. It was not intended, in the first place, I think, to apply to town properties. I quite see there is a little difficulty with regard to town members. But the first intention of the scheme was to encourage settlement in the country by advancing money to settlers, and I think, until we have ascertained this to be a success with regard to settlers, it should be confined to these, and not introduced into the towns in any way. With regard to the land-bonds, this is quite a new matter, as has been pointed out by the senior member for Wellington City, and it is not, in my opinion, a desirable complication. It will be very difficult to raise money on them. I presume they will be for £10, £20, £100, *et cetera*, and those are not the sort of amounts which capitalists will invest their money in. They much prefer to invest it in larger amounts. Then, it is understood that these are to be payable in Wellington, and it is to be presumed, therefore, the Treasurer means to issue them in New Zealand. When we have Colonial Consols at 4 per cent., I fail to see how people will invest in land-bonds at 3½ per cent. And if you read clause 31 it says that the land-bonds shall only be sold at par:—

"No bond, debenture, or other security issued under this Part of this Act shall be sold or otherwise disposed of at a price which will yield to the purchaser thereof a higher rate of interest by the year than four pounds for every one hundred pounds of the purchase-money given for the same."

The effect of this might be that some investor in England might have a number of bonds in England, and might not be able to sell them. If the colony refused to buy them back he would have them on his hands, and be unable to realise on them. Of course, this clause can be amended; but I do not think, if they are to be sold at par, it will be possible to satisfy the

taxpayers that they are a security which will commend themselves to the English investor. Then, with regard to the money being raised for a number of years, I think it will be quite enough to start with one year at a time. It is part of the system of Parliament that every year we shall vote so much for all money to be expended within the year; and if this proposal is to be carried out we should vote it year by year. There is no satisfactory reason why we should not. It should be submitted to Parliament every year, with the whole outline of the scheme and the operations that have been carried out in former years under it, and we should have an opportunity of voting on it. We should then have the opportunity of having a voice as to whether we should increase the amount or reduce it. This is one of the privileges of Parliament that should not be lost sight of. My time is now practically done, and, in conclusion, I will say to the Colonial Treasurer that I have not made these criticisms or remarks with any desire to cavil at the scheme, or to throw cold water on it, or to damage it in any way whatever. I have done so in response to what is stated in the Financial Statement, where it says, "I ask honourable members, as they have the welfare of the country at heart, when the Bill is before the House for their consideration, to assist in making it, where necessary, a better Bill, and to bring about that which is so necessary to the well-being of the colony." It is on this invitation that I have made the remarks I have made and the criticisms the House has just heard. I support the second reading of this Bill, fully believing that the scheme is a beneficial one, which is much needed. If it can be carried out and made self-supporting, and if it succeeds, it will be a great boon to farmers and country settlers all over New Zealand. And I have criticized it with the desire, and the sole desire, to make the scheme as safe as possible, in the one hope that some of the suggestions I have made may be favourably considered by the Colonial Treasurer when the Bill gets into Committee.

40. Mr. DUTHIE.—Sir, in the Financial Statement, and when introducing this scheme, the Colonial Treasurer drew attention to the high and increasing rate of interest in the colony; and the other night, in his speech, he also drew attention to the fact that at the present time there is a plethora of money in the English market, that the rates of interest are lower there than he had ever known them before. Well, he so admitted the fact that the rates of interest have recently advanced in this colony; and I think that, before embarking upon a large financial scheme such as this, the Government ought to determine why it is that the rates of interest, which had been decreasing from year to year in the colony, are now again advancing. For instance, about twenty years ago 10 per cent. was the current rate of interest in the colony; but it has been gradually falling, until, say, about four years ago, when those honourable gentlemen came into office. Mortgages

were then freely taken at 5½, 6, and 6½ per cent. Those were the highest rates then prevailing; but there is now no denying the fact that the rates of interest have since advanced, and you cannot borrow in any sum and on the best security at 5½ in the colony to-day. I suppose that, upon the average, there has been an advance of ½ per cent., notwithstanding the fact that money is cheaper than ever in the English market. There can be little doubt but that the cause of this is the legislative measures introduced by this Government, and which have given rise to a feeling of insecurity on the part of investors and capitalists. As an instance of the effect of legislation on rates of interest, I mentioned to the House a few weeks ago the case of a Wellington merchant who recently visited Edinburgh, and, being a member of an influential firm, met a representative body of capitalists in that city, with a view to arranging for money for investment. With them he found the lower rates of interest proposed no bar to business, but the liability to our mortgage-tax, from which there is no escape, was a formidable obstacle. Our law provides that the mortgagee alone must pay this tax; and the meeting would not agree to lend in a distant colony, subject to what might be made at any time a penal tax; and hence in practice a higher rate of interest has now to be paid on money so borrowed to cover this risk, and so to the loss of our settlers. Then, the Treasurer says that renewals of mortgages are difficult; but I do not think that is the case. For mortgages falling due, I think, if there is anything like good security, money is available; but property has generally depreciated, and, consequently, further security may now be demanded. Still, in the true interests of the colony, it would be best if we were to repeal this Act, and admit the error we then made of interfering between capitalists and mortgagors. That is the true course we ought to adopt; but I suppose it is useless to urge it. Before proceeding to examine this scheme, it is assumed as a basis that we are going to borrow this money at 3½ and at par. As pointed out by the honourable member for Wellington Suburbs, when the Bank of New Zealand guaranteed debentures were put on the market a few weeks ago they fetched very little over par at 4 per cent.; and it is therefore well that we should not deceive ourselves, or be led to adopt such a scheme, because there is a plethora of money in the market. All our experience points to the impossibility of placing a loan in London, however favourable the market, to yield anything like par for even 3½ inscribed stock. It is true we see in the telegrams that our 3½-per-centa are quoted at a large advance upon par.

An Hon. MEMBER.—They are going down now.

Mr. DUTHIE.—Not so, taking the cable quotations given last night: but I say they are very misleading, and that quotation is altogether insufficient to justify this House in adopting a departure of this sort. Really the cable quotations are very misleading, because,

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if we take the most recent returns, we find that in January £60,000 was converted at 96 and 96½, and in February we converted the sum of £10,000 at 98½. These are not large transactions, but they are the most recent, and, comparing the rates with the quotations of even dates, it is evident our conversions are effected at ½ to 1 per cent. below the exchange quotations as reported in the *Economist*. Then, if we turn to the latest London papers of the 4th and 6th August, by them our 3½-per-cent. debentures are under par, varying from 99½ to 99¾; and it is absurd to base this gigantic scheme on unreliable quotations, inflated or otherwise by the tricks of the Exchange: we must take the test of our own experience, which clearly proves that money could not be raised at rates at all approaching the Treasurer's estimate. Of course, our debentures rise and fall with the market and the accrued interest. Inscribed stock with three or four months' interest upon it will be worth 1 to 1½ per cent. more, but when July comes round and interest is paid it goes down to face-value, and we should have to sell any new loan at face-value. Then, we have the fact that this colony has spent £360,000 as the incidental costs of effecting past conversions. It costs 1½ per cent. to place a loan on the London market; therefore that amount has to be deducted from the net proceeds of the loan. Then, in going to the London market as borrowers, we must look for a sharp decline in the value of our stock, and it will be a very favourable thing indeed if we should net for such a loan £96 10s.; therefore we are probably starting with a loss of £35,000 on every million. Then, if we examine this Bill, it is proposed to approach the London market under very odd conditions. Agents are to be appointed who may issue in any form—in bond, scrip, debentures, or inscribed stock—and privately without public tender, and provision is made for conversion of any of these into inscribed stock. If we were to go to the London market and invite tenders for the loan, we should surely place it on more advantageous terms than can be obtained while so smuggling a loan on the market. I think it shows a want of confidence on the part of the Colonial Treasurer in not approaching the London market boldly and in not so securing the market-value of his stock. Evidently he is without confidence, and therefore he goes to work in this roundabout way. Another feature of the Bill is the land-bonds. It is a pity to complicate our finance by this new departure. The Treasurer made a confession recommending this new bond, since it would not appear in the return of our public debt. It is very humiliating to confess to such an object. Our public debt ought to be fully set forth, and we ought not to be afraid to place it before the world. Then, there is the question of land-tax. Evidently it is intended that we are to lose that: it is to be given as a contribution from the public purse to promote this fancy scheme. It is worthy of consideration what is the extent of the benefit from this new departure. At the outside, on the rates prevailing for good mortgages—

namely, from 6 to 7, or, say, an average of 6½—the utmost saving on a million is £15,000 per annum. That is the full amount to be saved, and I do not think the advantage is so great as to warrant us in this plunging departure. The present total is not large, and neither are we to expect that the rates of interest will be maintained. In spite of the insecurity that obtains in this country now, in time things will settle down, when rates of interest will gradually drop, for there is no good reason why sound investments should run 2½ per cent. higher in the colony than in England. The decline has been very rapid in recent years, and within a short time lower rates will prevail if Government would only let matters alone. Then, we have provision for a sinking fund. Seeing the manner in which the Treasurer has exploited the accumulated sinking funds, it seems extraordinary to find him providing the like. Surely this is scarce worth while, seeing we now provide no sinking fund for our public debt. If, however, this is to be the investment, the sinking fund is scarcely satisfactory. It is to be passed over to the Superintendent, who, I suppose, is to be the Public Trustee; but there are no sufficiently stringent provisions as to its investment and custody. Perhaps this was not thought necessary, as it will the more easily enable the Colonial Treasurer to repeat recent experience, and, when colonial necessities arise, to appropriate the fund. The Treasurer says, if he succeeds in this scheme, private money-lenders will have to reduce their rates of interest. Well, that may be; but, as I have sought to show, the rates would fall in any case, and it only goes to show that there is not a need for this scheme. I take objection to this period of thirty-six and a half years. It is not at all adapted to the needs of the country. It is simply a fancy of the Colonial Treasurer's, arising out of the accumulation of 1 per cent. invested at 5 per cent., but otherwise an entirely unsuitable term. No man who wants to borrow money wants to borrow it for such a length of time. He does not want to borrow for a longer term of years than he sees need for. No man wants to pledge his property for a term of thirty-six years and a half, and I do not think this feature would be at all acceptable to the country settlers. If this scheme is to be extended to town properties, I would remind the Treasurer that the life of a wooden house is not thirty-six years and a half—twenty or twenty-five years is about the life of a wooden house; and I think the proposal to advance money upon this kind of property is out of place. Next, the proposal is to advance up to two-thirds of the value. That, to my mind, is a very unsafe proposal indeed, especially in the case of a Government department. It proves nothing to point to the fact that the Insurance Department has made a very small loss, or that the Trust Office has made still less loss, by only lending up to 50-per-cent. value. It is all the difference between 50 per cent. and two-thirds. Then, while the Treasurer tells us how small the loss is that these departments have incurred, he forgets to

say that the securities have not been realised; and until these are realised it is impossible to say what the losses will be. I gather also that this is to be a joint Board, the same as that connected with the other Government lending departments. It is to be the same Board, but, if the other departments lend only up to a 50-per-cent. value, then the result will be that the more risky securities will be passed over to this new department, and this department will get a smaller share of what are really good securities. I think that in this matter the greatest care and personal experience will have to be brought into play by the Board. Valuers are often misled with regard to the real worth of properties in their own special locality, and often lose sight of the productive capacity of land, and so make excessive valuations. It requires a great deal of knowledge on the part of the Board to act as a check against excessive valuation, and I do not think it is at all safe that a Board whose members have no special experience should advance up to a proportion of two-thirds: to do so must create a probability of incurring a very serious loss. Then, there is this matter to be considered if this scheme becomes law: There will be a great amount of clerical work required to be done, for which there is no provision made in the Bill. We are told that the officers of the various departments have to give their services to the work of this department; but I would point out that, even with regard to the Solicitors themselves, a certain amount of clerical assistance will be required, and there is no provision at all made for that. The Treasurer made a slip of something over £8,000 in his estimate of the revenue in the conveyancing department. This loss has to be made good, and I suppose it will be taken out of the general expenses. However, to me there next comes one of the most important features of this Bill. It is strongly and eloquently recommended by the Treasurer that the main reason for the scheme is that settlers who are desirous of developing their farms but who have not the wherewithal to do it should receive assistance from this Board; and, alluding to the more impecunious class of settlers, he says, "It is the business of the colony to devise means to enable them to carry out these improvements." It is that appeal to do a generous action that largely commends this Bill to this House; it is that desire to assist these people that brings a large amount of sympathy towards this Bill; but I cannot see how this Bill could be strained to assist such people. I presume the Board must act strictly within the lines of the Act, and I cannot see how they are, under the Act, to give help to that class of people. They are strictly tied down to the fact that the Valuer must certify there is that value in the property; he cannot value improvements that are still to be effected. He must certify to the Board that the value is existent on the property before the loans are advanced. The Board have no souls of compassion; they have to comply with the Act. They cannot lend

Mr. Duthie

to the class of settlers contemplated; and how are they to assist leaseholders? How can you strain the Act in any way to enable the Board to advance money to those who have no wherewithal to effect improvements on their property? The value must be existent before the money is advanced, and therefore no assistance can be rendered to this class of farmers under this Bill. Then, what is the good of passing this Bill? It is utterly impracticable for the professed purpose. That being the case, they can only lend to the well-to-do class. Why are we called upon to give assistance to well-to-do people? They do not call for any exceptional assistance. You might as well advance to manufacturers. There are several small manufacturers who are in great want of money to enable them to increase their plant and to enable them to give more employment. But you propose to give this assistance to people who are well-to-do already, and who have no need of assistance. We find, for instance, that the farmer-class are nowadays not content to confine themselves to farming and managing their land. Starting at Gisborne, throughout Napier and Taranaki, and along the whole Wellington Provincial District we have farmers' co-operative associations in full swing. They embark largely in trade, and do export and import business for themselves. This is the same in Canterbury; and all the way down to Invercargill these co-operative associations are well established. Under this Bill these well-to-do farmers will get money at 5 per cent., and, instead of employing it in the improvement of their land, they will be enabled to put it in their co-operative societies, relieving that section of traders from high overdraft rates. We are simply finding under this Bill capital for a well-to-do class, who can very well afford to do without it, and to enable them to embark in occupations and pursuits outside of farming altogether; and the class of men we have in our minds will not get assistance under this Bill. If one had time to go through the Bill, it is very loosely drawn, and bristles with absurdities that can be better dealt with in Committee—if it gets there. I think the Bill is uncalled-for. It may be a suitable Bill for electioneering purposes, but it is a most dangerous departure—perhaps the most dangerous Bill that has been before the House. If we bring it into operation I am sure that heavy financial loss will accrue to the colony before many years are over. The Bill is impracticable and quite uncalled-for. I hope the Treasurer will withdraw it, and put it into the pigeonhole with that cheap-postage scheme of his, and let them lie together as monuments of the honourable gentleman. I do not think the Bill should be passed by this House.

Mr. HOGG.—The last speaker has referred to this Bill as a measure that is quite uncalled-for. My reply to that is that I believe no measure was put before the country during the last general election that met with a heartier response, especially from the country settlers, than the Bill now presented for consideration. Then, he says that it is not likely

to give the anticipated amount of relief to settlers, because the amount of interest chargeable under this Bill is only 1 or 2 per cent. under the amount of interest that settlers can obtain money for now. My reply to that is that this margin of 1 or 2 per cent. very frequently means the difference between the profit or the loss in farm property, and that it is of the utmost importance to farmers to be on the right side of the ledger, instead of being on the wrong side, as they now frequently are through borrowing money from the banks or from private money-lenders. The question, I admit, is a very large one, and one of such importance as to need a great deal of consideration. So far, I think, the Bill has been treated with great consideration by the members of this House who have spoken in regard to it. On the whole, I think the Colonial Treasurer has no reason to be otherwise than thoroughly satisfied with the description of criticism which this Bill has received. The honourable member for Chalmers, it is true, damned the Bill with faint praise. But it must be remembered that that honourable gentleman is not representing a community of farmers, but, rather, a seaside port, where there are few land-settlers. If this Bill is carried out in the manner intended it is not likely to give a vast amount of relief to the people of Port Chalmers, any more than it is intended to give much relief to the large towns. The principal objection which he raised to the Bill is this: that the amount of money that will be advanced to settlers under the Bill is altogether too limited. He thinks that, instead of a limit of £5,000, people who desire to borrow should be able under this Bill to get £30,000 or £40,000. Well, my reply to that is this: that I think an honourable gentleman holding those views would be much better in the position of a director of a bank than in that of a representative of the people. He is evidently the friend of the monopolist; and I would remind him that people who want such a sum as £30,000 or £40,000 to invest in land are not the class of settlers that ought to be assisted by the Government of the country. They belong, in my opinion, to the class called land-jobbers; and these big land-jobbers are perfectly well able to protect themselves in regard to interest. He says this Bill would drive capital out of the country by depleting the financial institutions of the colony, and he argues that if that is the case there will be very little money left for manufacturers to borrow, and that the result will be that we shall be having wages reduced.

430. Well, Sir, I apprehend that if this Bill relieves our financial institutions of the necessity for advancing money to a large number of country settlers it will on that account leave so much more for the advantage and benefit of the manufacturers and the residents in our big towns. So far from driving money away, it will drive money into the pockets of those manufacturers in our towns who so badly require it; and, so far from the effect being to lower wages, it is likely to have

a contrary effect entirely, by producing more employment, not only in the country, but in the towns as well. The honourable member for Wellington City (Sir R. Stout) accuses those on the Treasury benches and on this side of the House of not criticizing the Bill in the way that he expected. Well, I do not know what sort of criticism the honourable gentleman expects from the mouths of those he terms dumb dogs, because dumb dogs are not in the habit of barking nor yet of howling. So far as that is concerned, I think we can leave the barking and howling to the honourable member who brings this accusation against the Liberal party. We know that during the present session every policy measure brought in by the Government has had much the same effect upon the honourable gentleman as a new moon has upon a dog: he has been wont to bay at it most dismally. He says, also, that this measure is not likely to give any aid to the manufacturers. Well, Sir, it was never intended that this Bill should aid the manufacturers; but I would point out that the class this Bill is required to aid at the present time is the new settlers, who are building up New Zealand—settlers of the bush particularly. If it assists in settling our lands, in developing our agricultural and pastoral resources, then the manufacturers in our towns are destined to receive very material aid; because it is absolutely impossible for the country to be placed in a satisfactory position, and for the settlers to improve their condition, without the manufacturers and the artisans in the towns also benefiting commensurately. The honourable member for Patea the other evening remarked that, owing to the Government policy, capital had been hardening, and that those who were supporting this Bill admitted that the doleful prophets of the other side had really been right. But, Sir, I would ask the question, whether of late capital has not been softening rather than hardening—whether the glacier has not been melting, and whether the snow has not been distilling. I am assured—and I have my information from very good sources—that since this cheap-money scheme has been initiated—since the last general election, when this cheap-money scheme was indicated, and, more recently, since the Government intimated through the medium of the Financial Statement that they intended to bring a Bill of this character before the House—money has been softening very materially, and instead of the rates of interest going up they have been coming down.

Mr. BELL.—No; you are quite wrong.

Mr. HOGG.—Well, a gentleman in this town—I can give his name if necessary—an architect in Wellington, whom the honourable member who is challenging my statement knows well, has given me the information I am now offering to the House. He states that a few months ago it was absolutely impossible to get money advanced on land and property that you can now get money freely advanced upon. If necessary, I will furnish the honourable gentleman with the name of my autho-

riety. I am not making the statement at hazard.

Mr. BELL.—I did not accuse the honourable gentleman of doing so.

Mr. HOGG.—The honourable member for Wellington Suburbs found fault with the Bill because he says it is a Victorian scheme. All I can say to that is that I do not care from what country it has been borrowed, providing the photograph is a good one, and that the measure is calculated to benefit the people of the colony. Then, he finds fault with it again because everything it is going to create will be brand-new: Brand-new Solicitors, brand-new Valuers, and so forth. I would remind the honourable gentleman that there is nothing really new under the sun, and that the honourable gentleman himself, despite his name, Dr. Newman, is not altogether new, because I do not think he was born yesterday. That is a poor kind of fault to find in the Bill. Then, he referred felicitously to what happened when the Government of the Argentine Republic brought forward a scheme of this character. Now, Sir, I think the Argentine bogey is somewhat far-fetched. This is not an Argentine Republic, and our circumstances are entirely different from the circumstances that prevailed in South America when the Argentine bubble was burst a few years ago. He says this is a Bill that is intended to smash the lawyers and break the banks. Well, all I can say is this: that, through the medium of this Bill and measures of this character, we are endeavouring to make both institutions as honest as possible, by confining them to their legitimate occupations. The honourable member for Hawke's Bay, like the honourable member for Wellington City (Sir R. Stout), accuses members on this side of the House of extreme reticence, of being very silent, of not defending the Bill in the way we should. All I can say is, we are keeping our powder dry; there is a splendid reserve behind us in the shape of the country. I believe no measure has been watched with greater interest throughout New Zealand than the Bill now before the House, and it is one which I sincerely hope will, before the session expires, be passed into law. If it is not, it will be a very severe disappointment indeed to the settlers of New Zealand. Well, let us look at the Bill for a moment, and let us inquire how it originated, and what are its merits. The great object of the Bill is to give relief to the settlers of New Zealand. It originated, I believe, in a deputation of members of this House, and one of a very large character, which met Ministers about twelve months ago, and demanded this: that the Government should extend the same facilities to leaseholders of the Crown for borrowing money from the trust funds of the State as are extended to the freeholders. I may say that I took an active part, urged by my constituents, or a portion of them at least, in getting this deputation to wait on Ministers. Now, the reason for the application being made to the Government was this: that from the time when the Land Act of 1892 was passed, an Act which created a large num-

ber of new leaseholders,—that is, leaseholders under the lease in perpetuity,—it was found that capitalists and bankers and money-lenders buttoned up their pockets and absolutely refused, on any terms whatever, to advance money to these leaseholders. My argument was that, inasmuch as freeholders could obtain advances from private money-lenders, the Government should confine themselves as much as possible to giving a similar advantage to leaseholders. The reply received on that occasion was that the Government were not in a position to make these advances, but possibly next session steps would be taken in that direction, and it would be necessary to pass a Bill for that express purpose. From that time I have looked to the Government to redeem their promise, and I am glad to see they are endeavouring to redeem it in an exceedingly handsome manner. And, Sir, if this is the outcome, all I can say is that, if the private money-lender is likely to suffer through the Government entering into competition in his particular line of business, he is to blame for it. It was because he hardened capital to such an extent that the Government leaseholders could not get a shilling of advance made on their improvements, and were driven by sheer necessity to urge their representatives in this House to bring the position in which they were placed before the Government of the country, that the Government of the country have nobly responded to the demand that, with their trust funds and otherwise, they should come to their relief. Well, Sir, I am free to add that this measure, in my opinion, appears to be somewhat ambitious. I should have been much pleased indeed had it been of a less ambitious character. I will go further and admit that if the scheme were less ambitious it would please me much better, because there is an old saying that it is dangerous to play with sharp-edged tools, and in the present financial position of New Zealand it is somewhat dangerous to play with millions; they are very sharp-edged weapons. All that I anticipated at the hands of the Government when this deputation waited upon them was this: that they would assist, or take means for assisting, the class of settlers whose necessities are undoubted. I refer to those men who have been going into the bush, many of them without capital—men with wives and families to support, whose only capital consists in the ability to labour, and who, while knocking down the bush and bringing their land gradually into a condition of reproductiveness, have family responsibilities to face. Those men must either go into debt or they must receive assistance. "While the grass is growing," it is said, "the steed starves"; and, in the same way, while the grass is growing the settler, or his family at all events, may be starving. These are the men who, unless assistance is afforded, must inevitably, many of them at any rate, go to the wall; and my anticipation was that a Bill would be brought forward to enable the Government, through their trust funds or otherwise, to assist this class of deserving

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settlers. Now, the limit of £5,000, instead of being too small, in my opinion is far too large. I should like the limit to be fixed at something like £500, or, at the most, about £1,000, and I do not think we should go beyond that. I believe the class of settlers who require advances of £2,000, £3,000, or £5,000 are perfectly well able to get the money they want. Most of them need not consult the money-lender in New Zealand at all, because they can afford to go abroad for it. The class of settlers I should like to see assisted by means of the Bill are the small men who are entering upon the land, and who are making improvements not merely for themselves but for the colony, and improvements which will last for all time. That is the class of men that commends itself to our sympathy, and needs our assistance, and that is the class which I should like to see assisted through the scheme contained in a Bill of this character. Now, if advances were restricted in that way, I do not think it would be necessary to borrow anything like the amount of money contemplated by this measure. In all probability, instead of a million and a half, half a million would be quite sufficient with which to try the experiment. I have no doubt as to what an experiment of this kind would produce. It would result in this: It would secure a measure of prosperity for New Zealand such as has not been witnessed for years. Small as half a million is, I say if we scatter it among the class of settlers I refer to, and if we abstain from assisting those who speculate either in land or anything else—instead of assisting men who require from £2,000 to £5,000, if we leave them to get the assistance they require either from banks or other private sources—I say by advancing half a million of money to our small settlers we shall materially assist the process of settlement—by placing money at the disposal of men who have their families on the land, and who will in time add very materially to the productiveness of the country—that is, if the Bill is used in the manner I have suggested. I am not disagreeing with the Bill; on the contrary, I say a better measure, or one more calculated to develop materially the resources of the colony, has never been brought forward in this or any other country; but I believe if we amend it in the way I suggest we shall be opening up a vista to our bush-settlers, especially the small settlers, who must be regarded as the great hope of New Zealand in the future. We shall not be advancing this money in the interest of speculators in land or anything else, but we shall be assisting men who are trying to make homes for themselves and their families. We have at the present time in our large centres men with families in a pitiable condition, who have to go begging for work from time to time, and if we place these men upon the land under the liberal conditions contained in our Land Act, as we are now endeavouring to do, we must also place them in the position of making homes for themselves by granting them the needed assistance of capital. When a man goes on the land, especially bush-land, without

his axe or bill-hook, what can he do? Nothing whatever. And, in the same way, a working-man who goes there without capital is in the same position as a man who goes to work without the tools of his trade. He has no means of making capital or earning money, and he is reduced in a short time to a thoroughly helpless condition. It is necessary that the Government, or some one else, should come to his rescue. I do not wish to see our bush-settlers treated in the way some of our farmers have been treated in former times. I refer to the men who have been wasting the best part of their lives making profits out of the land not for themselves but for others. They have been working the land well, making it thoroughly reproductive; but, all this time, what position have they been in? They have been slaves to the capitalists and usurers. They have been obliged to pay heavy legal fees for mortgages, and so on. Their names have been published in the mercantile gazettes, as though they were bankrupt, or men dishonest and not to be trusted.

An Hon. MEMBER.—No.

Mr. HOGG.—That is a fact, though gentlemen of the legal profession may not like these facts. If a farmer, as he often does, obtains a loan on his wool or stock, his name is published in these papers, and he is proclaimed amongst his creditors and the commercial community as if he were a dishonest man, or a man who was contemplating bankruptcy because he cannot pay his way. These men are in a most invidious position. They are subjected to heavy fees and rates of interest, which can hardly be kept up, and levied by those whom I cannot call by any other name than usurers or the agents of usurers. I do not wish to see these new bush-settlers placed in that position, therefore I hope this Bill will be the means of saving them from these heavy costs, and of enabling them to obtain what they require in the shape of capital at a reasonable rate, such as they can afford to pay. Sir, I may point out this: that a Royal Commission on Agriculture in England has lately been dealing with the position of the farmers there, and has been endeavouring to get at the root of the disease that has afflicted agriculture in that country; and here is some of the evidence that has recently been taken. On the 23rd April last, I find, a statement was made to that Commission by Sir Massey Lopez, the owner of nine thousand acres in South Devon, and whose land is divided into farms of from fifty to one hundred and fifty acres. Speaking on this subject, he states in his evidence that, "of the remedies suggested, he thought the granting of State loans at low rates of interest would give relief to farmers and their labourers, enabling them to erect cottages and make the necessary improvements." Then, another authority—Mr. Rolandson, land-agent at Dartington—suggested that State loans should be promoted for the benefit of the farmers there. Now, this is the opinion of high authorities in England, and I say that if that method is recommended there it should be adopted here.

What we require to do is to liberate capital. We require to have our waste lands improved; and if we are going to help settlement we must be prepared to come forward and assist the settler, and especially the bush-settler, in the time of his necessity. I have pointed out already that it is as necessary to the young settler in New Zealand as the implements of his trade—as his axe and billhook—that we should advance money on his improvements. If the State comes forward at this critical time it will give nerve to his arm, and will set in motion the whole of that machinery which is almost stagnant in the country. I am speaking, Sir, on behalf of a large constituency not very many miles from Wellington, where there are a great number of new settlers ready and willing to work the land if they only get a little assistance—where there are already creameries and butter-factories, and where settlement is making very rapid progress. I am bound to say that some such scheme as this would be the salvation of the country. But I should like to see it a little less elaborate; I should like to see the amount of money to be borrowed somewhat circumscribed. However, that is a matter of detail, and does not affect the principle of the measure, for I believe that no better measure for the benefit of young settlers has yet been promoted by any Government.

Mr. BUICK.—Sir, I only propose to occupy a very few minutes in discussing this question, because I do not profess to be a financier in the sense that many other members are who have spoken on the subject. My only object in speaking on the Bill at all is to give the Colonial Treasurer an idea of what I think on the subject. I quite agree with the preamble of this Bill when it states that the time has arrived when lower rates of interest should prevail in this colony. We have seen during the last few years that prices for agricultural produce have been very low. Seasons have been bad, and, unless something is done in the direction of easing the money-market and reducing the ruling rates of interest, I am very much afraid the wages of the working-people will suffer. I believe, therefore, that the scheme which the Government has outlined in this Bill is a scheme which shows an honest endeavour and intention of meeting that difficulty. However, while agreeing with the main principle of the thing, I may say that I disagree with a large majority of the details of the scheme. The details as they are set forth in this Bill are essentially different from those set forth in the Financial Statement, and the Bill we are now discussing is an almost entirely different scheme from that which we anticipated when we were speaking on the Budget. As I understood the scheme in the Budget, this money was only to be lent on freehold lands. Under this scheme it seems that it is to be lent on leasehold lands, and not only upon agricultural lands, but also upon town lands. The money was to be borrowed at $3\frac{1}{2}$ per cent., and it was to be lent at 5 per cent., according to the Financial Statement. Under this proposal it may be

borrowed at 4 per cent., and it is to be lent at 6 per cent.

Mr. WARD.—That is not so. There is the sinking fund.

Mr. BUICK.—Well, 6 per cent. has to be paid. Under this proposal it seems to me that any one who has security to offer—and it is not confined to agricultural land—can obtain these loans. That I perfectly agree with, for I see no reason why this should be made a class benefit at all. I rather, therefore, approve of that phase of the question. It also seems to me that the whole of the fees and expenses are to be paid by the borrower; while under the proposal as embodied in the Financial Statement I understood that the difference of $1\frac{1}{2}$ per cent. between the borrowing and lending rates would cover all expenses. On account of these differences, I cannot see that any one, having promised support to the scheme absolutely when speaking on the Financial Statement, can in any way be held to be bound to support this Bill. What we have to see is, whether these changes will beneficially affect the scheme as now proposed by the Treasurer or not. As I have already stated, Sir, the scheme proposes to lend money on leasehold property. That I do not agree with. It appears to me that it is rather risky to lend sums of money merely upon improvements, and, if it be intended to lend money to settlers occupying leasehold lands, I fail to see how this measure will accomplish any good object, because it is those settlers who are now starting without any capital at all who really require this assistance, and this Bill does not propose to give it to them until they have satisfied the terms of their lease, and then it might be too late. The rates of interest being fixed as they are will, I believe, reduce the usefulness of this scheme, because any one who has a reasonable amount of security to mortgage can at the present time obtain money at as low a rate as will be granted under this Bill. I have already approved the principle of lending money to anybody who has the required amount of security, not merely to farmers, but I entirely disagree with the proposal to lend up to £5,000. What I say is this: that any one who has five thousand pounds' worth of security can at the present time get his money at as low a rate as he can under this Bill. It was never anticipated by this House that any such proposal should be made—at all events, I do not agree to that proposal. Speaking of the question generally, this is one of those things which, to my mind, depend entirely upon administration. The principle of borrowing money at a low rate of interest and lending it out to settlers at a little higher rate of interest is one which no one can take any very great exception to, but that principle might lead this colony into an enormous amount of difficulty through faulty administration. Where

50. I think the weakness in the administration will come in is through giving the Board power to lend to as high as two-thirds of the valuation. The argument of the Colonial Treasurer on this point, that unless we lend up to two-thirds of the valuation the

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colony will lose securities, is to my mind not at all a good one, because from that I anticipate he is going to make this a money-making affair, and that the colony is going to run after this money-lending business. I take it that the position is this: The colony says, "We are prepared to lend settlers money on certain conditions." Those who want it should come to us, and the colony should not run after them. Therefore, when the Bill is in Committee, if an amendment is proposed to reduce the amount of lending-power to merely one-half, I shall be prepared to support that. I rather approve of the *personnel* of the Board which is mentioned in the Bill, as being a good Board; but, at the same time, I should have been glad had something more definite been stated as to who the President of the Board is to be. I should like to know whether he is or is not to be an official at the present time in the Civil Service. I should certainly approve of somebody in the Civil Service being appointed to this position, and do not think it should be a position which should be open to any outsider. Upon this head, I rather think the Government are inconsistent. I do not see, from their point of view, why that Board is necessary at all, because, if Parliament is capable of governing fifteen millions' worth of railways, surely it ought to be capable of governing a million and a half of loans. However, the advantages which I see are to be gained by the settlers from this Bill are simply these: The terms upon which they obtain their loans are much easier than those which they can get from private lenders: that is to say, the rates of interest are comparatively low, and they have opportunities of paying off their loans in very small sums. That, I think, is an immense advantage, because a borrower may often have £5 or £10 put away when he would not have £20 or £50; and in that way he will have an opportunity of gradually reducing his loan. The expenses which are attached to these loans are also small. Therefore large sums would not be swallowed up in lawyers' expenses, as they are at the present time. Briefly recapitulating, I object to leaseholders being included in this measure. I object, also, to power being taken to raise money at 4 per cent. If it cannot be raised at a lower percentage than that, then I think it ought not to be raised at all. I object, also, to the Board having power to lend up to an amount as high as £5,000. I also object to the two-thirds valuation, and I approve of one-half valuation as being sufficient to lend up to. I also think that the House ought to have power to vote the money required for loans every year, and that we ought not to be called upon to grant the whole amount in one sum, as we are doing now. However, most of my objections are Committee objections. Just by way of conclusion, I would merely again remind the Treasurer that I approve of a measure of this kind; and, if he will confine this measure to freeholders, with a 50-per-cent. valuation, and provide that no sum lent shall be higher than £500, and that the money shall not be borrowed at a higher rate

than 3½ per cent., I shall have much pleasure in supporting the measure. Those are the directions in which I shall vote in Committee; and then I shall have to consider what position I shall take up on the third reading of the Bill if these amendments are not carried.

Mr. WILLIS.—I listened with some surprise to the remarks which fell from the honourable member for Wairau. He said he would agree to this Bill if the leaseholders were left out, and if the benefits of the measure were confined entirely to freeholders. I say the case should be reversed. It is the leaseholders that I, for one, would like to see assisted. I was one of a deputation who waited on the Minister last session and urged that a measure should be brought forward to give assistance to the struggling settlers who were taking up land from the Government, and who, when they have made their small improvements, find their funds exhausted, and are not in a position to continue their work. That is the class which I wish to see assisted, and that is the class which the honourable member for Wairau says he would be sorry to see assisted.

Mr. BUICK.—Not sorry.

Mr. WILLIS.—Well, the honourable gentleman says that is the class he is not prepared to see assisted. Provision is made in this Bill that lessees shall only obtain one-half, in contradistinction to the two-thirds which can be obtained upon freehold. I think the same concession should be made to holders of Government leases. My reason for this is that the Government themselves hold the security, and they can take proper provision to see, before the money is advanced, that the improvements have been made. In one of the clauses it is stated money is not to be advanced to these settlers before the whole of their improvements are carried out. By the time the improvements are effected I should say that those settlers would not require much assistance from the Government, as they would have overcome most of their difficulties. I listened with very great pleasure indeed to the remarks of the honourable member for Masterton. I may say that he expressed to a very large extent the views which I hold. I do not agree with the large sum of money that is proposed to be borrowed now. I do not agree with the large sums up to £5,000 which are to be lent. I think we should commence with smaller amounts, and find out how the system answers, before we borrow large sums of money which are to be advanced to settlers who, I am quite satisfied, will not require the money the same as the small settlers do. If the amount had been made smaller I think it would have given more satisfaction to the House. It seems as if we were going too far, without due reflection as to what we are doing, and therefore I hope an alteration will be made in Committee as to the amount that is to be borrowed for the purpose of making these advances. I am satisfied, myself, that the scheme in the main is a good one, but I think it will require a very large amount of consideration in Committee before the measure is finally passed.

The lessees are those in whom I am most interested; it is the struggling settler whom I want to see put on his feet; and if this system is carried out of assisting this class of people I am quite satisfied much benefit will be conferred on these men, and that the colony as a whole will also be benefited.

Mr. MEREDITH.—In common with the honourable member for Wanganui, I have to express my surprise at the attitude taken up on the question of cheap money to settlers by my honourable friend the member for Wairau. That honourable gentleman represents a large number of small struggling settlers. I thought that his sympathy would have been with those struggling settlers. I thought, in common with myself, he would have been too happy to assist the Government to enable these settlers to have the benefit of the provisions of this Bill. I look upon the Bill as a very good one, and I am prepared to support it, because I believe it will afford relief to a class of settlers who are entitled to every consideration at the hands of the Government. I believe the money lent out will bring about a state of prosperity in the country such as we have not witnessed for years. I must compliment the Colonial Treasurer on the speech he made on the second reading of the Bill. That speech was of such a nature that there cannot be any misunderstanding on the part of the country respecting the provisions of the Bill. So far, the criticism on the Bill has been harmless. Indeed the criticism, if carefully analysed, amounts to very little. During the second session of 1891 I brought under the notice of the House the question of lending cheap money to struggling settlers. The late Mr. Ballance gave me a favourable answer. The idea then in Mr. Ballance's mind was that a scheme of this kind, or something like it, should be submitted to the House for its consideration. I am pleased to notice that the idea of the late Mr. Ballance is being worked out in this Bill. In this respect the mantle of Elijah has fallen on Elisha. Honourable members are aware that a very small margin of profit has been made out of agricultural farming for the last eight or ten years, and much less during the past three years, and, instead of a margin of profit during the past year, there has been a loss to the producer. The price of grain has fallen so low that there is very little encouragement for farmers. When wheat was bringing 5s. a bushel persons paid 7 per cent. for their mortgages; and now, although the price of wheat has fallen to 2s., they pay about the same percentage for the use of money. Although the price of all kinds of produce has depreciated, the interest upon mortgages has not gone down in the same proportion. No doubt, Sir, this measure must of necessity receive opposition—opposition in the House and opposition out of the House. It will receive opposition in consequence of the provisions of the Bill, because, if this Bill is carried into effect, it will take away to a large extent the occupation of a section of the community. It will interfere with gentlemen of the legal profession in the execution of deeds, mort-

gages, and so forth; it will interfere with the lenders of money at 10 and 20 per cent.; it will interfere with land-dealers; and, consequently, of necessity, a number of persons will be affected by the provisions of this Bill so as to excite a considerable amount of opposition. If the provisions of this Bill will have a tendency in the direction of bringing down the interest on money it will effect a great deal of good. The Bill itself is calculated to do that, but the indirect influences of the Bill are calculated to effect a great deal of good. Now, Sir, it has been pointed out by some honourable members that this Bill is likely to interfere with private enterprise. Well, I believe it will interfere with private enterprise, and I think it is a proper thing that this Bill should interfere with private enterprise. The rates of interest that have been charged in some instances for money accommodation have been of a most usurious and exorbitant nature. I have had a number of communications from my constituents, who feel interested very largely in this measure; and I will point out one or two bad cases of fleecing the innocents. A struggling settler in the Canterbury Province, some fifteen or eighteen months ago, wanted accommodation to the extent of £100. He applied to the Christchurch Finance Company. The security he was willing to offer was an acceptance backed by a substantial settler, and therefore the security was undoubted. The Finance Company was quite willing to advance the money on these conditions: He was to pay at the rate of 10 per cent. per annum. He signed a bill in the first place for £100, plus £10 interest, plus £5 commission: total £115. At the end of three months the bill was renewed for £115, plus 5 per cent. commission and 2½ per cent. discount. At the end of six months he had the bill renewed—£123 2s. 6d., plus 5 per cent. commission and 2½ per cent. discount—so that at the end of the year for £100 he had to pay to this company 42½ per cent., or a total of £142 5s. Honourable members may remark that this man was a fool.

An Hon. MEMBER.—Did he pay the bill?

Mr. MEREDITH.—He met the bill, Sir. If this man was a fool, I ask, what about the company which charged such a usurious rate of interest? I consider the conduct of the company was the most barefaced robbery; it was the commercial morality of the highwayman. On the rate of profits made by companies doing business in this colony I might refer to an extract taken from a report of a meeting held in London. This is taken from the *Home News* of the 22nd July, 1892. It is a report of the New Zealand Trust and Loan Company, doing business in New Zealand, and having one of its branches, if not its headquarters, in the City of Christchurch. Sir Charles Clifford was in the chair; and the report runs thus:—

"The Chairman, in returning thanks, said he only trusted that time would bring back to New Zealand its old prosperity. It would afford the directors very great satisfaction to

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be able to return to their old 20 per cent., and he thought that the best thing they could do would be to impress upon Mr. Bowen, when he went back, to strongly urge upon the people and the Government of New Zealand to do all that lay in their power to bring the country back to its old state of prosperity."

Now, the old state of prosperity was that this company, doing business in the colony, out of the bone and muscle and lifeblood of the people, was in a position to declare to its shareholders 20 per cent. of profits on their business. In the face of these facts, how can honourable members advocate that private enterprise should be encouraged? If that is the sort of private enterprise that is to be encouraged in this country, then I say, Heaven help New Zealand! Now I come to the provisions of the Bill. The Bill provides for loans to be advanced in amounts from £50 to £5,000. I emphatically say that £5,000 is too large a sum. I would reduce that sum to, say, £3,000, or I am even prepared to accept of £1,000 as the maximum. I do not object to the security extending over freehold, lease-in-perpetuity, and perpetual-lease land. I consider the security is good. I am in favour of advances being made to the extent of two-thirds of the assessed value of the security, on the following grounds: When the provisions of this Bill were first discussed in the local papers, nothing was said about the arrangements made in the Bill for the extinction of the principal by 1 per cent. of a sinking fund. This is one of the best features of the Bill—the 1 per cent. that is provided to extinguish the loan. My honourable friend the member for Wellington City (Mr. Duthie) stated that few settlers would take up money on the conditions laid down by the Bill, because to finally extinguish the debt it was necessary to continue for thirty-six and a half years; but I would remind the honourable gentleman that in other countries settlers have taken up money from Governments, and very gladly too, on repayments which have extended over a greater number of years. The British Government has advanced to farmers in Ireland money on which they paid 4 per cent., so that at the end of forty-nine years the principal was extinguished: so that no possible objection can be raised against the time extending over thirty-six and a half years. The advantage of the 1 per cent. to extinguish the principal is this: that, after settlers have had the use of the money for ten years, for every £100 loan they have paid off £12 15s. 2d. of the principal; for every £1,000, £127 14s. 2d.; and for every £3,000, £383 2s. 6d. We can easily picture to ourselves the feeling of satisfaction that characterizes the honest settler on finding that after having paid 6 per cent. interest he has the pleasure to know that he has paid so much towards extinguishing the total amount of the mortgage. At present the farmer is paying 6 per cent. and after having paid that for ten years there is no diminution whatever of the principal: so that I look upon this arrangement as one of the best features of the Bill—

a feature that I most heartily approve. If the provision of 1 per cent. to extinguish the principle had not been made, then I should consider that it would have been dangerous to advance to the extent of two-thirds of the value of the security; but since that provision has been made it has removed the serious apprehension I had respecting the advances being made to the extent mentioned in the Bill. The charges for deeds and valuations are very reasonable, and this is a feature that must commend itself to every person requiring a loan. The charge for valuation for a loan of £1,000 is only 21s.; for £3,000, 42s.; the total cost of a deed amounts to 35s.; while under ordinary circumstances a settler would have to pay to any ordinary legal firm on a loan of £3,000 from ten to fifteen guineas. There is a great difference here. There is one feature in the Bill that I rather take exception to, and that is, that when the interest becomes due fourteen days' grace only is allowed. That is a mistake. It should be extended to at least twenty-eight days' before the Government would be able to foreclose. Under this Bill, no doubt, Government would have a number of individuals applying for various positions connected with the administration of the Act, and I would say to the Government it is necessary to be very careful to keep the expenses down to a minimum; otherwise the expenses of management will create a bad feeling in the country, and render the scheme unpopular. I should be well satisfied if the Bill proposed only to raise half a million, or a million at most, instead of one and a half millions; furthermore, I do not think it would be wise that the country should be committed to a continuous yearly loan of a million and a half. I think if a million and a half are raised—that is, if the House agrees to it—we should wait and see how the scheme will work out before the country is committed to a larger loan. We should be cautious, and have no reckless borrowing.

7.30. Mr. BELL.—Mr. Speaker, judging from some of the speeches I have heard in this debate, I should imagine some honourable members think this is a new experiment—the borrowing of money in London at a low rate of interest to lend in New Zealand at higher rates. Sir, it is not a new experiment. Institution after institution in this colony has tried this method of finance; and with one or two exceptions—and these exceptions only because of very careful and skilful management which those particular companies have been enabled to engage and employ—with those exceptions the result has invariably been disastrous. We have company after company which has borrowed money on low interest in London and lent it here at a higher rate, and company after company and individual after individual has been ruined through it. You have now the "globo assets," and the history of the Bank of New Zealand. What are the "globo assets"? The remnant left of reinvestments. And, coming to individuals, the same story is told by the Christchurch firm of

Harper and Co. And the reason is this: The interest in London has to be paid regularly and on the nail, whatever may be the course of business in the colony, while the interest in this country is not paid unless the seasons are favourable, and unless the circumstances of the colony are prosperous. And when you have to pay your interest regularly, and have to wait for the payment of your interest here, then, Sir, the process, unless the condition of the country continues to be prosperous, has been in the past, and will be in the future, invariably ruinous. In the management of companies which have not been subjected to any influence, and where no pressure could be brought to bear, the individual has had to suffer if he could not pay; and, if that is the experience of companies, what is likely to be the experience of the State? Sir, many in this country who have had the opportunity of obtaining money at a low rate of interest have examined and considered whether that is likely to be a profitable method of business, and all who have exercised sound judgment have rejected it, though it suggested on the face of it the advantages suggested by the honourable gentleman. Sir, the country may well engage in many forms of business which heretofore have been left to individual enterprise. There is nobody more ready to recognise this than myself, or more willing to encourage society, wherever monopoly exists, to replace individual effort than myself. But there is no business more difficult, none more dangerous, than that of money-lending. There is no business in the world that depends so much upon special individual skill; and the possibility of the retention of this particular class of skill by the colony is an essential to the success of any such proposal as the present. In every one of the measures which have been referred to by the honourable member for Ellesmere, who has evidently studied and read the subject, in every one of the schemes which are known under the generic name of *crédits fonciers*, the first feature of such schemes is that the capital shall be repayable with the interest for a term of years, so that the mortgagor regularly provides annually his sinking fund. The honourable gentleman approves of a sinking fund in the case of individual loans; and why should it be specially admirable in the case of individuals when it is not a thing to be considered in the case of a country?

Mr. WARD.—There is finality.

Mr. BELL.—There is no finality in the land on which the loan is secured. As the honourable member for Inangahua will tell the honourable gentleman, whatever happens to the individual the land is there; it continues to exist—the thing over which the security is to remain. It is the land the honourable gentleman looks to, and not the individual, unless he is going to enter on such transactions as were suggested to him by the honourable member for Ashley—unless it is that bill-discounting is part of the scheme of the honourable gentleman. I think the principle is admirable; I am insisting that it should be applied to the

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country; but I am afraid the honourable gentleman is not consistent. What is going to become of the sinking fund under this Bill? Why, Sir, I read this Bill, and I find in section 65 that these aggregations of funds which are to accrue in the hands of the Public Trustee—that is, the moneys which are the redemption of the loan to the individual—are not to be applied in the reduction of the moneys which are borrowed in London, but they are to be disposed of as the Governor in Council may direct. Talk of sly borrowing! Why, the money is obtained twice over. It is borrowed in London and lent to the individual mortgagors here, and then the aggregate of the sinking fund is invested by the Public Trustee; and then the honourable gentleman coolly puts in the measure that he may dispose of such moneys, with the interest, as the Governor in Council may from time to time direct—from time to time, Sir, I suppose, on roads and bridges and public works, and on things which the honourable gentleman declared it is wrong and corrupt to borrow for. It is quite a different thing the honourable gentleman is now proposing from the borrowing of the past, we are told. That was for public works; and that was quite wrong, he says, and gave no security to the country. But the borrowing of the present is a borrowing where money is lent to the settler, and is to be repaid, principal and interest, by the settler; and the interest, as it comes in, will, no doubt, be remitted to London and paid, but as the principal comes back it goes into the pockets of the Treasurer. Where is the finality to this scheme? Million and a half after million and a half comes pouring into the country from London; it is repaid by the borrowers, and is not returned to London to repay the amount that was borrowed, but is to be disposed of as the Governor in Council may from time to time direct. That, Sir, is finance. Does the honourable gentleman, in calculating his expenses, know that the expense of lending and collecting £100 is the same as the expense of lending and collecting £5,000? If his money is distributed in small sums to small settlers the expense will therefore be greater than he submitted, or than he anticipates. Take the case of insurance companies. The honourable gentleman knows perfectly well that the reason why they place a high limit for policies, below which they will not insure, is that every policy, whatever may be its amount, carries with it exactly the same cost for collection and for the ordinary expenses of the staff. And if the honourable gentleman has his millions distributed among a few, if he has them, as the companies have, distributed among a small class, the expenses will be but small; but if he has them distributed—as, if they are to be of any use at all, they must be distributed—widely in small sums, the expenses will be far greater than anything he has led the House to imagine. I know something about this matter, and so does the honourable gentleman. I ask him in reply to say whether I am not saying what is the experience of every one having

any knowledge of mortgage business. Is it not the case that the expenses of collecting and dealing with these small loans is something enormously larger than anything which any company has ever engaged upon up to the present time?

Mr. MACKINTOSH.—The collection of the land-tax does not cost much.

Mr. BELL.—Does the honourable gentleman think that the collection of this interest will be the same as that of the land-tax? The honourable gentleman is a very confiding individual if he believes that. He has had very little experience of such matters if he thinks that. The honourable gentleman told us that the provision in clause 31 of 4 per cent. as the rate of interest at which the money is to be borrowed was only inserted because he might have to borrow at short dates in anticipation of an issue, and to hypothecate the debentures. This is a very lame explanation. If he looks at the same section, at the end, he will see a provision that he may hypothecate at a higher rate to get money. If 4 per cent. is the sum fixed at which the Colonial Treasurer finances, 4 per cent. and not 3½ per cent. is the sum between which and 5 per cent. we must calculate our margin; and when he talks of 1½ per cent. margin—whatever may be said about the figures suggested by the honourable member for Wellington City (Mr. Duthie), and I believe them to be sound and correct—I say here we have on the face of the Bill the statement of the Colonial Treasurer that he does not expect he can fix a limit for the satisfaction of the House lower than 4 per cent. It is said this is going to interfere with money-lenders and lawyers. Does the honourable gentleman believe it will? Does he think this is the kind of business that is done as a general rule among money-lenders and lawyers? It is that done by those of whom the honourable member for Ashley spoke to the House. These small loans are not undertaken by money-lenders or by lawyers. It is the large class of business, with which the honourable gentleman does not seek to interfere, which constitutes the monopoly. Hundreds of people are lending these small sums. Does the honourable gentleman suppose the people called capitalists lend in sums of £200, £300, and £400? The thing is ridiculous.

Mr. R. MCKENZIE.—What about the Harpers' firm?

Mr. BELL.—The honourable gentleman does not know what he is talking about. An examination of the business of the Harpers' firm would bear out exactly what I say. They did not deal with people in £200 and £300. They were lending large sums of money. Does the honourable gentleman suppose that the Colonial Treasurer would interfere with the Harpers' firm? If the honourable gentleman had been here he would have heard what I said in relation to the Harpers' firm; and I tell the honourable gentleman this because, when I referred to the Harpers' firm, I said that this system of finance was exactly the same—we

are borrowing at a high rate in London in order to lend the money out in New Zealand at a low rate, and that is what broke the firm of Harper and Co.

An Hon. MEMBER.—It was personal extravagance.

Mr. BELL.—The honourable member for Palmerston does not know what he is talking about; honourable gentlemen are entitled to their opinions, but they do not know anything about it. I may here add that the Treasurer has missed one part of the necessary Act—that is, the question of staffs and offices. That is a point which has been considered before in relation to the matter of District Solicitors. The salary the honourable gentleman named, as he knows, cannot possibly cover the expense of the staff and offices which must necessarily be incurred by them; therefore he must add these items to the expense. As to the kind of solicitor who must be appointed: the honourable gentleman knows that the man fit to undertake the Government business must be a man of considerable qualifications; otherwise on every important Government matter it will mean that a more expensive man will have to be employed. I do know something about this, having acted as legal adviser to the Government for many years, and having been in the confidence both of the honourable gentleman and of his predecessors. With regard to the question of lending money on the freehold value, I think what the Colonial Treasurer said upon that subject is to a large extent sound, and I do not think that he will be able to compete with the ordinary money-lender unless the House allows him to lend up to two-thirds of the value. I think he will find very little business in this direction excepting the lending on leaseholds. Of course, if he likes that business, he is not likely to have any competition. As regards this proposal, the two-thirds freehold value is safe enough—that is, if you can depend upon your valuation. The whole difficulty is this: It is very easy to say you can depend upon the valuations of experienced Valuers in regard to money-lending in the country; but, as against that statement, there are only a very few men in the country whose estimate is ever accepted without any question. I may mention to the House that there is one gentleman in the South Island who is employed by various companies, such as the Australian Mutual Provident, and who is sent from one end of the Island to another, and even to the North Island,—and he is employed by individuals as well as by companies,—because they can trust him. But there is the greatest possible difficulty in finding a gentleman with the two qualifications I name—I am speaking of their capacity as valuers and their integrity and honour—I repeat that it is difficult to obtain a man with these two qualifications combined. It is a most difficult combination, for you have to get a man who is able to judge land, and who is capable of estimating the possibility of a depreciation in the value of it, and who is well known to be honest, and can be trusted not to be influenced by the borrower. The

danger is so great that there are many who refuse to enter upon it, and who prefer to accept the lower rate of interest which is obtainable from bank deposits rather than to depend upon a business which involves this factor, which they cannot determine. The Colonial Treasurer knows just as well as I do this difficulty—a man having had the business experience of the honourable gentleman, who is carrying on such a business as he does outside this House—I say that he cannot but know what is the common experience in this direction. And he must know also that the value of land is constantly fluctuating in this country. Taking one instance: land which has had up to this time a grain-value—that is, because it will grow so many bushels of wheat—has no longer that value now. It has a grass-value now, and no more. Take another instance, the value of certain parts of the North Island which have an exceptional value for dairying purposes. That value may break down if the development of the new dairy industry should suffer a check, and land now valued at £10 and £15 an acre will be reduced to its grazing-value of £3 and £4. All those things the country will have to pay for; all this fluctuation the country will have to pay for; and it will have to face this regularly every six months, when it must remit its interest to London. When the seasons are bad, when the honourable gentleman's colleague's rents are not paid,—and at times the Minister of Lands does find his rents are not paid,—then the honourable gentleman will find that his interest is not paid. The common experience of this country is not a happy one in this respect; and let me tell the honourable gentleman this: that in those seasons, in those bad times, he will be unable to realise his securities, for in those seasons when interest is not paid land is unsaleable; but all this time he will have to remit his interest to London, and he will find that he will have to make up the deficiency from revenue. The honourable gentleman will probably tell me that he will have, or ought to have, a considerable sum in hand—namely, the one-tenth Assurance Fund—and will be able to use it for this purpose; but I think my honourable friend will find that that amount will be tied up in Treasury bills. Of course, he says that a Treasury bill is as good as gold; the honourable gentleman has only got to put his name to it, and the seal of the colony, and anybody will take it for gold. I hope that is so, and I hope it may long remain so; but the time must come when there will be lean years, and in the lean years there will be a wide deficiency; but the interest must be provided whatever the season is. The experience of mortgagees is just the same as the experience of the Minister of Lands. You have to give up something, and carry on a “hanging gale,” for you cannot get out of these people any more money than the year's income will enable them to pay, and I am afraid the House would not allow the Minister to try to do so. My honourable friend will have to take the part of the usurers—the bloodthirsty usurers whom he so graphically de-

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scribes as sucking the lifeblood out of the community. Is the honourable gentleman going to take the place of those men? If the poor man cannot pay his rent, is he going to take him by the throat and say to him, “Pay me what thou owest or go out of my land”? I think, if he wanted to do that, the House would interfere. I say that there is no sound finance in this scheme, and I am very sorry that the time-limit prevents me from saying one-half of what I intended to say upon this matter. It is quite impossible for me, in speaking upon a measure of this kind under the existing time-limit, to say one-half of what I wish to bring before the House, and I hope the time will come when we shall be able to get rid of this absurd time-limit. I say that a man who wishes to adduce arguments that ought to be addressed to the country should not find himself in the difficulty I am now placed in. However, I desire to read as much as this time-limit will permit me from an extract from the *Scotsman* of the 27th July, 1894. The reason I read this extract is that the whole finance of this scheme depends upon borrowing at $3\frac{1}{2}$ per cent. In that paper we find this stated—

Mr. WARD.—What date?

Mr. BELL.—27th July—after the delivery of the Financial Statement, and before any of these wicked Tories could have written Home.

Mr. WARD.—I will give you one of a later date.

Mr. BELL.—This is what it says:—

“Financial Affairs in New Zealand.”

“The course of financial affairs in New Zealand will require to be closely watched by British investors. For some years past the Government have made it their constant boast that, in consequence of the flourishing condition of the colony, it had become independent of the London money-market. Thus, in his Financial Statement, made on the 16th June, 1891, the Premier said, ‘Borrowing in the English market is to cease; but it is proposed to raise a local loan to open up land, repayable from the proceeds of the land.’ In May, 1892, the Premier told the representative of a local journal that ‘the Government would endeavour to make the colony independent of the London money-market,’ adding, that ‘with the established local credit this was now becoming possible.’ On the 4th July, 1893, the Hon. J. G. Ward, Colonial Treasurer, in presenting his Financial Statement, said that ‘no attempt would be made to place a loan on the London money-market,’ and that a ‘self-reliant policy is to be continued, no borrowing being necessary’; while, as recently as the 27th of February of this year, the Hon. R. J. Seddon, the Premier, wound up a speech, delivered at Foxton (New Zealand), with the announcement that ‘there was plenty of money to meet the requirements of the colony, and further borrowing was unnecessary.’ Within six months of this last reassuring official utterance comes the news that the Government propose to raise £2,500,000—£1,500,000 in $3\frac{1}{2}$ -per-cent. inscribed stock, and the balance in ‘Colonial

Consols' bearing a maximum rate of 4 per cent., and inscribable at 'any post-office.' The former portion is needed to make advances to settlers on the security of their land at 5 per cent. The object of the other portion is not mentioned. Moreover, £750,000 is wanted to purchase more land from the Natives. But this is not all. Foreign insurance companies are to make 'large deposits with public trustees'—otherwise, the Government. That will supply further funds. The private savings-banks are to be merged, lock, stock, and barrel, into the Post-Office Savings-bank, which means still more cash to play with in the socialistic game of financing the squatters, dealings with whom have already landed the banks in so much trouble. This is all of a piece with the guaranteeing of the £2,000,000 of fresh capital of the Bank of New Zealand. The last-mentioned operation involved a mystery which has not yet been fathomed. When the news first reached London we pointed to the total inadequacy of the official explanation of the affair, and laid stress upon the statement, made by Mr. Ward in presenting the Bank Stock Guarantee Bill to Parliament, that the guarantee was needed to avert a grave 'disaster.' We have, so far, refrained from throwing light upon this matter, because it was not desirable to do anything in the least degree calculated to jeopardize the success of an issue which had confessedly saved the colony, and, for that matter, the whole of the Australian Colonies, from a fresh and terrible crisis. The usually-accepted explanation had been that the Bank of New Zealand was crippled by a lock-up of a large portion of its capital in the shares of the New Zealand Estates Company, and that the revenue previously derived from the latter would fail this year, and prevent the bank from paying a dividend in August, an event that would gravely weaken its credit.

"The actual facts were very different, and much more serious. The truth is that the bank has for a long while past been financing the Estates Company, and has in this manner locked up £600,000 of its capital in that concern. It has been making advances to it of 5 per cent., and, when the fact became known to the debenture-holders in the Estates Company, these insisted upon the bank's position in relation to their own as first-charge creditors being clearly defined. This resulted, as we understand the case, in the bank's advances being made a sort of second charge on the assets of the Estates Company. How much of the £600,000 may have been used for the improvement or up-keep of the latter's property, and to what extent it may have enabled the company to provide for its debenture interest, are questions not worth while inquiring into. The main and all-important point is that the bank, having got out of bad business in 1890 by converting its unrealisable assets into the ordinary and preference shares of the Estates Company and the cash proceeds of the issue of the latter's debentures, has reverted to its old vicious system, and put back a large portion of what it

has with difficulty and at great sacrifice succeeded in releasing into the same unrealisable assets, with this further disadvantage: that, whereas the assets were formerly its sole property, it has now only a second charge on them. The recklessness of such financing is almost incredible. Not a single lesson in ordinary banking prudence has been learned from the calamities of the recent past. If this persistence in the old evil course concerned the Colony alone we could well let the thing go with a mere passing reference. But it happens that there are upwards of £1,200,000 of British deposits at stake in this bank. The New Zealand Government have by their interposition, and by pledging the credit of the colony, saved the bank, and we are asked to believe that by means of a strict Government supervision of its business in the future all will be well. Let us hope that it will prove so. On the other hand, the Government are themselves committed on a huge scale to the very class of business which, for the second time, landed the bank on the edge of a precipice. The whole affair must present itself to the most ordinary intelligence as a financial muddle of the worst kind. In the event of anything happening to the Estates Company, will the Government take that concern in hand also? There is talk of setting up a State bank. Does this mean that the Government are going to have two big institutions on their hands?"—Is this a prophet, who asks so pertinent a question?—"or do they purpose using the Bank of New Zealand as the basis for such a State institution? The Government are about to raise £2,500,000 to carry on a land-jobbing business, and have made themselves responsible for £2,000,000. The credit of the colony is therefore to be pledged to the tune of £4,500,000 in support of this land-jobbing enterprise. Where and when is the process to stop? British capitalists and investors, both small and large, have an enormous stake in the colony, and it is quite time that the Government should be warned, before it is too late, that if they go on in the course they have now marked out for themselves they will wreck their credit, and the colony itself into the bargain. The latter cannot bear the burdens which are being imposed upon it, and if these continue to be piled up in the way proposed a breakdown will sooner or later be inevitable."

8.0. Mr. G. W. RUSSELL.—Sir, members of the profession of which the honourable gentleman is so distinguished a member usually fortify their arguments and their position by authorities. It is greatly to be regretted that upon this occasion he has had to go so far for his authority, and that the authority, when quoted, should be so weak. I have no doubt that the quotation the honourable gentleman has given us was merely a *réchauffé* of what has appeared in the Conservative journals of New Zealand, and in what the honourable gentleman read honourable members will probably recognise an echo of a good many speeches made in this House in days past. Sir, the honourable gentleman, in the course of the speech which he has just delivered, drew a

pathetic picture of the interest on the advances to settlers being pocketed by the Treasurer; but does he suppose that the Parliament of New Zealand is going to be so mad in future years as to allow the Treasurer to pocket the interest derived from the State mortgages, or that, as he supposed, the people of New Zealand will allow themselves to be taxed for that purpose? Does he suppose that the future policy of the country will be placed on such a footing as that? The whole criticism of the honourable gentleman in connection with the cheap-money scheme, if it applies at all, applies to all money-lending institutions; and does he mean to say that the whole of the money-lending companies are going to retire from business altogether? Yet, if his argument is worth anything at all, it applies to all money-lending institutions in the colony. According to the honourable gentleman, no securities will be good, and no competent valuers are to be obtained; and surely, therefore, not only the State but everybody else should retire from the money-lending business. Then, he drew another picture, of the impossibility of the interest being remitted in lean years; but I would ask him, how is the land-tax and the general taxation of the colony obtained from year to year? Does it not flow in the ordinary course? And so, in the ordinary course, the interest on the moneys obtained under this scheme will flow into the coffers of the State. The honourable gentleman stated also, in pathetic terms, the experience of certain persons in regard to mortgages and mortgagees; and if we accepted his picture one would suppose a mortgagee is a tender-hearted kind of man who never thinks of placing the slightest pressure on the mortgagor, but takes the good with the bad—who accepts the position and hands over to the mortgagor the whole of the interest and, I was going to say, the free use of the capital. But that is not the experience of the people of New Zealand. The experience of the people of New Zealand has been that the mortgagee is a man who will take every farthing of interest that is owing to him, and who, when he cannot get his interest, will keep the mortgagor in possession until somebody else comes along with money. Then No. 1 goes out, and No. 2 comes in, only to wait his turn. That is the position. Then, the honourable gentleman went on to refer to the Government being unable to obtain their rent from leaseholders, or the persons holding State land, and he asked if the Colonial Treasurer would be so bloodthirsty as to drive these people from their homes. The answer is, that the object of this Bill is to place those people on such a footing as will enable them to meet their interest when it comes due, and to become their own masters; and I venture to say that while the Bill proceeds in that direction the cheap-money policy of the Government should command the support of the people, and certainly of every member of the Liberal party. In saying this, let me be clear. I do not bind myself to the whole of the details of this Bill. Before I sit down I shall make a

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few suggestions,—not in a hostile sense, because I regard this, next to the land-legislation of the Government, as the greatest effort they have made. We have discussed the Land for Settlements and other Bills, but I venture to think the session of 1894, and the whole of this Parliament, will be known in the history of New Zealand not so much for the land-legislation as for the policy of cheap money inaugurated by the present Government. I am glad, Sir, that in this matter the Government have shown they have the courage of their convictions. I am glad, in the policy they are bringing before the country, they have taken a firm stand in regard to land-legislation. I am equally glad they are tackling the value and the price of money, which must be the complement of land-legislation. One, I say, is the complement of the other. What is the condition with regard to this matter of the price of money? Honourable gentlemen who have spoken on the other side have recognised the fact that foreign money-lending companies occupy the premier place in connection with the private finance of the country. And what does that mean? It means that the capital which our settlers are using reaches them through the hands of foreign companies; it means that these companies remit the interest which our settlers pay to their shareholders at Home. They have built palatial buildings throughout New Zealand: the whole of the interest on these is paid from profit on mortgages. Therefore, while we have heard something throughout this debate of the iron heel of the bondholder, I feel that the iron heel is worn by these companies; and it is the business of the people of New Zealand to try to shield themselves from the oppression, I may say, which is going on, and which has been going on for many years in this country. The honourable the leader of the Opposition twitted the Government party with not speaking on this question, but his criticism on the measure must certainly be discounted by the fact that on a previous occasion he not only accepted the principle of this measure but proposed a loan for the same purpose of something like twenty millions. Then, the honourable member for Patea alleged that capital was reluctant; yet the senior member for Wellington City (Sir R. Stout) admitted that only under the present Government have the New Zealand $3\frac{1}{2}$ -per-cent. stocks ever reached par. He said the first time that happened was during last year. That is a triumphant vindication of the policy of the Liberal party and of the administration of the present Government. Now, Sir, it has been alleged throughout this debate that there is no chance of our $3\frac{1}{2}$ -per-cent. stock bringing par value, and the honourable member for Wellington City (Mr. Duthie) repeated this remark to-day. I should like to draw his attention to the report in the *London Times* of the 9th August, in which it was stated that our stocks stood at 100 $\frac{1}{2}$. In connection with the price of our stocks on the London market, we must consider the important fact that for a long time our debentures

stood higher than the debentures of any of the other colonies. But only a certain amount was open for investment in Australian stocks, and as soon as New South Wales debentures made an upward move it was natural there should be a weakening of New Zealand stock. At the date stated our debentures stood $\frac{1}{2}$ above those of New South Wales, 4 per cent. above Queensland, and so on in connection with the other colonies. Now, I could quite understand the criticism of the honourable gentlemen as to the improbability of the Government obtaining money at par were the Colonial Treasurer about to place the whole million and a half on the market at once. But we have the assurance of the Government that only so much money will be raised as is required, and we may feel sure that the Stock Agents at Home will place the money on the market at those times at which the market is favourable. And, supposing we allow $\frac{1}{2}$ or 1 per cent. for raising the loan, if our stocks bring 101 or 102—at present they are at 108—that will not only pay brokerage, commission, and other charges, but will leave a handsome profit to go towards working the cheap-money scheme. The senior member for Wellington City attacked the cheap-money scheme on its general principles. He did so, apparently, from the point of view of one connected with money-lending institutions. The remark he made was this: that those who had had experience of loan companies raising money in London—I have no doubt he has had experience in that direction, and therefore it is not to be wondered at that he should regard this from a critical, I was going to say from an interested, point of view. The honourable gentleman, in the course of his speech, quoted a couplet of Pope's—the honourable gentleman was going far back, namely, one hundred and sixty years—for his authority on paper money. He quoted these lines:—

Best paper credit! last and best supply,
That lends corruption faster wings to fly.

It was certainly extraordinary to go so far back as a hundred and sixty or a hundred and seventy years for a quotation on the principle of this Bill. I am in the habit of looking over Pope, and I would refer the honourable gentleman to a couple of lines which appear earlier in the same poem. They are,—

What Nature wants, commodious gold bestows;
Tis thus we eat the bread another sows.

So that if the honourable gentleman can find one quotation from Pope against the cheap-money scheme it is quite possible to find one representing the position of the usurious money-lender whom the Government is attempting to efface from this colony. The honourable gentleman who has just sat down pointed to the fact that in the Bill there was a clause which provided that for temporary advances the Government could hypothecate the moneys that would come in, and he pointed out that there was no limit in connection with the interest payable on that hypothecation. But does he think that any Colonial Treasurer would hypothecate his bonds or debentures at an excessive price?

Mr. BELL.—Will the honourable gentlemen allow me to explain? The honourable gentleman is labouring under a mistake. The Colonial Treasurer said the reason the 4 per cent. was inserted was that he might require to borrow for short dates. I pointed out that it was not so. Power to borrow at short dates is given in the later part of the same clause.

Mr. G. W. RUSSELL.—And later on it is provided that, in case of temporary advances being required, no limit should be fixed. I quite agree that that provision should be there, because, if the Colonial Treasurer is not fit to be intrusted with the arranging of interest on temporary advances, and if his judgment is not such as to be relied upon for that purpose, then he certainly is not fit to preside over the finances of this colony.

Mr. BELL.—I do not object to that clause at all.

Mr. G. W. RUSSELL.—During this debate it has been declared by the Opposition that this is a dangerous scheme to carry into effect. The honourable member for Wellington City pictured the losses that were likely to arise on the mortgages, and the cost of working this scheme; but the same criticism could be applied to any scheme at its inception, and for honourable members to insist, as honourable members on the other side of the House have insisted time after time, that, because this scheme may be open to criticism, therefore there should be no scheme at all is, in my humble opinion, entirely absurd. We must give the Government credit, in connection with matters of this kind—whatever Government is in power—I do not suppose this Government will always be in power: there will be a change some time—but whatever Government is in power, we must give them credit for the exercise of business capacity in connection with these matters, and any attempt to lay down a rule of thumb would be of no avail, as no Government could be expected to work under it. Then, it has been declared, in connection with this matter, that the proposed scheme will result in injuring the industries of the colony. The senior member for Wellington City said that the Government would drive out most of the loan companies, and get a great part of the capital of the country into the hands of the State—that this money would necessarily be withdrawn from industrial enterprises, and therefore that the effect would be to cripple colonial manufactures. Now, that is an exceedingly short-sighted view of the matter. At the present time the banks and loan companies in the colony borrow their money from the people in the colony, and lend it out, not to the various industries in the colony, but to farmers, at 7 and 8 per cent. In other cases they shift money out of New Zealand altogether. The effect of this proposal, I take it, will be very good, so far as the people of New Zealand are concerned, for, by inducing them to place their money in the hands of the Government for investment, they will have the control of their own money and as much of other people's as

the latter choose to lend. The system of borrowing money in the colony on land-bonds and on debentures held at Home will form a magnificent channel through which capital that is now lying unused will flow into the industries of the colony, and to our farms. In other words, capital that is now being held at high rates of interest will be released, and will again seek investment, not only in settling people on the land, but also in the starting of manufactures and industries in our towns. Now, there is another matter in connection with the cheap-money scheme that has not been pointed out in the course of this debate, and which brings out still more the effect it is likely to have in years to come. Under Mr. Goschen's conversion scheme of 1888, from 1889 to 1908 the interest on Imperial Consols stands at 2½ per cent., but after 1908 the interest will fall to 2¼ per cent. The effect of that reduction will undoubtedly be that investors at Home will be constantly looking to Australia and New Zealand Government securities as a means of investing their moneys, and the effect will be not only that our 3½-per-cents will rise above par, to at least 108 or 104, but the effect will also be to cause people at Home to send their money out here for investment through the ordinary channels. It has been said that this is a huge borrowing scheme; but how different it is from the borrowing schemes that have been previously laid before this House! In this case a million loan is not to be thrown down on the floor of the House to be scrambled for, leading to "log-rolling" and, I was going to say, all sorts of swindles being perpetrated such as one almost, at this stage of the history of the colony, stands amazed at. What is the position under this Bill? There is a million and a half of money to be brought into New Zealand, and for every sovereign of it there will be an asset in the different securities held by the State. I say, therefore, it is an entirely different system from anything that has been attempted before. It is childish to dream of evil, and it is easy to talk of repudiation, and an increase of taxation. Ories like these are very easily raised; but there is no real danger of these things being realised if only the administration is honest; for these reasons: There will be two great checks in connection with this cheap-money scheme. The first check will be supplied by the power and influence of a fast-growing democracy; and, in the second place, the working of this scheme will be narrowly scrutinised by people who are not going to get money, and it will be also scrutinised by the representatives of the money-lending institutions, who regard the scheme with suspicion and distrust. There are, therefore, these two measures of protection in connection with the cheap-money scheme, and I have no doubt the effect will be for the good of the colony. The senior member for Wellington City said that the sting of the Bill lay in its last clause, "in its tail"—those were his words. Why, he said under this Bill the Bankruptcy Act did not apply! But there are two ways of looking at that Act.

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The first way is as it affects the debtor, and the second way is as it affects the creditor. In this case the honourable member looked at it only as to its effect upon the debtor, and said nothing whatever as to how it would affect the mortgagee. There is another way of looking at it. Under this Bill the State is the creditor, and as such the State has a right to protection. Then, as to its effect upon the debtor, his land and his improvements cannot be taken from him under the Bankruptcy Act, and, although he may be made a bankrupt, he can come back and reoccupy his land, because it is protected from the operation of the Bankruptcy Act. These are sufficient answers to the remarks of the honourable gentleman. And now, if I take the opportunity of adding a few criticisms regarding the general scope of the measure, I am sure they will not be regarded as of a hostile nature after what I have already said. In the first place, I think, in connection with these leasehold clauses, we should be very particular that we do not allow the unearned increment to enter as an element into the security. That is one point on which we require to be very careful. Now, reference has been made to the business of the Public Trust Office and Government Insurance Fund; but I should like to point out to the Treasurer that in connection with the loans under the Government Insurance Fund there are several safeguards. The first is that the money is lent on first mortgage, the second is that only 50 per cent. is lent on the valuation, the third is that loans of £500 have the priority, the fourth is that the Board must be unanimous in lending, and the fifth is that three members of the Board must attend the meeting and vote with regard to the application. I now come to the matter of repayments. So far as they are concerned, I cannot help thinking that, as regards the proposal to lend the money for thirty-six years and a half, the term is too long. The object of every mortgagee is to strengthen his security, and to do that he usually makes provision to call in a portion of his loan as soon as possible, so that the position may be reviewed, and for very good reasons, too. The conditions, for instance, change. Now, the position of the borrowers under the Bill is this: that after the loan has existed for twenty-five years the mortgagor will only have paid off half the loan. I do not think that that gives sufficient consideration to the State as mortgagee. When we consider the perishable nature of securities in towns, or in connection with woolsheds and fences,—when we reflect how these things decay and pass away,—we must see that it will be necessary for the protection of the State that these mortgages should from time to time be reviewed at an earlier period than thirty-six and a half years; for we must remember the scheme is not to apply to country lands only, but also to lands in cities, and to improvements, which constitute a security regarding which caution is necessary. I offer these suggestions for the amendment of the Bill, and I hope the Colonial Treasurer will give them his attention, and apply the Bill

to first mortgages on freeholds, and only to such improvements as belong to the holder of the lease, or which are to be made with the capital which the State supplies. Let the applicant go and lay before the Lending Board his application, and declare what he proposes to spend the money on, and then, as he proceeds with his improvements, the State may make progress payments—for these improvements should increase the security of the State—so that the money lent may go to the employment of labour, and be improving the property. Then, I think it would be also proper that there should be a provision in the Bill that the Board should be unanimous in connection with the granting of loans. That is the principle followed in connection with the loans by the Government Insurance Department, and I am aware of at least one instance in which one of the officers of the Government, sitting as a member of the Board, vetoed a large loan which Sir Julius Vogel proposed to the Board to bring about: the vote of that one officer was sufficient to veto that proposal. I say that, if the application for a loan does not commend itself to the whole of the Lending Board, that should be sufficient reason why it should not be granted. Then, the duration of the mortgages should be for ten years, and at the end of that period they should be reviewed; for this reason: If the mortgagor cannot go upon the open market and borrow money on the same terms as he has got his loan from the Government, then it stands to reason that the Government has got a weak security. I say that this measure will either make or break the Liberal party. If it proves to be successful, the Liberal party are entering upon a lease of life which will extend for many years; but if the effect of the scheme should be to bring about failure, or in any sense depression, then the effect will be disastrous to the Liberal party; and it is therefore our business, as members of the party, to do all we can to see that the mortgages are fixed upon sound lines. The last suggestion which I venture to offer is that, in the first place, the machinery of the existing State lending departments should, as far as possible, be employed for the valuations. I make this suggestion to the Colonial Treasurer, for this reason: that he has at the present time a system of valuation in the Public Trust Office and in the Government Insurance Department, and I believe there is also a valuation system in the Public Works Department. From these three departments it ought to be possible for him to get correct and sound valuations in connection with properties. I come now to the point of having general Valuers throughout the colony, who will have to travel over very large areas of country. Take, for example, a Canterbury Valuer living, say, in Christchurch. He will have to travel as far south as the Waitaki, and north as far as Kai-koura; and I say that the cost of the valuations and the travelling-expenses of the Valuers, and their fees, must be added to the valuations, and be repaid by the borrowers, if the scheme is to

be on sound lines. The suggestion I have to make in connection with this matter is that the existing valuation system of the Government should be employed, for the purpose of reducing the cost of the valuation. I say this is an important matter: and I also think the Government will do well to consider the desirability of assessing every valuation at a minimum of at least a guinea, the effect of which would be that a number of persons who had their properties valued, and who thereby obtained information as to their value, but who might not get a loan, would contribute to the cost of the valuation, and thus lessen the general cost of working. I should like to say, in conclusion, that, in adopting this policy of cheap money being provided by the State, the Government are carrying out one of the principles of a true Liberal policy, which is that the functions of the State should be exercised for the general benefit of the great mass of the people. That is the foundation on which our railway system is built; it is the foundation on which our land system is built, and on which State savings-banks and the State insurance scheme are built; and the Government have only gone a step further in undertaking the regulation of the price of money as a State function. The general effect of their policy must be to lower the rates of interest, and the lowering of the rates of interest must undoubtedly release money that is now held at the high rates, and induce the spread of settlement, and promote the progress of the country. I shall strongly support the second reading of the Bill.

Mr. CROWTHER.—I rise with a certain amount of diffidence, simply because, Sir, we have had more time than enough wasted.

An Hon. MEMBER.—Oh!

Mr. CROWTHER.—The honourable member says "No." I thought this afternoon, when the debate was weakening somewhat, that it was coming to an end. However, it seems to have got a fresh start so soon as the galleries got filled, so that I think the tendency now is quite in the other direction. I should have been pleased if the same course had been followed in connection with this measure as was adopted in connection with the Licensing Bill. I very much doubt whether those honourable gentlemen who watch the clock in order that they may speak the full time allowed them do not crowd into the discussion suggestions for amendments which they put upon the Supplementary Order Paper; so that so soon as we get into Committee we have the same discussion again. The honourable gentleman who last spoke is very ready for that sort of work. He has given us a number of suggestions which we shall have to go over again in Committee.

8.30. Let us get into Committee, where we can do real work: in fact, if we could reverse our mode of doing business we should have a better chance of getting through the work, and that work would be done more in the real interests of the country. It is of no use to spend any more time arguing one against the other, simply because one man belongs to one side of the House and one to another. So far

as concerns the measure my opinion of it is that the whole result of this Bill depends upon the administration: that is the sequel we have to rely on. The Bill is here before us, but there is not one of us who can say it is absolutely going to be a success if badly administered, and there is not one of us who is prepared to say that it is bound to fail if well administered. Then, I say, let us get to Committee, and to real work. Some honourable members say £500 is enough to lend to any man, and others are against lending anything at all on leasehold property. These are all matters to be threshed out in Committee, and the shorter we make debates on the floor of the House on such subjects the better; consequently I am not going to say any more.

Mr. MASLIN.—Sir, I regard this Bill as one of the greatest importance, and I consider the time spent in debating it will be time well spent. The honourable member for Riccarton said that this Bill would either make or mar the Liberal party, and I fully indorse that opinion. Seeing that it is a question of such momentous interest, I think it behoves us to be careful how we proceed in connection with it. The question of cheap money for the people I think we are all in sympathy with. We all know its desirableness. If it is possible to obtain money and lend it out on a sound and satisfactory basis it is desirable that the people should have money at the lowest possible rates. I question, myself, however, very seriously whether it is not going beyond the functions of the State to convert this country into a large loan-and-mercantile institution for the purpose of absorbing all the mortgage-business in this colony. The history of our mortgage institutions has not been of such a glowing and prosperous character as to warrant us in taking this new departure on the lines proposed by this Bill. The honourable member for Riccarton pictured in glowing terms the palatial buildings erected by our monetary institutions, but he omitted to point out the great losses many of those money-lending institutions have suffered, and the condition in which they are to-day—practically insolvent. They have lent money out on freehold property, and, if those institutions have experienced losses in connection with their business, when they have been managed by men with expert knowledge of this particular class of business, what is to be expected of the State, which will have to trust the management of the business entirely to the skill of others, without expert supervision? We know that this placing the management in the hands of others has led many financial institutions to disaster, and I am very much afraid that the scheme propounded by the Colonial Treasurer will end in disaster to the State. When I referred to this question in the financial debate I pointed out one thing that would most likely arise, and against which I have seen no provision made yet, and that is the possibility of there being a large amount of interest outstanding in connection with the money that we lend. Any one who has had anything to do with mortgages knows very

well that, if you have a large amount of money lent out, there will be always an amount of interest outstanding that cannot be collected on the due date, however stringent the conditions may be. There will be many a one who will be unable to meet interest on the due date, when an extension of time will have to be given. In connection with the debate that took place on the Land-tax Bill of this session it was pointed out that it was a matter of urgency that the Bill should be passed on that occasion under which the collection of the land-tax was brought forward some four months. If the finances of the colony are in that condition that we had to collect that tax four months earlier than usual to meet engagements, what will happen when we get a bad season, and we have in addition a large amount of interest unpaid in connection with our loans to settlers? I am afraid we shall find ourselves short of money to pay interest in London; and we have made no provision to meet such an emergency. I consider the scheme as brought down by the Colonial Treasurer is too large altogether. In the speech in which he introduced the Bill he pointed out that there would be a necessity for employing seven gentlemen of the legal fraternity, at salaries of a thousand a year. Well, seeing that the Bill provides for money to be lent on freehold lands under the Land Transfer Act, and on leaseholds granted by the Crown only, why should we require any legal skill in order to examine titles of this character? Any one who has had anything to do with lands under the Land Transfer Act, such as the District Land Registrar, would be able to conduct the business, without employing a whole array of solicitors, spending thousands of pounds in this way. Then, there are to be ten Valuers appointed, at £600 a year each. The honourable member for Riccarton referred to these as being most likely city men, and I think it is most likely they will be city men. We know very well that these city men have peculiar ideas of properties they have to value. They look at everything from a city point of view, and the result of that must be disastrous to any lending institution. If the valuations are made by this class of men, without local knowledge of the district in which it is proposed to lend, the values will most certainly be made on too high a scale. Sir, if this measure is to achieve what those who are most sanguine as to its results hope it will achieve, it must lead to an inflation of the values of land. If we get cheap money, the values of land must go up. I feel certain that, if this scheme is launched upon the colony as brought down by the Colonial Treasurer, there will be a land-boom in connection with values, and the result will be that we shall be lending money on boom values; and by-and-by there will be a reaction, and we shall find ourselves in the position of the Globo Assets and other companies, and we shall find it very difficult to get out of it. The scheme is altogether too large for the country to undertake. There is no necessity to go out of the way to assist men who are in the position of being able to borrow, say,

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\$5,000; they would get very little advantage under this Bill, because if they had got the security to give to borrow such sums they would have no difficulty in obtaining money at 5½ per cent., or perhaps 6 per cent. I do not see that the State should go out of its way to help men who can obtain money at these low rates of interest. We should first help the Crown tenants, who require assistance, because they cannot borrow on their leaseholds. Men will not lend money on those securities, for the simple reason that they are so hampered by the conditions under the Land Act that they cannot dispose of those securities. If the Government could bring down a scheme to assist these small holders—men who have at present to pay a high rate of interest—men owning, say, a hundred acres of freehold property, who require from £200 to £300; or men who hold leases from the Crown—I should be in favour of it. I think the Government should have come down with some well-defined proposal to lend money to these classes of settlers. If they had, I am sure it would have been more acceptable to the House and the country than the launching-out into this wholesale scheme of money-lending, which, sooner or later, may prove disastrous to the country. There are, of course, advantages to be gained in connection with it; but still, there are disadvantages, and what we gain on the one hand we lose on the other. It is not all glitter, as some honourable members who advocate it would like us to believe. Then, I should like to see the money to be used for this purpose limited to the funds that can be obtained in the country. We have a Bill on the Order Paper now, called the Colonial Consols Bill. I would suggest that the money raised thereunder should be used for the purpose of lending it to settlers on the security of their freeholds, and that we should not go to the Home market to borrow money for these purposes at all, until we have had larger experience of this particular class of business. By this means we shall avoid disaster, which must certainly follow if the proposals embodied in the Colonial Treasurer's speech are given effect to. There is another remark I would refer to of the Colonial Treasurer's—that is, a proposal to lend on a tenant's interest in the land. I do not know what that refers to, but I understand it to mean that the tenant may mortgage the goodwill of a lease. Now, we know that, when our lands are put up for ballot, there are a number of applicants for them, and any one who is successful in getting one of these leases can almost at once dispose of the interest in his lease for some considerable sum in advance, according to the size or nature of the land he has obtained. I do not think we should lend on that sort of security. The security we should lend on in connection with leaseholds should be permanent improvements made by a tenant, and not merely on the interest a tenant may acquire apart from any expenditure he may have made; otherwise we shall really be only lending on our own security; we shall not be lending on the security

of the borrower at all; and if we do that I am sure it will give great dissatisfaction to the country, and will help to bring about the overthrow of the whole scheme. While I should support the second reading of the Bill, on the principle that it is desirable to provide cheap money for farmers, in Committee I shall be prepared to make some amendments, or support amendments, in the direction of limiting the amount to be borrowed to very small sums indeed, so that it shall help the struggling settler, and not the prosperous landowner as proposed in this Bill. I hope the Colonial Treasurer and the House will proceed with considerable caution in this matter, because it is a departure which may result in ruin to the Government and in considerable loss to the whole country.

Mr. ALLEN.—After the speech of the honourable member for Auckland City (Mr. Crowther) I suppose we may presume the debate is pretty well ended. I gather from what he said that he has heard nothing to cause him to vote for the Bill. If that is so, it is satisfactory, and if a few more honourable members could be induced to vote in the same way it would be still more satisfactory. So far as I can gather, the only two speeches in favour of the Bill have been the speech of the Colonial Treasurer and that of the honourable member for Riccarton. It is curious that this large policy measure of the Government has received so little support from the Government benches. I think, after all the criticism which has been made on the measure, that at least we should have heard a further defence of the Bill from the Government benches, and I hope we shall yet. Honourable members have adduced some very serious arguments against this Bill, against the principle of the Bill, and against the details, and it is more or less a matter of detail. I think these arguments ought to be answered from the Government benches, or by some one who has been prompted by the Government, or who knows the Government feeling on the matter. There are two arguments against this Bill which have not yet been brought forward. They are not Conservative arguments, for they have been used by the so-called Liberal side of the House. The honourable gentleman who had the honour to lead that party some three or four years ago, in speaking on the Land- and Income-tax Bill, said that one of his objects in life was to do away with competition in everything except competition in money. He wanted competition in money, he wanted as many money-lenders as possible to come here and lend their money; and his reason for saying so was this: He said if we could induce a number of people to come here and lend money it would mean competition in the money-market, and the rates of interest would decrease. That is what has happened in the past. From 10 to 12 per cent. money has gone down on reasonable securities to something like 6 per cent.; and no doubt money would have continued to go down had it not been for the sudden check which this

tendency received from the policy brought forward by those who are upon the Government benches. It not only received a check, but it retrograded. Money went up, and the interest charges increased by $\frac{1}{2}$ to 1 per cent. That is a fact which is well known to those who have had anything to do with mortgages at all. What is the reason for that I leave honourable members to ascertain for themselves. My explanation is that it was in consequence of the policy brought forward by the present Ministry. I may point out, however, notwithstanding the so-called Liberal argument, that to a very large extent this Bill is going to do away with money competition, and in that respect it will do a serious harm to the very people whom the Bill is intended to benefit. There can be no doubt, it seems to me, as to that. The Colonial Treasurer, in introducing this measure, said the other evening that the main opposition to this Bill would come from the money-lending institutions. Assuredly it is also true that there are many money-lending institutions which possess securities now of so doubtful a character that they will look upon this measure as a means of relieving themselves of those doubtful securities. That, I think, is a very forcible argument against this Bill. Very many money-lending institutions have bad securities, and by means of this Bill they may—I do not say they will, but I think there is a possibility of their being able to—get out of their bad investments. Then, there is another argument which has also come from the Liberal side of the House, and that is, that all mortgages are bad, and that anything that will induce mortgages to be taken up will be a bad thing for the country. If ever there was anything brought before this House which will induce men to take up mortgages it is assuredly this measure. One of the objects of this Bill is to offer exceptionally easy terms to men to take up mortgages. If that be so, it is surely an inducement to men to take up mortgages. Very well: if the argument which has been adduced from that side of the House is correct, that it is a bad thing that land should be mortgaged, then it must be a bad thing that any policy should be brought forward which induces men to take up mortgages, and therefore this is a bad measure. But, although it is quite true this Bill really offers an inducement to men to take up mortgages, unfortunately it does not, on the other hand, induce men to pay them off. It is quite true that under the provisions of this Bill a man pays off 1 per cent. in yearly instalments, and it is quite true that he may pay off £5 or any multiple of £5; but the thing is this: If a man pays off £5, instead of receiving 5 per cent., which he is paying for his loan, the Treasurer only offers him 4 per cent. for his money. There is no inducement to a man to pay off his mortgage in instalments of £5, or any multiple of £5, if he is only going to receive from the colony interest at the rate of 4 per cent. when he himself has to pay the Colonial Treasurer interest at the rate of 5 per cent., and the additional 1 per cent. to pay off his loan.

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I should really like to know for whom this Bill is intended. The speech of the Colonial Treasurer on the second reading was, to my mind, entirely misleading. Is this Bill, for instance, intended for the purpose of inducing settlement upon land? That was his argument the other evening. Well, if that be so, then it is intended to advance to the settler money before he has made his improvements. Is that the intention of the Bill, or is it not? I think that ought to be made absolutely plain before we go very much further with the Bill, because a great deal depends upon it. It is a much more safe thing to advance money to a man who has made his improvements than to advance money to a man who has taken up land in its natural or virgin state, and who has made no improvements upon it. That point ought to be made quite clear to us. If this measure is to induce settlement, if it is to induce the taking-up of Crown lands, if it is to provide for advancing money to a man who has not made improvements—that, I think, would be an exceedingly dangerous proposition to bring forward. It would require to be hedged round with many more safeguards than are introduced in this Bill. If it is not so intended—and I do not think it is intended in reality for the advancement of such men as I have been speaking of—is it intended to relieve those who are now paying high rates of interest? That has also been brought forward and adduced by the Treasurer as an argument in favour of this Bill. There are, says he, many settlers in this country who are paying large rates of interest for the money which has been advanced to them. Is this Bill intended to relieve those men? That point ought also to be made clear, because, if so, it is going to do this: It is going to relieve men who now are in the hands of certain money-lenders—money-lenders who would be extremely glad to get rid of them if they could. What really is the meaning of a high rate of interest? It really means this: that the security itself is a questionable one. If the Government are going to relieve those who are paying high rates of interest, all I can say is, they will have to take questionable securities; and if they are not going to do that, then, I ask, what really is the reason for this Bill? If a man now has good security he can at the present time get money at reasonable rates of interest. A man who has first-class security can borrow at 6 per cent. I know many instances where men who have undoubted security have got money from loan companies or private individuals at 6 per cent.

Mr. DUNCAN.—How long ago was that?

Mr. ALLEN.—I know it was so till four years ago, but, unfortunately, since then they have had to pay 6 $\frac{1}{2}$ per cent. The reason for that I leave the honourable gentleman to judge for himself. This Bill is going to be of no service whatever to the intending settler so far I can read it, and it is going to be of no service to the man who is now paying high rates of interest, because his security is a questionable one. The Colonial Treasurer has told us that he has hedged this Bill round with all sorts of

safeguards. Safeguards mean nothing if they do not mean this: that the securities upon which you are going to lend the money shall be undoubted ones, and that the margin of the securities shall be ample to protect the colony from any loss. There is another argument, it seems to me, against this Bill. No provision whatever is made for the allocation of the money. It has been the customary practice for us, lately at any rate, to ear-mark loans. I think every honourable member, if he really is in earnest about the wants of his own constituents, ought to see that this loan is ear-marked. We all want our share of this plunder. I want some for my constituency; and does not every member of the House want the same for his too?

An Hon. MEMBER.—No.

Mr. ALLEN.—“No,” says an honourable member. Let him go back to his constituents and say so. I want my share of it, at any rate.

Mr. WARD.—Will you support the Bill?

Mr. ALLEN.—I will not say that; but, if there is to be plunder, let me get my share of it.

Mr. WARD.—You cannot get your share.

Mr. ALLEN.—If you refuse me my share if I vote against this Bill it will be unfortunate for me, and perhaps for my constituents; but if this Bill passes, surely he will permit me also to have my little share of the plunder. I think these moneys ought to be ear-marked. Let us all have our little share of it. Let the North Island have half, and let the South Island have half. Let the North Island be divided into provincial districts, or constituencies, and so with the South Island. If this Bill comes into operation, what is to be the effect of it in future years? Does any one for a moment imagine that this Bill is to be restricted even to the very wide limits which it now covers? What do we read? Only a day or two ago, in one of the newspapers, in a report of a Labour Council meeting, some one said this was a Conservative measure, and would have to be widened and made a more Liberal measure. This Conservative measure, coming from those benches opposite, the so-called Conservative side will have to make more Liberal. If the settler is entitled to this money at cheap rates of interest, surely to Goodness there are hundreds of others who are as justly entitled to ask the colony to treat them upon equal grounds.

9.0. Very well, then, I ask, with the Bill as it is now, taking the limit for country settlers, what will the limit of it be in the course of ten or twelve years' time? There is no knowing to what length this may in future reach; it may lead to such ends that it may ultimately lead to our wreck altogether. If we are to borrow at the rate of a million and a half on the London market, if we are to borrow £15,000,000 in ten years for the sake of the settlers only, how much will the total be if it is to include all those persons who are as justly entitled to advances as the settlers? How much is it going to reach in ten or twenty years' time? The railways will be nothing to it; the present public debt of the colony will be nothing to it. There is, how-

ever, one saving feature, at any rate. Even though we may, perhaps, wish to borrow at the rate of a million and a half for settlers, and another million and a half a year for other individuals in some industries in the country, we have another party whose consent will be required to that arrangement, and that is the London money-market. Sir, I question very much whether this scheme will find acceptance—especially if it is to be made so large as I have hinted it may be, to include not only the settler, but others—I question very much if this scheme will find acceptance with those who have been in the habit hitherto of lending us money. Then, supposing what I have hinted at does not take place—supposing the lending is limited in future to settlers only—what would be the result of that course in about a dozen years? In the ordinary course of events, interest, as I say, has been coming down more or less rapidly every five or ten years. Well, it is fair argument to conclude that in the course of another ten or twelve years the ordinary interest charged by lending companies here would also come down to 6 or, probably, 5½ per cent., or even 5 per cent. What really is a settler taking up money under this scheme going to pay? It is true he is only paying 5 per cent. interest on the loan, but he has to pay another 1 per cent.; as a matter of fact, he will be paying 6 per cent. per annum; and, although 1 per cent. is really in liquidation of the capital debt, the charge is upon him at the present time, and the charge upon him at the present time is that which has been said to be the hardship, and the settler, have no doubt, would prefer in many instances to pay the 5 per cent. interest and to leave the debt to be looked after at some future day. Very well, then, he is paying 6 per cent. interest on capital, and, as I say, possibly in the course of a few years the ordinary interest may decrease to such an amount that it can safely and satisfactorily compete with the Government under this scheme. What would be the condition of things then? It is true that under this Bill provision is made for a man paying off his loans; but I think what will take place is this: that the borrower will not be so anxious to pay off his loan as to start an agitation to reduce the rate of interest to 4½ per cent., or even 4 per cent., with 1 per cent. for paying off the capital. Now, who is going to resist that agitation if it is taken up by the people? Will anybody upon the Government benches, or anybody in this House? If the scheme succeeds and becomes widespread, will anybody resist that agitation for a reduction in the rate of interest? I do not think so.

An Hon. MEMBER.—Why not?

Mr. ALLEN.—“Why not?” Because our experience has told us that the Government benches never can resist agitation of that kind. The honourable gentleman knows it as well as I do. Well, if that takes place, where is your margin of profit? It is true that under the Bill provision is made for the conversion of loans: that may be easy at the time or it may not be, but, assuming that no further conver-

sions take place, then, I say, the margin of profit is so small that it will probably result in a serious loss to the colony. Even under the present conditions, without a reduction in the rate of interest, I say the margin is so small that during the first years, at all events, it will probably result in a serious loss to the colony. Then, Sir, I did incidentally refer to the possible effect of huge borrowing schemes on the Home market, and, as that has been referred to by others, I shall say no more about it now. Nor need I stay for any length of time to say anything about the cost of getting the money. The Colonial Treasurer assumes that because the Consols at $3\frac{1}{2}$ per cent. stand at 103 the Agents can raise this at par. Sir, our Consols stood at 103 not so long ago at the time we were actually making conversions; but did we convert our $3\frac{1}{2}$ -per-cents then at par? No; the honourable gentleman knows perfectly well that we got only 95 or 96; and it is quite patent, in looking through the clauses of his Bill, that the Colonial Treasurer does not expect to raise the loans at $3\frac{1}{2}$ per cent. at par, for he has provided in the Bill that he may pay 4 per cent. Very well; it has been pointed out that if he pays 4 per cent., the margin left, out of which he must pay expenses and to Assurance Fund, is only 1 per cent., or something like £15,000. He has calculated his expenses, and I say his calculation is altogether below the mark. I do not say it is below the mark as regards the salaries he will pay the Valuers or the legal officers, but it is below the mark because he has omitted the various other charges which have been pointed out by the honourable the senior member for Wellington City, and which will have to be included in the management Act. If we are to lend money on leasehold securities it is quite plain and patent to the House that there must from time to time be inspection of all these securities. How in the world otherwise shall we know respecting these leasehold securities that the improvements upon them are kept in repair unless we have from time to time inspectors going round to see that that is done? Unless this is done, assuredly many of the securities will become worth almost nothing. Buildings, fences, and all other kinds of improvements will have from time to time to be inspected, and that will cost money. Sir, there is no provision, so far as I can see from the speech of the honourable member, for expenses of that kind. Nor do I know that he has calculated for the loss of the mortgage-tax. It has been referred to before, and I will not dwell upon it, except to say this: If the scheme becomes widespread, so as to replace a lot of the money advanced by private loan companies, it will in the course of time mean a very serious loss to the colony—£6,250 for every million and a half. What will that amount to in the course of twenty years? Or, supposing that the whole of the private mortgages that there are now are replaced under the Government scheme, what it really will mean is that the colony will lose on account of the mortgage-tax £125,000 a year. That is a serious consideration. If the

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advances under a scheme of this kind replace private mortgages by loans from the Government we shall lose by it to the extent of the mortgage-tax. Nor need I refer at any length to the machinery of the Bill, which proposes, with regard to freeholds, that money shall be advanced up to two-thirds of the value. That has been sufficiently criticized by the honourable member for Akaroa, and various other members even on the Government side of the House, and that should be sufficient to induce the Government to recognise that it is not a safe thing to advance money up to two-thirds of the value. That that has been admitted in the past is quite evident from the fact that other Government lending institutions have never advanced beyond 50 per cent. of the value, and even then they have managed to make losses, and in one case a somewhat serious loss. And if it be true that under a 50-per-cent. valuation more or less serious losses have been made to the colony, what will take place when we lend up to a two-thirds valuation? Then, it is proposed to advance to the leaseholder upon the security of his improvements or of the value of his lease on a 50-per-cent. value. Well, I do not know how that may work out in practice, but to my mind it is an exceedingly dangerous thing to advance money upon leasehold security unless there are further safeguards placed in the measure than there are at present. What are these improvements, after all? Are they things that exist for ever without deterioration? These improvements will be gradually decreasing in value. Of course the Colonial Treasurer may say that at the same time his advances are decreasing. Well, it is a question of degree which are going to decline in value most rapidly. Are the improvements likely to come to nil quicker than the amount owing by the leasehold tenant comes to nil? I think the proposal to advance upon leasehold securities, although it may probably be a beneficial thing to do if it can be done with safety, is an exceedingly dangerous proposal, and one which requires very many safeguards to be placed in the Bill. Now, I wish to say a word, before I sit down, with regard to the effect upon the Consolidated Fund under this Bill. It is full of Consolidated Fund and of Public Works Fund from beginning to end. Clause 34 starts with Consolidated Fund, the bonds under this clause being charged to Consolidated Fund. The Treasurer will say, no doubt, that there is no other way in which to charge them. Any deficiency in management is to be met from the Consolidated Fund. In clause 62, the 2nd subsection of the clause, the capital of the Debenture Fund repayment is placed—where? In the hands of the Public Trustee, it is true, but at the call of the Colonial Treasurer. Well, Sir, we have had experience of what that means with other Government lending institutions. This is only another means of supplementing the Public Works Fund, and of possibly supplementing the Consolidated Fund, in a more indirect manner than has been hitherto done.

Mr. WARD.—That is not so.

Mr. ALLEN.—Well, the honourable gentleman may say he does not supplement the Fund now from the Public Trust and Life Insurance Departments.

Mr. WARD.—How could you get it back from the Public Trustees unless the Colonial Treasurer had the right to take it?

Mr. ALLEN.—Make provision for the Public Trustee paying it direct. Why get it back? Why not make provision for paying it direct, and have nothing to do with the Consolidated Fund? There is no provision here that the Colonial Treasurer shall pay off his bonds or debentures as soon as he gets it back. He is to pay it some time, but he does not say when, and he may use the money for thirty-six years and a half before he pays off some of the land-bonds. That seems to me one of the reasons why this Bill has been introduced. Then, with regard to the land-bonds, clause 63 provides that the half-yearly payments are to be made to the Colonial Treasurer, to be applied in redeeming the bonds: that is true, but when is he to redeem them? The bonds are in existence for thirty-six years and a half, and as long as such are in existence he may call them in. But who thinks that he is going to call them in? If he wants the money he will stick to them as long as he can, and at the end of the time he will probably say, "These have gone into the Public Works Fund; we must raise another loan to meet the bonds." My time has drawn to a close, and, although there are one or two other things in the Bill I should like to speak about, I feel that other members have so criticized the measure that perhaps it is best for me to offer no further remarks. I should like, however, to hear some further explanation from the Treasurer in answer to the arguments that have been adduced against the operations of the Bill, at any rate from the honourable gentleman's own side of the House, as well as from this side.

Mr. SAUNDERS.—Sir, I rise again on the wrong side of the House, and, judging from the enthusiastic manner in which the remarks of the honourable member for Riccarton in favour of the Bill were received, and the very cool manner in which the opposition of the honourable member for Bruce has been received, I expect I shall not get a very warm reception myself. But I have no intention, in rising to speak on the second reading of this Bill, to make anything like a Committee speech. I do not intend to criticize the Bill in detail. It is not so much the details of the Bill I object to—it is the principle of the Bill. I entirely object to the reversal of the policy so clearly and distinctly laid down by the late Mr. Ballance two years ago, and which this Government, with equal clearness and decision, agreed to adopt. In fact, they came into office distinctly with the fullest understanding on their part that they were to carry out the policy announced by the late Mr. Ballance. That being the case, and it being also true that I most distinctly and positively assured my constituents that I would support no measure in this House that would increase our already crushing na-

tional debt—that being the case, if I approved of the most of the details of this Bill I should not dare to vote for it without first going back to my constituents and seeing by their votes if they would approve of my moving in that direction. When I spoke in the financial debate I quoted some words by Mr. Ballance in his last Financial Statement to show how very distinctly his policy was opposed to that enunciated in the Financial Statement of the Colonial Treasurer this year. I will now quote another sentence from Mr. Ballance, and I do so because it really seems to me, from the action the Government have taken in this matter, they must have forgotten either Mr. Ballance's policy or their own assertion that it was their intention to carry out his policy. I have here a sentence which I will read from Mr. Ballance's Financial Statement of the 30th June, 1892—his last Financial Statement. He says,—

"I have shown the necessity for weaning the colony from a servile dependence on foreign dealers in money. I do not think it would be wise to attempt to raise another loan in the English market at present. . . . We have boldly announced the policy of not offering our friends any more paper for a period. We propose, therefore, to keep faith with this announcement, and to refrain from placing any loan on the English market."

Then he says what we know is so true,—

" . . . Of course this limit means a reduced rate of expenditure, and it will impose great care, moderation, and self-denial on honourable members; but it also means that, for the first time, we have determined on a policy of true self-reliance—the only policy, I firmly believe, to make this a great country."

Now, Sir, can there be any misunderstanding those words, and can you make those words fit in with a proposal to borrow in all directions, not only this year, but to borrow yearly a million and a half for this particular purpose now before the House, and for this House to give authority to the Government to do that? This is a most complete reversal of policy, and, as I said before, the question is so important, for the sums involved are so large, and the pledges of myself and I believe a large number of other members so distinct in the direction to vote for no more borrowing and no more increase of the public debt, that we have no right to consider a Bill of this kind without first going back to the country to take the opinion of the constituencies on a subject of such vast importance. There is no doubt, as Mr. Ballance said, that the declaration which he made of the intention to adopt a self-reliant policy, and to appeal no more to the British money-lender to give us money to meet the interest on loans we borrowed before—there is no doubt that that policy meant an amount of uphill work, and self-denial, and determined economy, such as very few men are disposed to adopt. In fact, we may speak of it in the lines of Dr. Watts,—

True, 'tis a strait and thorny road,
And mortal spirits tire and faint.

The Treasurer tired very soon of this policy of

self-reliance. In fact, I might quote with regard to him the words which old Jacob applied to his son Issachar: with the alteration of one single word it applies exactly: "Issachar is a strong ass crouching down between the sheep-folds: and he saw a resting place that it was good, and *borrowing* that it was pleasant; and he bowed his shoulder to bear, and became a servant under taskwork." Now, Sir, the Colonial Treasurer had one of the finest opportunities a man ever had in this world to become the saviour of his country. He had nothing to do but to take up Mr. Ballance's policy and carry it out unflinchingly. He would not have pleased everybody, he would not have been very enthusiastically supported, he would have been called all sorts of bad names, he would have had to refuse a great many favours asked of him; but, at the same time, he would have done a work that would have immortalised him. The history of New Zealand would have pointed him out as the man whose firmness put a stop to the villainous system of borrowing and extravagance. While I am quoting Scripture I must allude to another sentence of a theological character, and there, again, I must alter one word, and I am afraid the alteration does not make much difference to the meaning so far as New Zealand has been affected. It is that this policy is a return to Vogel and all his works. We know what that policy has done for us. We know what the burdens of the country are at present as a consequence of that policy; and we know that we have long ago reached the highest point in borrowing that any community of the same size has ever reached; and will not every million we now add point out to our creditors, and to money-lenders in England, that New Zealand is not a place to lend more money? Is it not as sure as that the sun will rise to-morrow that, as soon as your Financial Statement gets to England loaded with borrowing proposals of every description, the interest on money, if it does not rise absolutely, will rise relatively in this country? In regard to this question I listened with a great deal of pleasure to the speech of the junior member for Wellington City. The manner in which he pointed out the undesirable character of many of the details of this Bill I entirely agreed with, especially when he showed how dangerous it would be to lend up to two-thirds of the value of property. But there is one point in which I differ somewhat from him—when he says the low interest on money is probably the result of temporary circumstances. I do not think that. I think, and I think specially in connection with this Bill,—and to me it points out the danger of the Bill more plainly than ever,—that the interest on money is certain to fall. It must fall, and this makes it such an appropriate time to have continued this policy of self-reliance, which would certainly have given us money at a lower interest, and we should have been in a position to profit by the most favourable markets. If you consider the position of the money-lenders and of the money-borrowers in the world at the present time, I

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think we must come to the conclusion that money will be borrowed at lower rates of interest—at least, at nominally lower rates. England is herself almost deluged with money, absorbing as she does a hundred and fifty millions a year of interest paid in appreciated gold—gold worth twice as much as it was worth twenty years ago. That is one reason. But, besides that, we have the fact that America is paying off her debt, and transferring her debt from Great Britain to her own people. In addition to this, we know that Turkey and Egypt have long had the bailiffs in their houses; they can borrow no more. South America cannot borrow, however much she would like to do so. She has reached the goal of borrowers sooner than we have. Then, we have the great European countries—Russia, Austria, and Italy—and I mention them only, because France borrows from her own people; the industrious, hard-working people of France are the creditors of the Government—they actually lend money to their Government, so that her debts will not cripple her as ours do. Austria, Russia, and Italy have long been making demands on English money-lenders, but the appreciation of gold has rendered their interest so oppressive that they can carry this borrowing no further. They are obliged to pull up; and where is England to find customers for all the money she has to lend? Under these circumstances there is nothing more certain than that the money-market of England will be stagnant. There will be very little demand, especially under the great disturbing cause that the appreciation of gold has made matters so much more favourable to the lender than to the borrower. A trade so remunerative as money-lending has proved is sure to be overdone; a trade so disastrous as borrowing has lately proved will be

avoided. That being the case, it is 9.30. quite natural, and it would be unnatural if otherwise, that the money-lenders of England will find great difficulty in obtaining a mortgage for the quantity of wealth they have to invest at the present time. That is another reason which, it appears to me, should have been a very strong one to induce us to continue in the course marked out by Mr. Ballance. It was really magical the effect that his announcement of no further borrowing had upon the credit of this colony. Notwithstanding the enormous or very unusual cessation of credit and confidence in the Australian Colonies, New Zealand after that official declaration was treated with confidence; she was lauded and trusted and honoured in every way, and we were offered money at low rates, and at very much lower rates than we had been accustomed to, or even deserved under the circumstances. Since Mr. Ballance announced that policy we have borrowed or converted something more than eight millions of money, and we have saved hundreds of thousands of pounds by the improved credit which immediately followed on Mr. Ballance's announcement that we were not going to have any new borrowing operations in the English market. Yet, on the

very first opportunity, we are now going back more voraciously than we ever went before, and we are going to borrow money by this Bill alone at the rate of a million and a half a year, and we are going to continue it year by year. Shall we not deserve to be accused of having taken an unfair advantage of the confidence of the English creditors, having reversed the policy under which we obtained such a great advantage? The fact of having proclaimed our intention to borrow no more money under any circumstances will lead strongly to the supposition that that declaration was merely made in order to enable us to borrow on better terms than we could have done without such a statement. That is the position in which we are placed in connection with this and the other borrowing Bills before us. Now, I know how very hard it will be for the present Colonial Treasurer to do without borrowed money, and how very hard it will be to collect the enormous amount of interest we have to collect, not for our own people, but to send out of this colony over the sea. No one could appreciate the difficulty Mr. Ballance took upon himself more highly than I did at the time he announced that policy, and I believe, if he had still lived, that that policy would have been adhered to, and the result would have been that our interest would have gone down very much lower than it is now. The interest generally has gone down so much that, notwithstanding the disturbances that have taken place in the Australian financial world, I see that Sydney is now able to borrow money at par and at 3½ per cent. That being the case, I do think that the Colonial Treasurer would have been something more, perhaps, than human if he had been willing to do without yielding to the same weakness as all his predecessors have succumbed to, and saying, "Let us have peace in our time, and let some future Hampden fight out this up-hill battle, this great difficulty which sooner or later must be fought out in this country." The sooner the better; and the later the more hopeless, if not disastrous, the inevitable struggle must be. That is all I have to say with regard to finance; but I want to say something about the land policy, because this Bill reverses the land policy of the country as distinctly as it reverses the financial policy. What was the great reason given to us why we should not give a freehold title to our settlers upon the land? The great and very good reason assigned by the Minister of Lands was that they should not be placed in a position in which they could mortgage their estates, because if they did they would certainly lose them. I am mistaken if I have not heard the Minister of Lands himself quote Carleton's lines,—

Worm or beetle, drought or tempest,
On a farmer's crops may fall,
But for first-class ruination
Trust a mortgage 'gainst 'em all.

We are now not only going to allow freeholders to get rid of their estates by mortgaging them, but we are going to encourage the leaseholders to do the same, and then we are going to make

things as easy as we possibly can for them to get into debt, and as difficult as possible to get out of it. Now, my experience with regard to the effect of money-lending goes back for fifty-two years in this colony. Fifty years ago the New Zealand Company suddenly failed, and drove, by that means, a number of settlers on to the land under circumstances for which they were entirely unprepared, and as destitute as men could possibly go on to their sections. They were so poor, and circumstances were so unfavourable to them at that time, that it is actually true that in many cases these settlers had to dig up their seed-potatoes and eat a portion of them to prevent actual starvation. None of us had too much to eat, and there were many instances where men who had not enough to eat were obliged to help those who had still less. That was the condition in which these settlers went on to the land, and the struggles that those men made were something heroic. There were different classes of settlers, but I should say that they were all pretty much alike in hard, honest struggling for the first year or so; but after about two years the fiend of borrowing took possession of some of them who were honestly living in their mud cottages and brush-wood whares, wearing sack trousers, and going to church in a pair of moleskin trousers and a blue shirt kept for the purpose. But now all those men who kept the sack trousers on longest are rich men, and own the land that was occupied at that time. Those who went into the market to borrow money, and mortgaged their lands, lost their land, and the land became the property of the man who had kept his sack trousers until he could earn, and not borrow, something better: hence these men are now the owners of properties that were once divided between the two. I could speak of two men; I have mentioned their names to the honourable member for Nelson City, who knows them both well. They both came out early in 1842; they both went on the land, and they both went on good land. Although struggling together, and keeping pace with each other for some time, at last one of them borrowed £800, and gave a mortgage on his land. He was very soon after elected to the Nelson Provincial Council, and became a greater man than the other, and for some time you could see that his house was much better—he had a bigger and much more luxurious house for himself; but in ten years' time he had no house at all, and he was looking for a Government billet, and got one for a time.

An Hon. MEMBER.—What interest did he pay?

Mr. SAUNDERS.—I do not know what interest he paid, but interest was very high at that time. At any rate, that was the result. They were both industrious men; but the man who borrowed nothing, and kept on his sack trousers,—who used short logs for stools, and a slab for a table,—who did his work with four old cows, and ploughed his land with them—that man made use of every pound, and he was very soon a money-lender, and died worth

£20,000; whilst the poor man, who had begun with him, and had borrowed this £300, died a pauper about the same time. That is a very common occurrence, and there really was nothing very extraordinary in it, as it is only the common occurrence that followed borrowing by our early settlers in this colony. The men who have been successful in this colony are the men who have strenuously avoided borrowing, and have relied upon their own resources, however severe the first pinch may be, and who have not been afraid to face difficulty and to endure toil in order that they might ultimately obtain that reward which follows upon industry and thrift—but not upon borrowing, which this Bill proposes to facilitate.

Mr. EARNSHAW.—Sir, I should not have risen to speak on this subject were it not that I did not wish to give a silent vote. I am going to vote against the Government on this measure. During the course of this debate the Colonial Treasurer, in the first instance, did not do himself justice. Through making a mistake over £1,500, as against £15,000, it appeared to be harassing to him, and he did not do that justice to the measure which I think he meant to do when he commenced. All through this debate I have felt very much that the honourable gentleman could well say, "Save me from my friends," for, with the exception of the support of the honourable member for Riccarton—which was a wholesale support of the measure—with the exception of one or two saving clauses every supporter of the Government has damned the Bill with faint praise.

Hon. MEMBERS.—No, no.

Mr. EARNSHAW.—Yes; there has not been a single supporter of the Government, who has got up in this debate, who has not said that he would amend the Bill in Committee.

Mr. E. M. SMITH.—No.

Mr. EARNSHAW.—The honourable gentleman has made his speech, and I wish he would give me the courtesy of allowing me to make my speech. I do not think, however, he showed courtesy when he spoke in following the honourable member for Wellington City (Sir R. Stout). Honourable members who have spoken have either said that the Government ought to limit the advance to settlers from £50 to £500 or £1,000, or that it should be raised at a rate not exceeding 3½ per cent., or that the Colonial Treasurer should not be able to put his hands on these moneys. There has been no honourable member who has given him that clear, full support which, from a party point of view, he might have reasonably expected his supporters to give him on this measure. I have some sympathy with the honourable gentleman in this respect, and therefore he will not show any feeling when I explain to him my position, and tell him quite frankly that I shall vote against the Bill in the division. Speaking for myself, I was a strong supporter of the late Premier, Mr. Balance. I was returned in the last Parliament in favour of a non-borrowing policy, and his policy was a non-borrowing one. I was re-

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turned to this House on a non-borrowing policy; therefore, on that primary ground, I shall oppose this Bill. But this measure is only one of a series of borrowing proposals. We have before us proposals now that cover, if we take into consideration the same term that it is proposed to borrow money under the Land for Settlements Bill, five years. If you take that measure, and if you take the sum that will be raised for roads and bridges and for the purchase of Native lands, that makes three millions and three-quarters. Then, if the Government carry this measure through, for the five years it will mean seven millions and a half; and, whether this Government occupies those benches in the next Parliament or they are occupied by others, if this measure is carried no Government can stop immediately that lending—you will have to continue it for two years more; and, without taking the conversions this year, that makes eleven and a quarter millions, irrespective of Consols and contingent liabilities. These are borrowing proposals which I shall oppose as far as my vote will enable me to do it in this House; and I honestly believe that if the Government were true to their constituencies they would not pass these measures until we had gone to our constituencies and realised what they think of these measures. No constituency had this proposal before it when it returned a member to this House. No member of this House, nor the Ministry itself, nor the Premier ever gave out a manifesto conveying what is initiated in this Budget and the various policy measures that have come down; and it is only fair, as the honourable member for Selwyn has said, that these proposals should go to the country before we give our decision upon them and place them on the statute-book. Now, I am opposed to them, in the first place, because it is practically borrowing. Although the Government have been astute enough not to bring in the word "borrowing," it is just as much a loan proposal as the proposals of Sir Julius Vogel under the public-works policy, and on that ground I oppose it. I also oppose it because I do not believe that the Government should enter into competition in the money-market with the private money-lender. What, to my mind, they should do would be to try to lay down a fair standard rate of interest, and they can do that through the Public Trust Office and the Insurance Department without going into this scheme. If they will not come upon the Public Trust Office and the Insurance Department to absorb the money for their own purposes, but will let these two departments have the use of their money to lend out under reasonable proposals, there will not be any more demand, I believe, for these safe investments. If there were, it would be a fair thing for the Government to implement the moneys of these two institutions to meet the mortgages required. Now, we have also gone away from the proposals in the Budget. In those it was clearly laid down that the money should be obtained at 3½ and lent at 5 per cent., and that within that 1½ per cent. should be the

whole cost of the transactions as between the Government and the borrowers. They have departed from that. For reasons best known to the Colonial Treasurer, he has seen fit to put in this Bill a 4-per-cent. purchase cover. Whether he has had advice from Home that it would be difficult to borrow at $3\frac{1}{2}$ per cent., of course we do not know. We may have our opinions, and my opinion is that at the last moment he believes he cannot raise money at Home at par at $3\frac{1}{2}$, and he has therefore to raise it to 4, and therefore it is to be lent at more than 5 per cent. to the borrower. That shows, at any rate, that the views of the Colonial Treasurer have been somewhat modified since he gave his Budget Statement. But I should like to know—I asked him the question when I spoke on the Financial Statement, and in the course of this debate the honourable member for Ellesmere asked him the same thing—I asked the honourable gentleman, especially when speaking on the Financial Statement, if he would answer this question, but in his reply he did not do so. I will now ask it again: “(1.) Will the Colonial Treasurer state who will pay the mortgage-tax now paid by the mortgagees—1d. in the pound over £500? Is the State going to surrender this tax, or how will he retain the revenue derived from this source? For upon £1,500,000 advances to convert present mortgages paying taxation, the Colonial Treasurer may lose about \$6,000. (2.) What will be the effect of the cheapening of money and the cheapening of land on the Bank of New Zealand?” I now, a second time, ask him if, when replying, he will answer me that question. I think it is fair, and one he should answer on this money question. And I should like to know if he is going to exempt those persons who borrow money from the Government. Is he then going to exempt persons who have mortgaged to private money-lenders? If he is going to exempt Crown mortgagees, then he must exempt all mortgages. I say he has no right to make fish of one and flesh of another. Under this Bill it is also quite possible for any person who has several distinct fee-simples to get several loans from the Government upon them; and there is nothing to stop these men obtaining several loans, and, after obtaining them, again lending the money out in smaller sums to other persons who cannot avail themselves of the conditions of this Bill. Sir, sometimes I do not think myself that even the Government want the Bill to pass. They are simply kite-flying, to catch the country settlers' vote. This Bill puts me very much in mind of one of the great novelists, who wrote, perhaps, the most perfect novel we have. When he had written it, capable as he was of writing it he did not know what name to give it, and it was only when another great writer—Dickens—suggested “*The Woman in White*” that he realised that that would be a fitting title for it. It is just the other way with this Bill, for, while I think the title is perfect for catching the country settlers, the body of the Bill is very imperfect, and it is prepared to meet especially

country members, for, although they are almost to a man opposed to it, they are afraid, with this catching phrase, “cheap money to settlers,” how they can face their constituents and vote squarely against this measure. I am very glad I stand for a city constituency, and therefore am not troubled in that respect. I could not follow the logic of the honourable member for Wairau in proposing that money should not be lent to those who have improvements on leasehold. If there are any people in the country who should have advances made to them it is those persons who are not so well able to get advances against their improvements as those who possess the fee-simple; and, as the Government have made the departure of going largely into lease in perpetuity and perpetual lease, it is only right that they should provide struggling settlers with money at a price they cannot possibly get it at in the money-lending market. That would have been a movement that I believe would have had the support of the whole colony. It would have allowed the Government to meet this class without competing with the private money-market; it would not have disturbed the money-market or our finance in the colony or at Home. If they had done that, and had seen for two or three years how that had worked out, then they could have advanced; but at the present time they have come down with a huge policy, which is very taking so far as the country votes are concerned. They cannot hope, however, that they will carry this Bill through the House, for it is not to be forgotten that, while member after member has got up and said that he will propose in Committee to reduce the scope of the Bill, we have the continual interjections of the Colonial Treasurer that if that is to be done he might as well shelve the Bill. That is significant; and, in voting for the second reading in the hope of carrying their amendments in Committee, honourable members should be very careful what they do. I am aware that in voting for the second reading of a Bill members only vote for cardinal principles, and then amend it in Committee as they think fit; but where the Government mean to carry the crucial parts of their Bill through Committee, and will call on the majority to vote with them on this measure, honourable members should be careful what they do. It is not Go-as-you-please in respect to this Bill; it is Go as the Government dictate to you; therefore I should advise honourable members to be careful how they vote. Personally I shall have very great pleasure in voting against the Bill. I also am of opinion that if the Government do carry this measure through—and I think they will carry the second reading—when it comes out of Committee they will simply shelve it. If they do carry it, then we should safeguard these advances in such a manner that the present Colonial Treasurer, or the gentleman who may succeed him, will not be able to put his hands on one shilling of the money. We shall have to guard against the bad securities that are going to be taken in hand; because, while it may be true that in Taranaki, owing to the

great advance in the dairy industry, lands have very largely increased in value, it does not follow that they have increased in value all over New Zealand. It does not at all follow that the wheat lands are going to increase in value. A good many people think they are not able to compete in the growing of wheat, and it will be worse as years go by. Illustrations like that will show that it is not sound policy to advance to two-thirds value generally. Those who have got advances at a two-thirds value got their advances at times when land-values were higher than they now are. I fail to see how the Colonial Treasurer can give assistance to these persons unless he is prepared himself to take over the large risks the present mortgagees are holding, who would only be too willing to hand them over to the Government. I think one-half cover is ample. For the next three years we should determine to see how many cases there are that require mortgages at one-half, and how many can be relieved with the first million and a half. If we find that of no use, then next year or the year afterwards this House might consider how much further they should go in this respect; but if you go to two-thirds, and give advances of £5,000 the first year, you will have more than one million and a half applied for; and, believing you will have more than that number, it is fair we should start with a perfectly safe cover, and take over only those mortgages we know we shall lose nothing upon. We can test the feeling of the country, and test what demand there will be for these advances. I support the measure in so far as it relates to advances to our Crown tenants. That, I think, is a proper mode of coming to them; and, if it is fair to advance two-thirds on freehold, then I say it would be fair to advance two-thirds on improvements of Crown tenants if you make the demand that, as you make that advance, during the ensuing year the tenant should make at least one-third more improvements on that land. If you

10.0. safeguard it in that respect, I think you can make a greater cover than one-half of the amount of the loan to the Crown tenants, and it would only be prospectively for the improvements they would make. It is these people who should be assisted; but, with the two-thirds limit in the Bill, and the increase of the advances up to a maximum of £5,000, I am strongly of opinion that the Government had no great desire so much to come to the assistance of the really *bonâ fide* struggling working-men who have gone on their own lands as to come to the assistance of the rich class of farmers, who, as I said before, should be allowed to deal with the private money-lenders. At any rate, it is in the interests of the Crown that it should come to the assistance of those who most need it, and I am sure that the whole of the million and a half available for the first year would be fully absorbed by the smaller holders. I have always been opposed to the Board that the honourable gentleman proposes to set up. I think that, if we safeguard this measure to the extent of advancing up to one-half, the Public

Trust Office could do all the work that is necessary, with additional assistance. At any rate, it does appear to me we are going to set up a huge office that will become very expensive; and, with regard to the employment of solicitors in different centres, having solicitors in New Zealand to do the Land Transfer work, I do not think that will work out so well as the honourable gentleman thinks. It will, I think, fall into the hands of very large firms. And, with regard to the Valuers, I think we should not have a separate Board for valuation, but that it should be partly done by the Land- and Income-tax Department. Altogether, I am distinctly opposed to the Bill. I support the title—I think it is a very catchy title. We have had a good many catchy things put before the House this session, but, singularly enough, I have not been able to catch on to them. I do not know whether my views have undergone any change, or whether the views of the Liberal party have undergone any change, but, at any rate, it appears to me that measures of this kind are simply a kind of plunging expedition. If one will not catch on with the country, then they say, "We will try another"; and by throwing out baits throughout the country to the Liberal party, they may be able to keep place and power in the country. I do not think that should be the true line for the Liberal party to go on. I think, if they went on the lines which were laid down by the late Mr. Ballance in 1890 they would retain office longer, they would be stronger, and the whole country would benefit far more than it is likely to do under this "wild-cat" proposal. I shall have very great pleasure indeed in voting against the measure.

Mr. PERE.—I wish to make some remarks in regard to this Bill. I am in favour of the clause which proposes to lend money to the farmers for the improvement of their lands. I shall be very glad indeed if this Bill is made to apply to the Natives as well, because I think hitherto it is only the Europeans that have enjoyed these privileges. Well, the Natives now desire that they also should share these privileges. They have found that the banks and private companies are not desirable parties to deal with, because they often have to pay up to 9 or 10 per cent. for loans from these institutions; besides, they (the Natives) are not allowed sufficient time within which to pay off these loans. As the law now stands, also, the banks are not able to advance moneys to Natives. I think, whether you pass this Bill or not, the Government will always lend money to the Natives. I think it is quite right that loans should be given to poor people only, and some one appointed who will be responsible for the administration of such moneys, and who will see that the moneys are repaid. I have not yet seen a person in New Zealand who has made improvements to his land and has not borrowed money, either from private companies or from some bank; even persons who have money go and borrow money from these monetary institutions. Therefore I wish very much that this clause in particular should be made

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to apply to the Natives, because Parliament now proposes to rate Native lands. Well, if they are going to do that, they ought also to give these Natives facilities for obtaining money to place them in such a position as will enable them to pay off these liabilities. I understand this House has approved of the imposition of rates on Native lands. I think those who have money ought to be allowed to borrow money from banks or from companies, and so reserve these privileges for those who have not the means to pay all their debts—that is, the settlers and those who have no money. Let those who have money in the banks or companies go to such institutions for money. I do not think it is fair to let these people enjoy the privileges under this Bill, to the exclusion of the Natives. It would be far better to exclude these people from the enjoyment of these privileges. No doubt some of those persons who object to this Bill have vested interests in these companies or banks. I must call the attention of honourable members again to the case of the Bank of New Zealand. I myself suffered a good deal in connection with that bank. These banking institutions have losses of their own, and if any calamity falls upon any of them their usual practice is to hunt up all their customers and get them to pay up. Besides, they do not fix any special time for the loans. When they found circumstances were not favourable they would only give their customers twelve months, and at the end of that time they would give them notice to pay up. Well, those persons who desire to deal with these institutions ought to be allowed to do as they like, and let others who cannot afford to do that go to the Government and borrow money, and let the Maoris also borrow money from the Government. I shall consider it a great injustice indeed to the Natives if they are not allowed to share in the privileges which are proposed to be given under this Bill, because, as I remarked just now, they are to have rates imposed upon their lands. These lands are generally not improved to any great extent. I think, therefore, that the proposal made by the honourable member for Auckland City (Mr. Crowther) is a very fair one—namely, to allow this Bill to go into Committee in order to have amendments introduced. In days gone by members of this House used to get up and talk about the poor people, and express sympathy with them. In those days the poor people outside this House had great influence on the members, simply because those members were afraid that these poor people might vote against them at the next election. But now that the Government has introduced a Bill proposing to borrow money from the London market in order to lend to these poor people I find honourable members objecting to this Bill. This is my word to those people who are not very well off: Never you vote for members who oppose this Bill; because they have forgotten their old sympathy for you. I shall not have much more to say in regard to this Bill now, Sir, but, in conclusion, I wish to say that I do hope that the Natives

will be allowed to share in the privileges proposed to be conferred under this measure. Let the rich people vote for the banks. No doubt some honourable members are directly interested in these banks. I do not wish the Maori people to help these people to acquire wealth. I really think, if this plan of the Government succeeds, the Maoris will have no difficulty in effecting improvements on their lands, and this House will no longer say that the Native people are too lazy to work, and will no longer say, "Let us take the Maori lands." Honourable members who make such remarks ought to be ashamed of themselves, because it is this very Chamber that has made these laws, placing restrictions on the Native people, and which has also introduced legislation to tie up the Maori lands. And, Sir, having tied up these lands so that the Natives could do nothing with them, these persons quietly remark, "These are very lazy people"; and they further say, "Let us make a Rating Bill, so as to force these people to work." Now, this is my word to you: The Maori people will not pay rates. You will see the Government by-and-by going with a force of soldiers to arrest the Maoris. I am telling you the truth. If the Maoris are allowed a voice in the administration of their lands I think something will be done. Look at my Bill now before the House. What has been the fate of that Bill? The Government have kicked it out. The reason of that is that you European people do not wish the laws to be made in the interests of the Maori people, or as the Maoris wish. Your great desire is to make the law as complicated as possible to the Maori people, so as to force them to part with their lands. The result of this will be that they will be reduced to the condition of the Natives of the South Island, who are year after year asking for paltry favours from the Government. I am inclined to think that it is the wish of this House to reduce the Natives to a state of poverty.

Hon. MEMBERS.—No.

Mr. PERE.—But I say, Yes. Look at the heavy rates that have been imposed upon the Native lands. There are three distinct Native rates. I am inclined to vote for that part of the Bill which proposes to borrow money to lend to settlers, but I shall endeavour in Committee to introduce such amendments as to make it as easy as possible. I should advise honourable members not to continue saying that the passing of this measure will bring injury to the banks and companies, for I think that those persons interested in banks and companies ought to be able to look after their institutions. I have therefore decided to fall into the hands of the Government; but with regard to these rates on Native lands I do wish the Government would remove them. Let the Government first make advances to the Natives, and, when the Natives have improved their lands, then by all means impose taxation on them. Sir, I think the discussion on this Bill ought to be brought to an end now.

Mr. O'REGAN.—Sir, I rise in accordance with the invitation extended to me in common

with my brother members by my friend the Colonial Treasurer. He has very distinctly and courteously invited members of this House to do their best to help him to make this Bill a workable measure, and to improve it wherever practicable. It seems to me, Sir, that this measure is totally different from the scheme which was promulgated some years ago by the late Premier, Mr. Ballance. When first I heard of the proposed initiation of this scheme of cheap money I understood the Government were to take the place of agents for capitalists at Home. I think that was the scheme propounded some years ago by the present Public Trustee, Mr. Warburton, in a memorandum to the late Premier. However, I find that the Treasurer, in delivering his Financial Statement, intimates that he proposes to borrow £1,500,000 per annum. It seems to me that the title of the Bill is somewhat misleading, because it is, after all, only those who have good security to offer who will be able to take advantage of the provisions of the Bill. I think, therefore, the Bill could have been more appropriately called "The Advances to Well-to-do Settlers Bill." It would certainly be a very risky thing for the Government to advance money on bad security: hence I take it for granted that under the provisions of this Bill, if it becomes law in its present form, the money will be only advanced to those persons who have good security to offer. And, after all, are those the people who are most deserving of assistance? Certainly not. The

11.0. people who most deserve assistance are not those who will be assisted by this Bill. I do not agree with the contentions of some honourable members, notably the honourable member for Hawke's Bay, that the effect of the Bill will be to cause a land-boom. If such were the case, that alone would be sufficient to condemn the Bill. But with the operation of the graduated land-tax, and the uncertainty which obtains as to the future, I think there is very little fear of a boom in land-values. I think, however, the Bill will have what I might term a stimulating effect—that it will have the same effect upon farming as protective duties have upon manufactures and industries. If protective duties are imposed on manufactured goods, the effect is to induce a large number of people to engage in manufactures, and so to encourage industry by a hothouse process, and bring about a subsequent period of exhaustion. I think this Bill will have the effect, owing to its catchy description as offering "cheap money to settlers," of inducing a larger number of people to go on the land than would be the case under normal circumstances. Many people will then embark in what is at best a risky enterprise, they will take up more land than they can profitably utilise, they will produce more than they can find a market for, and the end will probably be disastrous. I fail to understand the reasoning of the honourable member for Patea. In speaking on this Bill the other evening, he took it as a proof that the contention which he, in common with others

on the opposite side of the House, has upheld during the last three years—namely, that the effect of the Government policy is to raise interest—is verified by this measure. I would like honourable members who take up that position to explain it. We have been told on the best authority—because it comes from honourable gentlemen on the Opposition benches—that capital is being scared out of the country. Yet those honourable gentlemen tell us that the rate of interest is rising. I take it as an economic truth that interest is to capital what wages are to labour. If we want to encourage capital to come into the country, the very thing we have to do is to raise the interest. But I do not think that the operation of this Bill will be to reduce interest. The Government can only enter into competition with private people to a very limited extent. I by no means agree in the abuse which is sometimes levelled by honourable members in the House and out of it at the money-lenders. The rate of interest is governed not by the money-lenders, but by what the people are willing to give—by public competition; and, if the Government were to advance money under the provisions of this Bill upon the bad security which private money-lenders do advance upon, they would certainly have to fix a higher rate of interest than that stated in this Bill. High interest must always obtain with bad security; the worse the security the higher the interest. It is utterly ridiculous for people to say that those who are under the thumb of money-lending companies will be able to get assistance under the Bill, because I do not think the Government can safely release mortgages; neither do they propose to enter into competition with those who do pay a higher rate of interest—namely, those who have bad security. It is only those who are able to give good security whom they will be able to advance money to, and consequently it is erroneous to say that they will ever enter into competition with private individuals. I do not see how it can be sustained that, under the provisions of this Bill, interest is going to be lowered, or that the State is going to enter into competition more than to a limited extent with private money-lenders. It seems to me that what the farmers do want is not cheap money so much as a market for their produce. I have always understood, and no doubt it is a fact, that high interest obtains in times of prosperity. High interest and high wages go together, and they are both convertible terms for prosperity. What the farmers really do want is a market for their produce. Give them that, and they will need no help from the Government. Will this Bill give them that? Certainly not. Will the provisions of this Bill find employment for the people? Certainly not.

Mr. REEVES.—Will any Bill?

Mr. O'REGAN.—"Will any Bill?" asks the honourable gentleman. What we want is employment for the people and a market for the produce of our farmers. This Bill will not give that; therefore it must fall short of what is

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expected from it. Then, it must be remembered that this Government is pre-eminently a farmers' Government.

AN HON. MEMBER.—No.

MR. O'REGAN.—I am not at all surprised to hear the honourable gentleman opposite saying that; but the fact remains that the legislation which has been passed by the Liberal party since the election of 1890 has been largely in the interests of the farmers. Honourable members may talk as they like about labour legislation, but I say that to a great extent that is a delusion and a sham. It can do no good for those who want work, no matter how beneficial it may be to those who have work. The crucial feature in the Government policy has been to effect a change in the incidence of taxation. Who have been the gainers but the owners of land? It cannot be denied that the farmers have been large gainers. This is a matter for commendation; but there are others in the colony besides farmers or landowners in general. We have had no reduction in taxation for the masses, but we have had a change which is undeniably a distinct gain to the farmers.

Captain RUSSELL.—No.

MR. O'REGAN.—“No,” says the honourable member for Hawke's Bay; but he must know that that is correct, and that the farmers are the great gainers under the system of exempting improvements; and, more than that, the farmers have been conciliated to an undue extent by giving them an exemption of £500 on the unearned increment.

Captain RUSSELL.—The people in the towns gain far more than the people in the country by the exemption of improvements.

MR. O'REGAN.—I am speaking with reference to the £500 exemption of unearned increment, and not of improvements. I do not wish to say this in any way disparaging to the farmers, because the principle of exemption of improvements is one I thoroughly believe in. Neither do I say, by any means, that this cheap-money scheme is going to benefit the farmers. It is not going to help the farmers who deserve help most. It is only going to benefit the wealthy—those who have security to offer. Even if I agreed with the principle to the same extent that some honourable members do who are going to move amendments in Committee, I certainly would say that £5,000 is too high a limit of security. A man who has £5,000 security to offer is always able to get money at a reasonable rate. It is the small owner who is not able to get money at his own terms—he has to take the terms offered by the money-lender. Therefore it is entirely wrong to suppose that the small farmer, with £200 or £300, or even £500 security, will be on the same footing as the man with £5,000 security to offer. Speaking on the cheap-money scheme, the Colonial Treasurer, in the Budget, says,—

“If, for example, approved loans amounted to £500,000, then inscribed stock for this sum only would be issued. After careful consideration, it seems to me to be infinitely the best plan to obtain the money directly on behalf of the

colony, and for the colony to hold the securities against the advances that may be made. The greatest good will in this way be conferred upon those requiring money at low rates of interest. It is intended that a Lending Board should be set up, with certain defined powers. To stipulate that these advances should only be made upon a 50-per-cent. valuation would, in my opinion, entirely neutralise any general good that the scheme is intended to confer. I am of opinion that land-values have generally in this colony reached their minimum. There are, of course, exceptional cases where owners adhere to higher values than the land is really worth; but I think I am right in saying that land may not in the future be expected to further depreciate in value, and as population increases, and the country becomes settled, the acreage value of land, now at bed-rock, must show a tendency to rise in proportion.”

That may be perfectly correct, but the other day we passed the Rating on Unimproved Value Bill, giving to local bodies power to exempt improvements from taxation, and to raise all their revenue from the unimproved value only. I do not know yet whether that Bill is going to become law; but let us suppose that it does become law; let us suppose a local body taking advantage of its provisions; let us suppose that all the rates in a county are levied on the unimproved value only. Let us suppose, before that is done—and this is quite possible—that certain landholders in that district have borrowed money from the Government under this Bill: what would be the effect of such a change in the incidence of taxation? It simply would be to tax away the security of the State. The two measures are contradictory. The honourable gentleman says he does not expect land-values to further depreciate, and yet we have already passed a Bill which, if it becomes law and is adopted by the ratepayers, must inevitably depreciate land-values, and so undermine the very security the State has for its advances. I was somewhat surprised to hear the Colonial Treasurer say in his speech that he considered the man whose land was raised in value by the exertions of his neighbour would be very foolish indeed if he did not raise money under the provisions of this Bill on the unearned increment so created. It seems to me the honourable gentleman does not understand the position, because, under the circumstances that I have referred to, you would simply tax away the security of the State. I am quite willing to give my honourable friend credit for the very best intentions, but it seems to me that it is, after all, a step in the dark; but, if he is going to pass the Bill, I would ask him to reduce considerably the limit of value on which money can be advanced; otherwise this Bill will be most unequal in its application, and I am very much afraid it will land us in disaster. We are taking too many steps in the dark. The utmost care should be exercised in dealing with this question. Sir, I am emphatically opposed to the Bill in its entirety. It is idle for honourable members to say they will vote for the

second reading and move amendments in Committee; because they will make no radical alteration in Committee. I would gladly support any scheme for encouraging land-settlement, but cannot support a delusive measure such as this is. The Bill seems to me to offer no relief to the most deserving settlers. It is manifestly inconsistent with the Rating on Unimproved Value Bill recently passed by this House, and it is calculated to buoy up intending settlers with false hopes—hopes which can never be realised; and it will place this colony in a very awkward position at Home, in so far that it will damage our credit if we go to raise more money. It must be remembered that already we have given authority to the Government to borrow a quarter of a million of money to buy Native land, a quarter of a million to buy private land for settlement, and a quarter of a million for roads and bridges. We may juggle about terms as much as we like, but it is best to tell the truth at all costs. This certainly means extensive borrowing. If we go in for such extravagant borrowing, after our recent boast of a self-reliant and non-borrowing policy, I think the result will be fatal to our credit at Home.

Mr. SEDDON.—It only requires the single-tax to finish it.

Mr. O'REGAN.—The honourable gentleman says it only requires the single-tax to finish it. He evidently is endeavouring to be satirical. The honourable gentleman understands very little about the single-tax. If he understood more about it, it would be to the interests of himself and his colleagues and of the country, because it would save us from risky legislation of this character.

Captain RUSSELL.—Just a word in personal explanation. The honourable member for Inangahua is under the impression that I said the cheap-money scheme would boom the colony. I have just by chance got my *Harvard* proof, and here is what I said: "The object, of course, of the Government in the cheap-money scheme is to boom the colony." That was not what I said, but what the Government thought, would result from this scheme.

Mr. O'REGAN.—I accept the honourable gentleman's explanation.

Mr. MASSEY.—When the honourable member for Bruce spoke some little time ago I thought so much had been said that there was really very little left for me to say. While I agree with the principle laid down by previous speakers on both sides of the House—namely, that it is desirable that those settlers requiring borrowed money should be enabled to get it as cheaply as possible—I feel a certain amount of hesitation about going in for such a wholesale borrowing proposal as is contained in the present Bill. Nine or ten years ago perhaps such a Bill as this would have been useful, and welcome, because at that time the rates of interest were very much higher than they are at present. We all know that they have been gradually getting lower, until, as the Colonial Treasurer admitted only a few evenings ago, money can now be got on first-class freehold

security for 5 or 6 per cent., or even less than that. I have heard honourable members, in speaking on the Bill, complaining about banks charging 9 or 10 per cent. But this Bill will not prevent that, because banks do not lend money on mortgage. They lend money to business-men by way of overdraft; and, as a matter of fact, there is nothing to prevent men from mortgaging their land, borrowing money at the rate of 5 per cent., and relending at 20 per cent.—that is, supposing they can get an opportunity. We have been told by different speakers that the settlers generally are very much in favour of this Bill; but by to-night's mail I received a letter from a very prominent settler in the Auckland Province, which throws a little light on the subject. I am quite willing to give the settler's name. This is what he says: "The farmers themselves do not approve of the scheme of lending to farmers. Any amount of money can be obtained on first-class security in Auckland at the present time at 5 per cent."

An Hon. MEMBER.—What is the name?

Mr. MASSEY.—The name is Matthew Kirkbride: he is President of the Auckland Agricultural Association, and a very well known settler in the Auckland Province. When honourable members talk about settlers paying 8 or 9 per cent. by way of interest on mortgage, they are either exaggerating or talking about some exceptional case, where the security is not good, and where the borrower has to pay for the badness of the security. As the honourable member for Inangahua told us a few minutes ago, the worse the security the higher will be the rate of interest. Now, it seems to me that the only people who will be benefited by this Bill will be the leaseholders from the Crown—the tenants of the Crown—the people who wish to borrow money on their improvements. Well, improvements are not generally considered first-class security, because, if a man falls behind with his rent and is not able to pay it, the Government may enter upon the land and take possession of the land, improvements and all. Consequently, if a capitalist lends money on the security of improvements, he will require a rather high rate of interest for it. In any case, if a man has to pay rent for land, and interest on improvements, and to keep his buildings insured in the way provided for in the present Bill, it will take him all his time to keep his head above water; and I am inclined to think that we shall make a great many losses where leaseholders and Crown tenants are concerned. But, Sir, what the settlers specially object to even more than paying a high rate of interest on mortgage is the high cost of expenses connected with the raising of the loans; and I am glad to see that in this Bill it is proposed to make the expenses as light as possible. I consider that to be the best feature in connection with the Bill. Then, about the land-tax which is at present paid on mortgages. The State will lose that, because we cannot compel the British bondholder to pay it, and

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there is no provision to make the mortgagor responsible. Land mortgaged to individuals resident in the colony will still continue to be taxed, but land that is mortgaged to the State on which British money is invested will escape taxation. That is the position. If we borrow money under this scheme to relend on mortgage, that money will escape taxation unless we tax the mortgagor. If we tax the mortgage we raise the rate of interest by $\frac{1}{4}$ per cent., or nearly so. If we do not do that, then $\frac{1}{4}$ per cent. should be added to the rate of interest, because by the State becoming the mortgagor we lose the tax at present paid. For every million and a half which we borrow we lose £6,250 per annum in land-tax. Now, I do not know whether that is satisfactory. At all events, judging—

Mr. WARD.—Is that after deducting exemptions?

Mr. MASSEY.—No.

Mr. WARD.—Well, why not deduct them first?

Mr. MASSEY.—How are you going to deduct them? Judging by the fact that we had to collect the land-tax four months in advance, I do not think the Treasurer can afford to part with the revenue in this way. Then about the proportion to lend. According to the Bill it is proposed to lend money to the extent of two-thirds of the value. Well, Sir, it seems to me that two-thirds is too much; 50 per cent. would be quite sufficient for all purposes. We have no guarantee, as has been pointed out, that land is at present at bed-rock prices. In fact, if the prices for produce continue as low as they are at the present time, and this unsettling policy continues, we may have land even lower in value than it is now. People who have money and would naturally invest it in land are afraid to do so. They see that the landowners are treated as if they were the natural enemies of other members of the community. They see that land is taxed, and realised wealth in other forms is allowed to escape. They see that the landowners are taxed, and that other people better able to pay are exempted; and they come to the conclusion that land is not a good form of investment, and wisely decide to leave it severely alone. I think the honourable member for Inangahua, when speaking just now, stated that landowners were petted, or something of that sort, because they were exempted to the extent of £500. The honourable member forgets that, while the landowner is exempted to the extent of £500, other members of the community are exempted to the extent of £300 upon income. Capitalise that at 5 per cent.—a very moderate rate of interest—and you get £6,000. That is, the landowner is exempted to the extent of £500, and other members of the community to the extent of £6,000.

An Hon. MEMBER.—And all improvements.

Mr. MASSEY.—And all improvements; I admit that. Now, if a capitalist five years ago had lent his money to the extent of two-thirds of the value of land, I ask, how would he stand to-day? Why, he would be left with a large

amount of unsaleable property, and with a great deal of his capital gone. We have no guarantee that the same thing is not going to happen during the next five years that has happened during the past. We have lately seen financial institutions of the colony shaken to their foundations, especially those financial institutions that have had anything to do with land, and at the same time these institutions had the advantage of being managed by men of lifelong experience, and of very great ability. I do not mean to say that we are rushing in where angels fear to tread, but I do think that we are rushing in where better men have failed. We have been reminded that we are able to manage State railways, State steamships, State printing-offices, State farms, and we know we have gone a long way towards a State bank. But I think we ought to draw the line at a State pawnshop. Now, we have heard a great deal about the evils of absenteeism, and I think there is one point on which all are agreed—that it is not well to encourage the holding of land by absentees. Well, if we borrow five millions, and invest it in lands—and five millions will not go very far in connection with this scheme—then we are selling five millions' worth of our land to the British capitalists, and giving them a title to it for all time. They become our landlords to that extent, and we shall become their tenants; and I need hardly remind the House that they will require their rents, and they will want them regularly. For every million and a half which we borrow at 4 per cent.—and I think it has been made quite clear that the money will cost that—we shall have to send £40,000 per annum out of the colony. Now, at the present time we have a great deal of difficulty in making ends meet—in keeping our expenditure within our income. We know for a fact that interest is partly paid with borrowed money, and the more we send away the worse it will be for us. Another objection I have to the Bill is that it increases the functions of the State by another department, and another batch of Civil servants. According to the Bill we are to have a Superintendent and a Deputy Superintendent, who are naturally to have a number of clerks and assistants. Then, in introducing the Bill the Treasurer told us that we were to have ten Solicitors at £700 a year, I think, and ten Valuers at £600; and each of these persons will require clerks and assistants, and they will have travelling-expenses.

Mr. WARD.—I did not say anything of the sort.

Mr. MASSEY.—You stated that we were going to have ten Valuers at £600, and ten Solicitors at £700. I am quite clear on that point.

Mr. WARD.—I did not say what you have stated.

Mr. MASSEY.—I am repeating the impression I received, at all events. That means more patronage for the Government, of course, and a great deal more expense for the unfortunate taxpayer. Why, Sir, it would take 1 per cent. of the whole of the money we intend to

put through to pay the salaries of the officials alone. I fancy that a very much simpler arrangement would have been for the State to guarantee loans to settlers up to 50 per cent. of the taxing-value, such loans not to exceed £1,000, and the interest not to exceed 5 per cent. By so doing the lender would have got the best possible security for his money, and the borrower would have been able to get money at the lowest possible rate, and there would have been no expense to the colony. I have noticed that some of the covenants and conditions in connection with the Bill are particularly stringent and unnecessarily severe. For instance, it is provided in one of the covenants that, if a man is behind in interest to the extent of fourteen days after due date, the Government or their representative may enter upon the land, take possession of it, and sell the man out. Now, I have referred to the clause relating to that question in the Land Transfer Act, and I find it is provided there that the mortgagee cannot enter upon any land until the mortgagor has been two months in default: that is, after thirty-one days he may give the mortgagor notice, and after another thirty days he may enter upon the land and take possession. Thus, while the private lender is compelled to allow the mortgagor two months, the paternal Government only allows fourteen days, and gives no notice at that. Another clause which I have an objection to is clause 43, I think, where it is provided that if a man is able to reduce the amount he owes he is only to be allowed 4 per cent. for the amount of the reduction, but is charged 5 per cent. on the principal. For instance, if a man owes £1,000, and pays off £100, he is allowed 4 per cent. on the £100, but is charged 5 per cent. on the £1,000. I submit there is not much encouragement in that to cause a man to pay up, or to endeavour to reduce his debt.

11.30. When I first read of this scheme in the Budget I was inclined to regard it favourably; but after discovering how many objectionable features the Bill contains, and how much can be said against it, I have come to the conclusion that to bring it into operation would be detrimental to the best interests of the country. I am as anxious as any one to see that the settlers should get the benefit of cheap money, but I cannot approve of this scheme, because I feel certain, if we save a little in the way of interest, we shall lose a great deal more in other directions. If we do a little less in the way of law-making, and a little more in the way of developing the resources of the colony on legitimate lines, and so restore confidence in the minds of those who have money at the present time, we shall be able to get money for even less than the Government are able to offer it for, and Bills of this character will be unnecessary.

Mr. DUNCAN.—I have just a word or two to say before the division is come to, and after the speeches we have had I think I shall not take up the time of the House very long. It has been asked, What reason is there for this Bill? Well, Sir, for the last fourteen years—

Mr. Massey

at any rate, since I have had a seat in the House—it has been the cry with the farmers that they were badly treated in the way of negotiating mortgage loans; that they have been charged interest from 10 per cent. It is now actually down to 7 and 8 per cent. The bulk of the mortgages for small sums to-day are at 8 per cent. and more.

Hon. MEMBERS.—No, no.

Mr. DUNCAN.—Yes, they are, and especially those this Bill applies to. The small mortgages of £400 and £500 are standing at 8 per cent. to-day. And I can tell you more than that: for a short time, when the banks were calling up their capital to assist the Australian Colonies, you could not get a loan at all. There were many good investments, but no money was to be got on them at that time at any price.

Mr. BUCHANAN.—The colony has been in that position before now.

Mr. DUNCAN.—We want to stop it from getting into that position. But we are not going to sit down and listen to those on the Opposition benches telling us what to do. When we have a majority in this House, we are to look to the people that put us here, and place them in such a position that they shall be never put in those difficulties again. This being the case, we must support the Government now when they are grappling with our difficulties and introducing such a scheme as this before us; we must assist ourselves by assisting the Government with their policy. This measure has been wanted from one end of the colony to the other, and there is not a man on the Opposition benches to-night who has not spoken in favour of cheap money, or in favour of the reduction of interest, which they know very well has been too high. Hardly a speaker but has made the statement that the interest on money is so much reduced that you can get it now at 5 and 6 per cent. If anybody is ready now to lend money at 5 per cent., I can find a few good investments in the district I come from which cannot be cavilled at. But there is not a single man on that side of the House or here who is ready to back up the statement and go into such a transaction to-morrow. That being so, we see the reason for this Bill; and had not this proposal come down in the Financial Statement the honourable member for Auckland City would be wanting 9½ per cent. instead of 5½ per cent. What did the honourable gentleman lend for months ago?

Mr. CROWTHER.—Five and a half per cent.

Mr. DUNCAN.—Where?

Mr. CROWTHER.—In the Waikato; not in Oamaru.

Mr. DUNCAN.—No. The honourable member for Auckland City thinks perhaps that Oamaru is a bad field for investment; but he would find the lands in that district much better than the sour swamps of the Waikato to invest his capital in. I know no honourable gentleman who has sketched out a better scheme than the Colonial Treasurer under this Bill. It may possibly be amended in Committee; but the Bill is a proper one at this

juncture, and if ably carried out it will be a blessing to the whole colony. But we shall, of course, have to take the usual care with regard to the values in the several parts of the colony, so that we may not have any more Auckland swindles like the Globo Assets Company's. The honourable member for Wellington City (Mr. Bell) specially pointed to me and said, with regard to values, that the grain-growing districts had just come down to the level of the grazing districts. That I disagree with altogether. Although grain is at a low price, at the present time wool is at a low price. Wool and mutton may come down next month or next year.

Mr. BUCHANAN.—It is down now.

Mr. DUNCAN.—It may be, but the grain-growing districts will always hold values over and above the grazing districts. That, at least, is my opinion; and I think it is a sound one, because we shall always require food, at any rate, and therefore the best grain-growing districts will command a higher value than the grazing districts, because grain-growing districts are equally good for grazing, when you are not growing crops. When you have to renew your grass, of course a grain crop is a great consideration to save the expense, and sometimes make a profit. But I do not see how you are to work the advances on improvements under this Bill. With regard to loans to lessees on improvements, the provisions will have to be altered so as to be somewhat different from the clauses set out in the Bill, as they are perishable property. We should have it worked somehow in this way: that when, say, half the improvements have been put on—

Captain RUSSELL.—What would be the value of a white-pine house in thirty-six years?

Mr. DUNCAN.—It will not apply to improvements of that kind, because many improvements even on a farm will be worth very little at the end of that time, and the clause applying to that will have to be altered so that a term of ten years will be sufficient for advances upon improvements, and will need to be renewed at that time to make it fully safe. But, with regard to the value of land, there is no doubt in my mind that our best wheat-growing land will always keep about the average value, and that the money will be got more cheaply in London for this purpose than for any other; and to support this I have only to quote the senior member for Wellington City when he stated that the Cheviot loan was floated at a very low rate because it was a land investment. It is quite likely that the money for these investments will be got at $3\frac{1}{2}$ per cent.; and the proposal made for paying off is a very great inducement to any mortgagor, because he pays his 1 per cent. extra which goes to redeem the original mortgage sum, and in a few years' time, no doubt, a provision will be made that he may be able to pay off a part of his mortgage. The best part of the Bill, as the honourable member for Waitemata stated, is the arrangement under which the mortgage can be secured at first. At present, supposing a man wished to raise a

mortgage of from £1,500 to £2,000, and supposing he had an overdraft at the bank, and the bank held his land as security—it matters not how good his security might be—by the time he released it from the bank and got his mortgage it would cost him up to the amount of £30. This money is thrown away. He has to pay the procuration fee, the valuation fee; he has to pay two lawyers, and by the time the accounts are made up it will amount to the sum I have named. Under this Bill I suppose £5 or £6 would cover the whole expense, so that will help to pay interest for half a year. I give the Treasurer my hearty support, and when the Bill is in Committee I will assist him to get it made a workable measure; and it will be hailed with satisfaction from one end of the colony to another, and I have no doubt it will be carried by a large majority.

Mr. W. HUTCHISON.—I hardly think I have anything new to say on this Bill, and consequently I shall say very little; but I attach so much importance to the principle in the Bill, and consider it as so excellent in its purpose, that I am unwilling to give a silent vote. Yet I do not think I should have spoken after all but for the fallacies—the unconscious fallacies, of course—of my friend the honourable member for Selwyn. And he stated these fallacies with his usual emphasis and ability. He quoted to the House more than once the statements made by Mr. Ballance in 1892 of his non-borrowing policy. I wish to speak with the utmost respect of those who are gone, but, while Mr. Ballance's views may have been suitable for 1892, it does not follow that these views would be suitable now. Statesmanship, where no principle is involved, is a system of adaptation to circumstances; and the only question for the House to determine is, Will this Bill help the settlers of the colony? If it will, then it should be supported; if it will not, then let it disappear. Then, my honourable friend chose to tell us that this Bill was a reintroduction of Vogel and all his works. Why, it is the very opposite. When Sir Julius Vogel was seeking election in 1884, immediately before the honourable member for Wellington City (Sir R. Stout) and he took office, he made a distinct promise that he would provide cheap money for farmers. In office he said the thing was not advisable, and they heard no more of it; but the necessity remains and has increased. Then, my honourable friend referred with his wonted enthusiasm to the old Nelson pioneers, who wanted no money from Government—who went on their sections in little more than rags and bags, moleskins and blue blouses. All honour to them! their self-denial was exemplary. But the State tenants on perpetual or eternal lease must just do the same thing. If I understand the Bill, it will only make advances to lessees upon their improvements: that is to say, when they have expended their little capital in making certain improvements they will get an advance thereupon to help them to make still more. I have been on the sick-list, and have not heard all or many of the speeches on the Bill; but per-

haps the speech of my honourable friend the member for Wellington City (Mr. Bell), which I did hear, might be accepted as a fair and able exposition of those opposed to the present proposals. For fervid opposition and extreme pessimism I am not likely to meet with its equal, unless indeed the speech of my honourable colleague (Mr. Earnshaw) may be classed in the same category. The honourable member for Wellington City was sure that Government loans must prove an absolute failure. Look, he said, at the Globo Assets, the Loan and Mercantile Agency Company, and Harper Brothers. Why, the first two institutions are both offshoots of that unscrupulous and discreditable ring which ran the Bank of New Zealand to bankruptcy. Of Harper Brothers the less said the better. Certainly, if the Government cannot manage with more honesty and care than the examples cited, it would be only wise to let the business alone: but I have no fears on this point. And, to my thinking, nothing is more desirable than to help the country settlers, who, year after year, are toiling hard and eating the bread of sorrow to find heavy interest for mortgagees, who do not press their victims out of existence only because to do so would be to kill the goose that lays the golden eggs. I refer in this connection specially to financial institutions. This measure will not only give the mortgagors relief in a reduced payment of interest, but will also deliver them from the serfdom of an absolute control of some financial institution to which they must sell their produce, and from which they must buy their supplies. And in this special portion of the contract lie commission, storage, brokerage, discount, exchange, and all the other charges by which clients are mulcted in large sums for very small services. To all this I think it only due to my honourable friend the Colonial Treasurer to add that this Bill appears to me to be closely thought out, and able and comprehensive in its details—much more so than any Bill dealing with quite a new order of business generally is. Of course there will be mistakes, omissions, and commissions. It is quite impossible to strike off a complete measure at one heat; only practical operation can show that there may be too much in one place and too little in another. I am not going to refer to the objections taken to details; they have been already iterated and reiterated, and there is, no doubt, a good deal in some of them. I may just say that I agree with those who object to lending such large amounts as £5,000 in one sum. I am not prepared to say that there might not be cases in which it would be proper to advance such a sum; but it is the struggling settler whose interests I am concerned for. Again, going to London for money I most heartily dislike, but I fear remonstrance with the Colonial Treasurer on this point is hopeless. Yet I see no difficulty in finding the money in the colony. The phrase, "a bale of paper and a printing-press," which was long sneered at by our so-called financiers, is now forgotten, but it might be turned to good account. I fail to see

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why State debentures could not be used for financial purposes. A State debenture seems to me as good as a Bank of New Zealand note, and, indeed, a good deal better. But, without going any further, I record my conviction that if this Bill is passed into law it will confer a great boon upon the colony, and many a struggling settler will have cause to congratulate himself upon having a load of care and anxiety lifted off his mind.

Mr. PIRANI.—Although, Sir, I intend to vote for the second reading of the Bill, I am not like my honourable friend the member for Waitemata, who has been converted from being a supporter of the Bill to being an opponent of the measure by the arguments he heard during the debate.

Mr. MASSEY.—I never said so.

Mr. PIRANI.—That is a fact.

Mr. MASSEY.—No.

Mr. PIRANI.—At any rate, the honourable member for Auckland City (Mr. Crowther) will admit there is some merit in the discussion on a Bill if it will have the effect of changing a man's opinions thereon. At the same time, I believe in the principle of cheap money to farmers, and in following that out I am only following out the principle initiated by the late Mr. Ballance, when he carried out his scheme of lending money to village settlers. Not only did he advocate it, but he carried it out to the extent of a liability of £60,000 on the colony. Although I believe in cheap money to farmers, I do not for a moment believe in the system laid down by this Bill. It has been said in the course of this debate that one objection to the scheme is the large losses incurred by private companies. I hold that is one of the strongest arguments in favour of this Bill. Private companies, which have been lending money at the same time as the Government Insurance Department and the Public Trust Office, have lost large sums of money, and, in many instances, have forfeited almost their entire capital, while these Government institutions, which provide necessary safeguards, have been able to lend their money at actual profit, and not at a loss at all. Another argument against this Bill has been that the margin allowed between the interest we are to pay for the money and the interest at which we are to lend it to borrowers is not sufficient to cover the expenses. Now, considering that the Public Trust Office lends its money out at a margin of 10s. per £100 to cover all expenses, and makes a profit on the investment, I think that is a proof that Government institutions can manage to lend money profitably at a margin of 1½ per cent. Another argument used against the Bill was the fact of Messrs. Harper, as was stated, losing the money they received for investment. If the Superintendent of this cheap-money scheme is going to follow the system adopted by Messrs. Harper, undoubtedly he will lose the money he borrows; but I do not think anybody is foolish enough to suppose that he is going to transfer the money to his private account and "do out of it" those who have lent it to the colony for investment. That is as ridiculous an

argument as could have been urged against the Bill. One thing in the Bill I object to is the proposal to appoint Valuers. We have in connection with the Government departments now many men who are quite able to value these properties. For instance, I might mention the Crown Lands Rangers, who every day of their lives have to make valuations pretty nearly the same as are proposed under this Bill. Another dangerous proposal contained in this Bill is to create a number of Crown lawyers. The time, I hope, will yet come when we shall be able to do without lawyers altogether; but the principle in this Bill is to appoint a number of permanent lawyers, who will be a drag upon the progress of this measure. We should reduce to a minimum the number of lawyers it will be necessary to employ. And I do not like the proposal to appoint so many officials at £1,000 a year each, with prospective billets to others at high rates of salary. If simple forms of lending the money are devised, and the titles are brought under the Land Transfer Act, there cannot be any danger, and the work can be performed by the officers at present in the employment of the Government, with the assistance of solicitors brought in now and again when required. The proposal in this Bill to lend on leasehold is a perfectly fallacious one, and I cannot understand whoever framed the Bill supposing that any such proposal would be effective to allow of money being lent on leasehold. If you turn to section 42 you will see that one of the conditions of lending money on these leaseholds is that "All covenants and conditions on the lessee's part contained or implied in the lease are complied with." Now, what are the covenants? One is that the lessee must live on the land for ten years; and do you mean to say he is to wait for ten years before he can take advantage of this Bill? Another covenant is that for six successive years he must make certain improvements. Are none of those settlers who have effected their improvements prior to that period to take advantage of the Bill? It seems to me that provision is simply a catch, and it would be much better for the Bill and for the perpetual-lease holders if this class were left entirely out of the Bill, and they were enabled to raise money by means of the Trustee Act Amendment Bill introduced at an earlier part of the session. There is also no provision in that part of the Bill in reference to the leases or licenses on the system known as occupation with a right to purchase. We know very well that in the last Land Bill this system was substituted for the old perpetual lease; and I do not see why selectors who take up land, and cannot get their title for twelve years, should not be able to get money just as well as people who hold land under perpetual lease with a right to purchase, or a lease in perpetuity. Besides, it seems to me that throughout the Bill there are many evidences of careless and loose drafting. In clause 31 there is a provision intended to prevent the Treasurer from selling the bonds under an amount which would realise

4 per cent.; but by the careless drafting of that provision it prevents anybody who holds bonds or debentures under this Act from selling them under par, providing they are raised at 4 per cent. Does anybody suppose for a minute that such a ridiculous provision should be imposed?

Mr. WARD.—It is absolutely necessary.

Mr. PIRANI.—The Treasurer says it is absolutely necessary. I should like to ask him how, before the sale and transfer of these bonds,—which can be transferred in the ordinary way,—is he going to find out the price the seller quits the bonds for? Is he going to ask every transferee what he takes for his bonds? Or is it simply intended to apply to the Government themselves selling these bonds? If it is simply intended to apply to the Government alone, then the Government should say so and make it clear, and not leave it in the loose way it is provided for in this clause. It seems to me, Sir, that this Bill has undergone a sort of process of evolution. When the Colonial Treasurer spoke at Oamaru he gave us to understand that the lines under which this scheme was to be promoted were clearly laid down, and that it was not to interfere with any financial institution, and the Government had fully determined on the course they were going to take. In the Governor's Speech this paragraph occurs:—

"Some effort should now be made by which the Government, without incurring dangerous obligations, may aid private enterprise to avail themselves, on reasonable terms, of the vast supplies of English capital, the holders of which are only awaiting openings for secure investments."

This Bill does not seem much like private enterprise availing itself on reasonable terms of the vast supplies of English capital. It is more like the Government, instead of private enterprise, availing itself of the opportunity of getting cheap money. The Colonial Treasurer, in his speech at Oamaru, told us that the money was only to be lent on freehold. Under the Bill we have several other securities: and in his Financial Statement, also, he tells us the money is to be raised by means of inscribed stock. But the Bill gives us not only land-bonds but the raising of money by debentures, and after it has been raised by loan we are to go through the expensive process of converting it into inscribed stock. I think the first suggestions of the Colonial Treasurer very much better than those brought down in this Bill, and I am very sorry indeed to see that he has so far departed from his original proposals as to put forth the objectionable details we have before us in the present Bill. I think, if the Government had confined the borrowing entirely to acting as agents for those who wanted to get money, by establishing an office in this colony and another office in London, by means of which settlers could get advances on their mortgages with the Government guarantee, that would not create the alarm that is bound to be created in the minds of capitalists in the Home-country when we go before them with a proposal for a million-and-a-half loan

every year for Goodness knows how many years. That is not only likely to do harm to the colony in connection with these loans themselves, but will damage our credit at Home, and will undoubtedly scare a good many investors from sending their money to the colony independently of the Government. There is another feature in the Bill which I think a mistake, and that is making the term of these loans thirty-six years and a half. Considering the manner in which interest is coming down at Home, it is beyond question that within twenty years the rates of interest will be very much lower than they are at the present day; and I think if we limited the time to twenty years it would be much better than to commit ourselves to pay 4 or 3½ per cent. to those who lend the money, for the next thirty-six years and a half. There is also a difficulty that will occur through persons who are able to pay back their loans being compelled to make a loss on their repayments of 1 per cent. That is a difficulty that should not be allowed to interpose between the success and non-success of a scheme like this, and it is a crude method of allowing borrowers to pay off their encumbrances. It will have the effect of putting a burden on these people, because we are borrowing for an extended period, and if their loans were shortened to twenty years it would enable the Government to make a difference in this respect, and would not impose such a heavy burden on settlers as compelling them to pay 1 per cent. for thirty-six years and a half. The question of cheap money has undoubtedly been a part of the Government policy. It was advocated before the election by the Premier at New Plymouth, and during the recess by the Colonial Treasurer at Oamaru, and there is no doubt that in accordance with those pledges the Government were bound to bring down some scheme for carrying out the principle of cheap money to farmers. I dare say we shall be able, in Committee, to do a great deal in the direction of modifying the objectionable features of the scheme; and if we can do that, and make the Bill a more reasonable and more workable measure than it appears to be at present, I have no doubt it will be conducive to the best interests of the settlers of the colony.

Mr. MASSEY.—I wish, Sir, to make a personal explanation. The honourable member for Palmerston has stated that I told the House I was first of all in favour of the Bill, but that my opinions had been changed by the arguments I heard used against it. What I told the House was this: When I first heard of the proposal I was inclined to regard it with favour, but, after studying the Bill and perceiving how many objectionable features it contained, I came to the conclusion that it would be detrimental to the best interests of the colony if it became law.

Mr. BUCHANAN.—The honourable gentleman who has just sat down has told us that the cheap-money scheme was part of the policy put before the colony during the last election, and he instanced as a proof of this that the Premier mentioned the proposal at New Plymouth. He

could have gone a little further and stated that the Government tried to sound the opinion of the colony in more ways than this one; but in what manner?—By flying pilot-balloons, first one method, and then another. One of these was put before the colony by the organ in this city which represents the great Liberal party, the principle being that the Government should simply take up the position of agent for the English money-lender, and that it should itself undertake none of the responsibility involved in this Bill at all;—a very different position altogether. For my own part, knowing the difficulties of country settlers, my sympathy must necessarily be with them in their need for cheap money; but I have never been able to see that it would be safe for a colony like this, so heavily indebted as it already is to the foreign money-lender, to go into the money-market for the purpose of borrowing to lend to settlers afterwards. Reference has been made to the great losses sustained by companies and individuals who have in the past lent money to country settlers, and to others; but it has been stated, I think, by the honourable member for Oamaru that the Government would be in a safer position than would a company or private individual, and as a proof of that he instanced the small losses sustained by the Government Life Insurance Department and the Public Trustee. Sir, these institutions have not been lending money to settlers for a sufficiently long period to admit of our judging what their losses may yet be. It is absolutely impossible yet to say how the current investments of these two institutions in the shape of mortgages will eventually wash out: in fact, no one can say that their losses may not eventually be very much heavier, when the current engagements terminate. And it must be recollected that these two institutions have lent money in altogether different circumstances from those that are proposed in the present Bill. The Public Trustee, for instance, has had only limited sums available, and has practically been able to choose his securities. Under this Bill, on the other hand, great expectations have been raised in the minds of settlers who have very indifferent securities to offer, and the clamour for money will be proportionately great, and so the Government risk will eventually increase beyond what those two institutions have been called upon to face. Reference has been made to-night by the honourable member for Riccarton to the squandering, the “swindling,” and log-rolling era of the Stout-Vogel Government.

Mr. G. W. RUSSELL.—Oh, no! The honourable gentleman has entirely mistaken my position, and he knows it.

Mr. BUCHANAN.—No, Sir; if the honourable gentleman has any denial to make I will accept his denial, of course, at once. He made use of words to that effect, as far as I understood him. I recollect that in the session of 1885 a Bill was introduced by the Stout-Vogel Government with a tremendous flourish of trumpets, the title of it being the Local Bodies' Finance and Powers Bill. Its provisions purported to secure an assured finance to the local

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bodies of the colony by the payment of annual subsidies amounting to £300,000 a year for a period of twenty-five years, and members representing country districts were challenged to vote against this bribe offered to the farmers and settlers: in fact, before the session commenced at all I was challenged by a prominent Government officer to give any opposition to such a proposal. I told him at once I would oppose it to the utmost extent of my power: and, to the astonishment of the Stout-Vogel Government, the condemnation of the country members was so general that when the Bill came out of Committee scarcely a shadow of its former self was left. Now, judging from the criticism to which this Bill has been subjected from the Government side of the House, I venture to assert that the Colonial Treasurer is rather sorry he has introduced such a Bill as is now before us.

Mr. WARD.—Not at all; quite the opposite.

Mr. BUCHANAN.—At all events, I invite members representing country districts to take courage and give effect to what I feel sure their opinions are upon this measure by following the example of 1885, and, if they do not throw it out altogether, I earnestly hope they will, at all events, so cut it down as to reduce its power for mischief. For my part, I look on the provisions of the Bill with serious alarm. As far as I have been able to listen to the discussion,—and what I have heard is confined to what was said this evening, because I was unfortunately absent in the country upon the first night of the discussion,—it would appear as if the borrowing country settlers alone were to be considered. I, Sir, take the wider view of my duty, that I represent all classes of settlers, and I therefore wish to know what compensation there is to the general taxpayers of the colony for the enormous risk that the Government propose to undertake under the provisions of this Bill. I looked through the tariff a few days ago and incidentally observed that, on such an article of common use in every household throughout the colony as currants, we are now paying a Customs duty of not less than 133 per cent. On kerosene, an article of common use in every household, we actually pay 80 per cent.; and if the Colonial Treasurer looks over the tariff he will find lots of similar cases throughout; and yet we are, by this Bill, to run the risk of having to put an additional burden upon the taxpayers of the colony! Cheap money, I admit, is an attractive thing, but yet it is accompanied by these and other serious drawbacks, one of the most important being that, just as under the Vogel policy of squandering and extravagant expenditure inaugurated in 1870, so our settlers will, in many cases, be tempted to borrow money under this Bill for expenditure upon unprofitable purposes, yielding little return to meet the interest they have to pay the Government, let alone leave a margin for profit. The private lender, again, rightly holds the character of the borrower to be an important consideration, but the Government would be unable to give any consideration whatever to this important feature, and there

is therefore another risk added to the operation of this Bill. Then, if we ask what has created the necessity, if any, for such a Bill as this, the answer must be that, until the present Government came into office, the price of money advanced to settlers was coming down rapidly; but under the distrust created by the administration of the present Government the extraordinary fact arose that, although the price of money in England was falling year by year, the reverse process was unmistakably going on here, interest not only getting higher, but the margin required by the lender also steadily increasing; so that now we have many settlers—as stated by the Colonial Treasurer himself—who are unable to renew their mortgages except at higher rates. No condemnation upon the Government could possibly be greater than what has been admitted by the Colonial Treasurer himself; and he must accept for his Government the blame of any necessity whatever for the introduction of such a measure as this. Then, we have the Government once

12.30. again claiming credit because the colony's securities in the London market hold a superior position to those of the Australian Colonies. Well, Sir, that is not a fair position to take up, because we all know the abnormal condition of Australian securities is owing to the banking crisis and other special causes. But let us compare the securities of New Zealand with those of other colonies which have not gone through the special financial misfortunes the Australian Colonies have had to sustain, and we find the Canadian $3\frac{1}{2}$ per cents—I am quoting from the latest edition of the *London Times*—were stated in August last at 106; the Cape $3\frac{1}{2}$ per cents stood at 105 to 106; while the little, insignificant Colony of Natal, with a mere handful of European inhabitants, stood at 103 $\frac{1}{2}$ to 103 $\frac{3}{4}$. Can the Colonial Treasurer, Sir, find any great source of pride in the fact that the $3\frac{1}{2}$ per cents of New Zealand at that date stood at 99 to 101?

Mr. G. W. RUSSELL.—At what date?

Mr. BUCHANAN.—The 8th August.

Mr. G. W. RUSSELL.—My information is of the 9th August.

Mr. BUCHANAN.—Well, Sir, I am informed that in last night's paper we have the New Zealand $3\frac{1}{2}$ per cents cabled at 103. That is not the first time that the same figure has been cabled, but I have failed to find confirmation of it in any of the official lists that have subsequently come to hand. It does appear to me as if somebody at the other end is engaged in trying to boom New Zealand securities for the benefit of the Colonial Treasurer and the Government on those benches. Now, Sir, a word as to bed-rock values—that misleading phrase coined by the Colonial Treasurer. If it meant anything at all it meant that we had arrived at bed-rock in the values of land, and that it was therefore perfectly safe to lend money at the present time. This is only another illustration of the scanty consideration which the Colonial Treasurer has given to the numerous Bills he has put before us this

session. Let us accept it, for the sake of argument, to be true that we have arrived at bed-rock values, and that the statement would apply to any valuations made for the purposes of this Bill during the current year; but let us also suppose—and I hope it will be the case—that next year we had an advance of 10 per cent. on New Zealand produce. We should at once have a proportionate increase in the valuations made by the Government Valuers for the purposes of this Bill, and so on in succeeding years, the values varying according to the values of New Zealand produce, and the margin of one-third liable to disappear as much larger margins have previously disappeared. What, then, becomes of what the Colonial Treasurer intended to convey to the House and the country when he spoke of bed-rock values? It means that the phrase is worse than valueless, because it is absolutely deceiving and misleading. I do not suppose that the Treasurer meant it to be so, but as a matter of fact it is so. Then, as to the margin of one-third: I hope that the Colonial Treasurer realises that the House will not give the Government this Bill with such a small margin of security. The honourable gentleman must see that it would very speedily disappear under many circumstances that I will not detain the House by detailing. I am sure, when the Bill goes to Committee,—if it gets that length,—the House will insist upon a margin of one-half. Then we come to the question of advances on improvements to leaseholds. Sir, this is quite a new development altogether, so far as the Government is concerned. I turn to *Hansard* of 1891, and I wish to quote a sentence or two from a speech from the Hon. the Minister of Lands on the Land Bill of that year. He goes on to say as follows:—

“Then, Mr. Speaker, we are told that there is no system equal to freehold; and it is generally supposed that the large majority of the farmers in the Colony of New Zealand are their own landlords—are the real owners of the particular farms they cultivate and work. Now, I am sure that members in this House will be astonished when I tell them that, by very careful calculations that have been made, it has been found that about one-half of the farmers at the present moment are mortgaged to such a degree that the interest they have to pay is equal to a rack-rent. About one-half of the farmers are not the owners at all of the land that they cultivate.”

Now, here we have the sympathy of the Minister of Lands for the farmer rack-rented by the interest on his mortgage. What is the position under this Bill? Let us take the leaseholders on Cheviot and Pomahaka. They will first be rack-rented by the Government on the unimproved value of their land, and subsequently will have an additional burden in the shape of a mortgage on their improvements. But one would suppose that the wish in the session of 1891 was that the farmers should be relieved from all mortgages. But as time has gone on, and fresh demands have

been made on the Government, they now inaugurate a system of lending money on improvements. Now, what will be the value of the security in many cases obtained by the Government in the shape of improvements? The Minister of Lands received a deputation not many weeks ago from the Pahiatua district. The position of these settlers was that, although they had felled hundreds of acres of bush, they had been unable to burn, though it had in some cases cost from £1 10s. to £1 15s. an acre to do so. The land was of less value than if a single shilling had never been expended upon it at all, because the bush had been felled and they were not able to burn it. Then, there are other cases where hundreds of acres of scrub are felled which, after a few years, grows up just as bad as it was before. In other cases we sow grass-seed, and the grass will only last two or three years, and very likely it will be impossible to make the land take grass by surface-sowing at any later period. The Government may lend money on improvements of this character, and the security may disappear entirely, and be perfectly valueless. In the case of fencing and buildings, and anything else constructed of a perishable material, what would be the value of them at the end of thirty-six years? Why, Sir, they would be largely valueless. Under this Bill also, although the money may be cheap at 5 per cent. to-day—though I deny it is so—what will be the case in twenty or thirty years? It will be very much cheaper than it is now, and the settlers who borrow now will then have a liability on their backs which they will be very glad to get rid of. The Government have brought in this Bill under the false pretence of being a non-borrowing Government, and we know the various catch-phrases used by the Premier during the elections; and yet this non-borrowing Government have been shown to have increased the debt of the colony by a million and three-quarters during their term of office. They have now come out in their true colours, and the country is recognising this fact. I paid a short visit to my constituency last week, and I was astonished to find some of my strongest opponents at the last election informing me that in future they would be very sorry to support the Government, as the Government had departed from their pledges of non-borrowing.

Mr. SEDDON.—You are not sorry for that, are you?

Mr. BUCHANAN.—The Hon. the Premier will be if he visits Greytown, as he did during the last elections: he will find what the settlers there have to tell him. The late Premier, Mr. Ballance, learned a lesson at the elections of 1887; but the present Government have forgotten that lesson, and they will find that at the next election they will meet the same fate as did the Stout-Vogel Government.

Mr. THOMPSON.—Sir, I did not intend to say anything on this Bill to-night, and would not do so were it not for the fact that perhaps my silence might be misunderstood both by the House and by my constituents. I am not

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going to say anything hard on the Colonial Treasurer, as he has had such a hot night of it already. Almost every speaker who has spoken to-night has condemned the Bill. Some of those who are going to vote for the second reading of the Bill have condemned it in the strongest manner possible.

Mr. SEDDON.—They are going to vote for it all the same, and so are you.

Mr. THOMPSON.—No; I will not vote for it. I shall take my own course in the matter. This Bill has been so fully discussed that I have no wish to travel over the same ground again. But there is one point I should like to call attention to, and which I think has been overlooked by every member who has spoken on the Bill, and that is, that the provisions of this Bill only relate to freeholders who hold land under the Land Transfer Act of 1885. I should like to call the attention of honourable members who represent country districts, and old-settled districts like that which I represent myself, to this: that according to the provisions of this Bill not 5 per cent. of the settlers in these old-settled districts can possibly come under its provisions. The condition under which the money is to be advanced is only to settlers who hold the land under "The Land Transfer Act, 1885"; and all other settlers, and the old settlers of the colony, are practically shut out of the provisions of this Bill. I do not know whether the Colonial Treasurer intended that or not.

An Hon. MEMBER.—They can bring their land under the Act.

Mr. THOMPSON.—It is all very well for the honourable gentleman to say, "They can bring their land under the Act," but he must know very little about these things, or else he would not talk so lightly about it. The expense of bringing land under the Land Transfer Act is so excessive and troublesome that very few endeavour to do so, unless they have doubtful titles or are compelled to do so. Not 5 per cent. of the freeholders, unless they have doubtful titles, have endeavoured to bring their land under the provisions of the Land Transfer Act. I am surprised to find so many members get up and support the Bill, and speak of the provisions of the Bill, without having noticed this point: in fact, I must come to the conclusion that a great many honourable members who have spoken have never read the Bill at all. Take, for instance, my honourable friend the member for Dunedin City (Mr. W. Hutchison). He praised the Bill in the most glowing language, and said it is going to assist the toiling settlers—the settlers who have been toiling for years and years and years. Why, it will not assist one of these old settlers my honourable friend referred to. Not one of them can take advantage of the operation of this Bill: unless he goes to the expense of bringing his land under the provisions of the Land Transfer Act, not one of them can borrow a shilling under it. So far as I can see, if that is the intention of the Colonial Treasurer—whether it is so or not I do not know—of course, that is a matter which can be put right in Committee—

if it is the intention of the Colonial Treasurer, I think he will make more enemies throughout the colony than friends by the introduction of this Bill; because I fail to see why the whole of the old settlers of the colony should be called upon to go security for large sums of money to be lent out to newer settlers who have come to the country during the last ten or twelve years, while they themselves would reap no benefit from it. So far as I can see, I think it would be better for the Colonial Treasurer to drop this Bill altogether. The honourable gentleman shakes his head; but I venture to say that when this Bill comes out of Committee it will come out in such a state that he will not recognise it; and I think, myself, it would be far better to drop this Bill altogether, and confine his operations to the money he proposes to raise under another Bill now on the Order Paper—the Consolidated Consols Bill. If the Treasurer would do that I believe he would get a very generous support in this House and the country. If you drop this Bill you can go on with your other Bill, to raise a million of money every year in Consols and re-lend it to settlers. If you do that it will not be necessary to go to the London money-market. It will not be necessary to remit your interest year after year to London. I think you will find such a proposal as that will be much more acceptable to the taxpayers throughout the colony than the proposals under this Bill. Then, the proposals under this Bill are such a departure from the policy contained in the Budget that I think, before this House supports such a Bill, the taxpayers of the colony should be consulted. For my part, I cannot even vote for the second reading of the Bill. I have no wish to offer any opposition to the Bill if I could conscientiously support it, but I am not going to condemn the Bill, as other members have done, and then support the second reading. When the Bill goes into Committee I shall certainly use my right as a member of this House to object to everything in the Bill that I disapprove of, and, so far as I am concerned, I shall take a division on every clause which I do not approve of. I think the Government, by bringing down a Bill such as this, and a measure that has never been submitted to the ratepayers, are not doing what is right. I venture to say there is no one member sitting in this House at the present time who has ever discussed such a question as this before his constituents, and I say in the most friendly manner to the Colonial Treasurer that I think it is hardly a fair position for the Government to place their supporters in—to bring down a Bill like this as a policy measure, to make it a party question and expect their supporters to carry it through. We have all to answer to our constituents, and we have all our responsibilities, equally with those honourable gentlemen on the Government benches, and I, for one, will always endeavour, as far as I possibly can, to carry out the wishes of those who sent me here. At the same time I regret to have to do what might appear as being in opposition to the Government. How-

ever, we all know the position we occupy in this House, and we must endeavour to do our duty. Then, in reference to the proposal to lend money to two-thirds of the value, I object to that altogether. That is a matter which has been fully discussed, and therefore I need not refer to it again. Another objectionable feature is the proposal in regard to loans of £5,000. That, I feel certain, the House will not support. I quite agree with my honourable friend the member for Dunedin City that £1,000 should be the maximum limit. The object of the scheme, I understand, and have always understood since the proposals were brought down, was to assist small settlers. Am I not right in that? That is, I am sure, the impression which was left on every member of this House. Surely the proposal to lend sums of £5,000 cannot be held to be a proposal to assist the small settlers of the colony. A man who is in a position to offer securities up to £5,000 can go on without any assistance from the Government. If the Bill goes into Committee, I think that is one of the alterations which should be made—namely, that the maximum lent should be £1,000. With reference to the proposal about lending on leasehold, I should like to call the attention of the Colonial Treasurer to one point. The Bill says in lending on leaseholds the amount lent may be up to one-half “the lessee’s interest in the lease.” When the honourable gentleman is replying I should like him to explain what he means by that. Does the lessee’s interest in his lease mean anything more than his improvements? does it mean anything in the shape of the good-will of his lease? That is a point which should be made clear to the House. Then, there is another point I should like to call the honourable gentleman’s attention to. It says no advance is to be made on the security of leaseholds “until—(a) All covenants and conditions on the lessee’s part contained or implied in the lease are complied with.” Now, when are these conditions complied with? Are these conditions complied with annually, when a man pays his rent? That is a clause which wants explaining, because, to my mind, no money should be lent to leaseholders before they have proved by sufficient residence on their sections that they are likely to be permanent settlers. And, again, no money should be lent on improvements except improvements of a permanent character. For instance, a man might go on a section of bush-land—he might have felled, say, fifty, sixty, or a hundred acres of bush. The following season might be wet, and he might get a very bad burn. Then he would find that he could not sow his grass, and his money would run short; and in many cases men, under such conditions, have abandoned their sections altogether; and it has come to my knowledge that numbers of men have taken up bush sections in this provincial district without ever having looked at them, and at very high valuations, and after felling the bush, and burning it, when they have seen the land they have found it so much inferior to what it was represented to be that they are applying for a

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revaluation or a reduction in their rent. They state that unless they can get a revaluation or a large reduction in their rent they will be obliged to abandon the sections, the land being so much inferior to what they expected it to be. So honourable members will see the great danger in attempting to lend money on leasehold improvements. However, I do not think the Bill is likely to get through in its present shape: in fact, I look upon the present Bill as being as dead as Julius Cæsar, and I think it is a useless waste of time discussing it. I would suggest to the honourable gentleman that he should drop this Bill altogether, go on with his Consols Bill, raise a million and a half of money in the colony, and lend it to small farmers, limiting the maximum amount to £1,000. If he does that, then I believe that he can do a great deal of good to the colony; but to plunge into such a scheme as this borrowing a million and a half a year, and lending it out in large sums of £5,000—I say the whole scheme is of such a reckless character that I, for one, cannot take the responsibility of even voting for its second reading.

Mr. GRAHAM.—A large number of honourable members have spoken upon this Bill, and we have had almost an equal number of different opinions expressed upon it. Some honourable gentlemen on the opposite side have spoken distinctly against the Bill. Most of those who have spoken in its favour have done so in a qualified manner. Nearly every one who has promised to vote for the second reading has reserved to himself the right of moving important amendments when the Bill goes into Committee. As far as I have been able to judge, I think there are only two or three members who have swallowed the Bill whole. Those who have supported it in a qualified manner have done so for a variety of reasons. My venerable friend the junior member for Dunedin City (Mr. W. Hutchison) told the House that the proposal was not intended to give to new or struggling settlers the benefit of the money when they first went on the land—not until they had made sufficient improvements upon it to enable them to go to the Government and say, “We have made these improvements”—say to the value of £100—“and now, perhaps, the Government will lend us £50.” But, before this can happen, they have, according to my honourable friend, to bear the heat and burden of the day as best they can. They have got to make their own improvements. To do this, they must first get aid from private money-lenders, in addition to using their own bone and sinew before the Government will help them in any way. The honourable member for Masterton supported the Bill for quite a different reason. He supports the Bill because he says it will assist new settlers who are opening up new country. He said, “If we place people on the land they must also have the wherewithal to work it”: and I agree with him; but the Bill, as it stands, will not effect that object. The honourable member for Palmerston pointed out that leaseholders could only

have advances upon their leaseholds after they have complied with all the covenants and conditions of their leases, and the honourable gentleman told us—he is a member of a Land Board, and probably is well informed—that one of those conditions was that they should be resident on their leaseholds for ten years. I believe the Treasurer confirmed that.

Mr. WARD.—No, I did not.

Mr. PIRANI.—He ought to have done so.

Mr. GRAHAM.—The honourable member says the Treasurer ought to have confirmed it.

I.O. I hope that, if the Colonial Treasurer is not able to confirm it, he will in his reply prove that it was incorrect; because if it is a fact that a leaseholder has to be there ten years or any lesser period—let it be five if you like—then the advances to leaseholders are simply a myth. At any rate, whether he has to be ten years or five years, he is to get no advances until he has got improvements on the ground that are his own property and that he can borrow upon. He cannot borrow on the land when he first acquires it, to enable him to make the improvements necessary for him to obtain a living from it. Supposing a settler takes up a leasehold unimproved, of the value of £600: say that he has got that land, can he borrow upon it? No.

An Hon. MEMBER.—On improvements.

Mr. GRAHAM.—But when a man takes up land is the time he wants assistance to make improvements. It is useless saying to him, "After you have made improvements on your land we will lend you money." He wants the money at the time he goes upon the land, if it is to be of any use to him at all. When the time comes that he has made such considerable improvements on the land that the Government is willing to lend upon them, then he has very nearly reached the time when he can snap his fingers at the Government, or anybody else in the shape of a money-lender. Now, as one of those who have supported the non-borrowing self-reliant policy of the late Premier of the colony, and as one who came to assist the Government in carrying out and continuing that policy, I may say that I was very much astonished at the magnitude of the risk contained in the financial proposals as they were brought down by the Colonial Treasurer in his Financial Statement; and the Bill which is before us now for the provision of cheap money was one that staggered me as much as any of them. It has been said by the supporters of this measure that it is not borrowing money in the old sense in which the colony has been used to borrowing, inasmuch as the money is not to be spent directly by the colony, but to be advanced to the settlers on mortgage, and they are expected to pay the interest. But as far as the lenders of the money are concerned, they will lend it to the colony, not to the individual mortgagors, and the colony is responsible to the bondholders for the interest. That, as some honourable gentleman said to-night, will be a half-yearly recurring item which must be met, and the colony has got to take the chances whether

it will be able to collect the interest back again from the borrowers. In as far as this cheap-money scheme is intended to be, and can be shown to be, in the interests and for the advantage of struggling settlers, I consider it would be a praiseworthy policy, deserving of—and it will receive—my hearty support; but the settlers who require it most are the very ones who cannot get it—that is, those who hold the leases in perpetuity. Also, in borrowing money to lend to the settlers we ought to be in a position to show that the general taxpayer will not be called upon to make up any collateral liability. The Colonial Treasurer, in his Financial Statement, said that the first essential to the successful introduction of money into the colony is to give an assurance to those from whom it is obtained that their loan is safe. I think it is just as essential that we should see that the general taxpayer is also secured against any collateral liability in this matter. The first proposal of the Treasurer, as contained in the Financial Statement, was that the money should be limited to advances on freehold security only. To this he has added now the lending of money to leaseholders in perpetuity and perpetual-lease holders; and I think the honourable member for Palmerston, with all due deference to the Treasurer, has made it pretty clear that it will be of little, if any, use to the settlers who go on the land at the present time under these forms of tenure. Then, again, is the difference between what we have to pay and what we receive in interest, even if we make no loss in collection, sufficient to pay the working-expenses of managing this concern? The Treasurer proposes by the Bill to issue bonds, debentures, and other securities at a rate of interest not exceeding £4 for every £100, and this means that he may give, and possibly will give, £4 for every £100 borrowed; and it goes on to say that such bonds, debentures, or other securities may, for the purpose of temporary advances, be hypothecated or mortgaged upon such terms as to interest as the said agents may deem expedient. This means that the money may be borrowed temporarily at even more than 4 per cent.; and, supposing we borrow it partly at 4 and partly at 3½ per cent., there are expenses connected with the borrowing of this money—financial agents, and other expenses—and the chances are, if we go on the market year after year for a million and a half, we shall not be able to raise it at par. It is only fair we should put the average rate at which it would be raised at 4 per cent. If we borrowed at 3½ per cent. the difference between what we should be called upon to pay and what we received would be £22,500; but if we give 4 per cent. the difference would be only £15,000, and that would mean that the whole of the expenses should be allowed not to exceed £15,000, or else the taxpayers would be called upon to make up any deficiency. The Treasurer, in making his statement, said that, although he proposed to carry out the management of this cheap-money scheme by means of the offices already existing, he admitted there would be expenses,

and went on to enumerate some of them, and he put them at a fairly high price. He thought it would require ten Valuers at £600, making £6,000; and ten Solicitors, at salaries ranging from £1,000 down to £400—say, at an average of £700, making £7,000: or a total of £13,000 for these two items alone. Then, the Treasurer—and I think he was perfectly sincere at the time, and really believed it—said that the fees we should derive from the lending of the £1,500,000, providing it was lent in sums at an average of £1,000, receiving a guinea for each £1,000, would amount to the sum of £15,750, or more than sufficient to pay the expenses of the Valuers and lawyers, and no one seemed more surprised than himself when the House laughed as he made that statement. He looked round in surprise, and it was not till he was told that he had put an “0” too many that he realised the sum he thought to get had vanished to £1,575. There is, as we have seen, £13,000 out of the £15,000 margin gone for these two items of Valuers and Lawyers alone; and, in addition to this, the Bill also provides for the appointment of a Superintendent, no doubt at a large salary, and there is also power taken to appoint a staff for carrying on the necessary work, which cannot be done without money. Then, there is a Registrar of Mortgages: this officer will also have to be paid for. In addition to the salaries of the Valuers, travelling-expenses are to be provided for them, which will be no mean sum. Then, again, out of the profits, and as a first charge after paying to the English money-lenders the interest due on the money raised, there is a sum of £750,000, supposing the whole amount of £1,500,000 is advanced on loan, to be placed to credit of an Assurance Fund. So far, then, from the difference between the amounts paid bondholders and that received as interest being sufficient for paying working-expenses—without reckoning the probable losses in the collection of interest—there would be a deficiency of £15,000 to £20,000 a year, which would have to be made up out of consolidated revenue.

Mr. WARD.—You said £750,000 for interest.

Mr. GRAHAM.—I thank the honourable gentleman. I am afraid I made a similar mistake to what the Colonial Treasurer did the other night; but fortunately it does not carry with it the same fatal consequences. The amount to be lent to settlers is £1,500,000, and the interest derived from that amount, at 5 per cent., would be £75,000. It is provided that one-tenth is to be placed to the credit of the Assurance Fund, and one-tenth that sum is £7,500. That is the sum I referred to and meant to name as being the first charge upon receipts after the payment of interest to bondholders, and which is to be paid over before anything is reckoned for any other expenses. I have said, and I think shown, that the working-expenses and provision of the Assurance Fund will be very much greater than the difference between the amount of interest the colony would have to pay to the bondholders and that which it would receive from the borrowers—that is, without counting anything for contin-

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gent losses in the collection of interest from the borrowers. Then, the Bill provides that advances are to be made from £5 to £5,000; and I may say that almost every honourable member who has spoken to-night has opposed the idea of lending to so large an amount. I understood, and I believe most honourable members understood, that this was a scheme to provide money for the smaller settlers; and, as has been said over and over again, the man who is in a position to offer security for a loan of £5,000 cannot possibly be considered a poor man. I agree with the honourable gentlemen who consider that the maximum amount that ought to be lent under this Bill should be £500. That should be the most that should be provided for *bond fide* settlers—sums of from £50 to £500; and if proper safeguards for the security of the colony were put in, so that the colony would not have to pay any deficiency, to that extent it would, as I have already said, have my support. Large borrowers are already sufficiently well provided for. The Government have already two large monetary institutions which lend out money in both small and large sums. There is the Public Trust Office, which has the administration of thousands of estates belonging to widows, orphans, and minors, and others—a business which is very large now and is continually growing, and which is carried on under the guarantee of the State. The colony guarantees not only the fidelity of its administration and its integrity, but also the rates of interest which shall be paid. It guarantees—

“... a common rate of interest, to be paid quarterly, free of all office-charges. This rate of interest, which has now been determined at 5 per cent. on capital up to £3,000, and 4 per cent. on the amount in excess of £3,000, is now allowed free of all charges of the Public Trust Office. An income would thus be derived of £50 a year from £1,000, or 5 per cent.; £150 a year from £3,000, or 5 per cent.; £190 a year from £4,000, or 4½ per cent.; £230 a year from £5,000, or 4½ per cent.; £270 a year from £6,000, or 4½ per cent.; and so on.”

Under this most important trust, the Government have very large sums of money to invest; and, if they maintain the provisions of this Bill as brought down by the Colonial Treasurer, it is bringing down another monetary institution to compete with departments we have already in existence where they have to invest large sums, and under which they have accepted large responsibilities. Now, in reference to the Life Insurance Department also, they have got the interest of thirty-one thousand clients, in the shape of policyholders, to guard in this matter, and they have no business to start another institution which shall enter into competition to the detriment of these institutions. The Life Insurance Department already lends up to £5,000, and on sums of from £3,000 to £5,000 the interest chargeable is only 5½ per cent.; and provision is also made for the gradual repayment of loans on the instalment principle, or in a lump sum before maturity, on terms favourable to the borrower. Therefore the larger borrowers are quite sufficiently pro-

tected by that office. They can get their money cheaply enough as it is. This Bill, therefore, ought only to provide money for the smaller class of settlers, who require loans in small sums, for which, if they go to the Insurance Office, they have to pay $6\frac{1}{2}$ or 7 per cent. now. So that the large borrowers are more liberally dealt with in the Insurance Department than the small ones. I should like to see the small borrowers able to borrow on as advantageous terms as the large borrowers can do so. The Colonial Treasurer said it was necessary to have a high maximum, so as to take advantage of the better class of securities. The Insurance Department can take advantage of these, and may do so to a much larger extent than now if the Colonial Treasurer will make provision to carry into effect the recommendation of a special Committee of this House set up in 1886 I think, and which Committee recommended that the maximum amount allowed to be lent on any one security by the department should be increased from £5,000 to £10,000, and if he will reduce the proportion necessary to be invested in Government securities—which I was pleased to hear him say he proposed doing—from one-half to one-quarter of the funds, which would leave more than a quarter of a million a year to be lent on good outside securities for the benefit of the policyholders. That would be the means of placing the Government department in as good a position as outside companies, which he professed was his desire; and it would be far better, because that is an institution where the object of lending money is to make as good a profit as possible for the policyholders connected with life insurance, whilst I understand this Bill is not intended as a money-lending institution set up to compete with other Government departments, but simply to enable small borrowers to get their loans on as good terms as can be obtained by the larger ones. It has been said that the rate of interest that has to be paid outside is very high. There is any quantity of money that can be got on first-class security in this colony in large sums now at 6 per cent. interest. I know that to be the case myself; and that practically means $5\frac{1}{2}$ per cent., because out of their 6 per cent. the private lenders have to pay the mortgage-tax, which is practically $\frac{1}{4}$ per cent., reducing the amount they receive to $5\frac{1}{2}$ per cent. I think, also, that, with reference to Solicitors and Valuers, if the Bill does pass it is advisable that both Valuers and Solicitors should be appointed by the Boards, and not by the Government. Whether or not it would really have the effect of placing them under political control, and, consequently, under political influence, it will have the appearance of doing so, and it would be much better it should be done by the Boards than by the Government. I also agree with honourable members who consider a million and a half a year far too much to borrow, and more than is necessary if we confine the advance of money to small settlers, for whom the object of this Bill is professedly to raise money. I should think that one-third of the

amount is sufficient; and I also object to the million and a half being borrowed year after year. I think it is quite sufficient if this House passes a law authorising Government to borrow for one year and see how that works, and then, if we find it is an advantage, and it is taken advantage of to any considerable extent by those it is intended to benefit, we may next year authorise a further sum. I do not think it necessary that we should now pass an Act giving the power to borrow for years in advance. But, as far as this Bill professes to provide money for struggling settlers under safe conditions, I cordially approve of it. I confess, Sir, that I do not see at present how it is to be made to apply to the class of settlers who really require it most—namely, those who are now taking up unimproved land for the purpose of going on it, improving it, and making a living for themselves under the lease in perpetuity or under the perpetual lease. I should like the Colonial Treasurer to say how it is to be made of advantage to them. If only lessees who have been on their land for a considerable time, and have made improvements to such an amount as will enable them to come and ask for assistance, are to take advantage of this measure—if it is only such people who are able to get assistance under the Bill—then it is of no use to new settlers who are going on the land, and who, if they require help at all, must require it at the time they are going on the land. It is of no use to the man who is taking up land and has no money of his own, because this measure will give him no assistance to go on with the clearing of his land. I should like to know how the Colonial Treasurer is going to get over that difficulty.

Mr. R. MCKENZIE.—It was not my intention to speak on this Bill to-night, as I said I should support the Bill when speaking on the Financial Statement; and it is not my intention now to delay the House many minutes. We have had all sorts of authorities, ancient and modern, past and present, living and dead, from Europe to America, quoted against this principle of advancing money to settlers—authorities ranging from Alexander Pope, a poet and essayist, who lived a couple of hundred years ago, down to Henry George, who in the present age is going to reform all the land-laws in creation with his fanciful and foolish fad. Yet in all these great authorities I never found one single sound argument against the Bill before us. The honourable gentleman who has just sat down told us that the members who supported the second reading of the Bill did so in a qualified manner. Well, Sir, I should like to ask that honourable gentleman if there was any Bill of any importance, if there ever was any Bill containing a principle of this magnitude brought into any Parliament, or ever brought into this House, which was supported on its second reading even by its advocates except in a qualified manner. We go into Committee on all Bills, so that the majority may shape them to the form which will best suit the requirements of the colony, according to the opinions of the majority of honourable

members. That, I take it, is the reason why we go into Committee on Bills at all, Sir. Now, the honourable member for Marsden raised several objections to this Bill; but they were simply Committee objections, and did not apply to the Bill as a general principle. My honourable friend the member for Wairarapa said he was going to oppose the Bill very persistently, and I have no doubt he has very good reasons for doing so. Gentlemen like him have good cause for opposing a measure of this sort. No doubt he has something to do with the money-lending fraternity, and, consequently, is justified in opposing the measure.

Mr. BUCHANAN.—The honourable gentleman is entirely mistaken. I have never lent money in my life.

Mr. R. McKENZIE.—I beg the honourable gentleman's pardon. I thought he was connected by marriage with the family of Dives. My principal reason in getting up to-night was to support this measure very briefly. I do not intend to deal with its details, which I look upon as Committee work entirely. My principal reason for getting up and supporting it is that my honourable friends the Liberal members, or, rather, I should say, the Radical members of the Liberal party—the left wing, in fact—appear to be turning rather Conservative if not pessimistic in their views, and stand in need of friendly advice. In fact, I am rather surprised at many of the speeches we have listened to from them. The honourable member for Palmerston has an objection to the Bill which shows that either he has not read the Bill or else he does not understand it. There is a sinking fund of 1 per cent. provided for in this Bill, and we know very well that it will take thirty-six and a half years for that sinking fund to extinguish the loan. The honourable member for Palmerston wanted it altered to twenty years. Well, Sir, that would simply mean that the sinking fund would have to be increased to $1\frac{1}{2}$ per cent., and that is more than the settlers could afford to pay. There is not the slightest doubt that the Colonial Treasurer is a better authority on loans and sinking funds than most of those honourable members who have spoken on the Bill. With reference to the remarks of the honourable member for Inangahua, I see the honourable gentleman is present, but sound in the arms of Morpheus: disturb him not, but let him rest—I do not intend to say anything that he can very much object to. He says that this Bill is only intended to lend money to people who can offer good securities. Well, there is no doubt that it is necessary that there should be good securities; but it is also intended to lend money to poor people who are trying to better their position. They have small securities, and they can get small amounts of money, which will be very useful to them in their efforts to make homes for themselves; so that I do not see that that objection amounts to much. The honourable member for Inangahua also stated that this scheme would place people on the land

who would produce more than we are able to find a market for. Well, Sir, I do not think there is any scarcity of markets for the products of New Zealand. In fact, if we produced twenty times as much as we do now we could find quite sufficient market in England. The same honourable gentleman also stated that high rates of interest and high wages always went together, and that, consequently, high rates of interest were not at all a bad thing. Sir, I should like to know what work on political economy the honourable gentleman has drawn this high-falutin' and fallacious logic from. According to him, when there is a high rate of interest, labour is fully employed, and high wages can be maintained. Now, I consider that high interest is one of the worst things that can obtain in any country for the working-classes. Dear money cripples all manufactures, and stifles production and industries: on the other hand, cheap money always promotes industry, and when employment is plentiful wages are always higher than when work is scarce, if not unobtainable. I am at a loss, Sir, to understand where the honourable gentleman has drawn his logic from. Some honourable members have stated that members had not discussed this question with their constituencies. I do not know whether I am the exception, but I certainly discussed this principle with my constituents before I came to this House, and said that I would support such a measure. My greatest objection to this Bill is that it does not go far enough. I should like to see the Colonial Treasurer make an attempt to place the unemployed on the land. Several honourable gentlemen wanted to know what would happen in the case of advances being made upon the interest of a leaseholder in his improvements, buildings, *et cetera*. Well, Sir, all improvements under the purchasing clause or other leasehold tenures in our Land Act are the vested interest of the leaseholder, and a reasonably good security for the State to advance money on. Honourable gentlemen who get up to oppose and denounce this Bill, and then state that they will support the second reading, surprise me very much. We all know the Colonial Treasurer has shown himself qualified to manage the financial affairs of the colony for some years, and I am sure he is not going to mismanage them now. There is not the slightest danger of his squandering or misappropriating the funds provided under this Bill. With regard to the financial institutions mentioned, it was reckless dealing with other people's money that brought those companies to ruin. Take, for instance, the case of the Bank of New Zealand: every member in this House who has studied the question knows how it has been mismanaged, and it was that reckless, if not criminal, mismanagement that has brought it to its present position. The same may be said of the New Zealand Loan and Mer-

130. cantile Company. The remark also applies to other companies in this colony, and the same thing applies to financial institutions in the Australian Colonies. At the pre-

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sent time there is not the slightest doubt that the average rate of interest in the colony is 8 per cent. I believe, myself, it is a little over 8 per cent. on what may be considered first-class security; and if the Colonial Treasurer, under this Bill, can reduce that interest to 5 per cent. he will be conferring an inestimable boon upon the settlers of the colony. By dealing with the million and a half as it is proposed under this Bill he will save the settlers £45,000 a year, and if he continues to lend similar sums it will save the settlers something like half a million a year in a few years, and will also be the means of assisting to develop the industries of the colony, and to send the colony progressing ahead generally. I think that is what is most urgently required by the colony now. There is no doubt in my mind that this measure may require some slight amendments. I shall support the second reading of this Bill.

Mr. CARNCROSS.—When I look at the time—half-past one o'clock in the morning—and when I look at the graceful forms posing all round me, I think it would be absolute cruelty to attempt anything like a speech. Still, I am one of the noble army of Government supporters who do not agree with the details of the measure, although we agree with the principle of it. I think it is only fair to the Colonial Treasurer that I should say a few words concerning the Bill, and I can assure the House that I shall be very merciful, and shall not inflict my ideas on them at very great length. I may say that some nine years ago I advocated the principle of this Bill—namely, advancing money to farmers at low rates of interest; therefore I shall be found in the lobby with those who favour the second reading of the Bill. I consider that this Bill throws a greater amount of responsibility on members of this House than any Bill which we have had before us during this session. I think the future career of many of us, and of the Liberal party generally, will depend greatly upon this measure. If it is a success, well and good—we shall receive a certain amount of credit; but if it is the other way we shall receive the reverse. That statement may be discounted as a platitude, but I think it applies with greater force to this Bill than to any other which we have had before us. We are going into a new and important scheme, and I think on the effect of this Bill the future of the Liberal party will greatly depend. In regard to many of the details of the Bill I have made notes, but I shall not refer to them now, owing to the late hour at which I am speaking. I shall, however, make a few remarks in regard to some of the criticisms which have been made on the measure. The first onslaught on the Bill was made by the honourable member for Wellington City (Sir R. Stout). I shall not attempt to enter into the financial details which he dealt with. He certainly made some very sharp criticism, which requires the attention of the Colonial Treasurer; and when he is replying I shall listen to the way in which he meets that criticism.

The honourable member for Wellington City (Sir R. Stout) maintained that this Bill was a one-sided one inasmuch as it only proposed to confer this cheap money upon a certain class of the population—that it was intended to be confined to the settlers. But I am afraid that the operation of this Bill will not be confined to settlers, and that is the great fault I have to find with it. It was said by the honourable member that manufacturers and others are entitled to the same privileges as are proposed to be given to farmers. His words were that the manufacturers have as much right to be looked after as the settlers. Well, Sir, I do not believe that at all, and I will very briefly give my reasons, showing why I think it should be confined to those following agricultural and pastoral pursuits. If the country is successful there is very little doubt of the towns getting on. The towns hang upon the country, and the reason for the dullness now is the low prices farmers have had and their bad harvest. If the farmers were not in a bad condition at the present moment we should not hear quite so much about dull times in the cities. Give the farmers a start and the towns will share in the benefits. I notice in the Victorian Bill I have here that its operation is confined to advances to farmers, graziers, and persons engaged in agricultural and pastoral pursuits. Sir, I wish our own Bill had a similar scope, and if any member moves in Committee to confine the operation of the Bill in that direction he will find me supporting him, if I do not move it myself. I believe there is no occasion to make it so widespread in its operation as to apply to manufacturers and to people in all kinds of businesses. The view of the senior member for Wellington City that manufacturers are entitled to have the same concessions as country settlers was re-echoed by another honourable member for Wellington City (Mr. Duthie). Of course, I disagree with him also on the question. The first-named honourable member drew a pathetic picture about a man having to borrow for such a lengthened time, thirty-six years and a half, and he depicted him going down to his grave a mortgaged man. That is no change from the present circumstances; we have men going down to their graves mortgaged now; and such will always be the case. But under this system borrowers will have this advantage: that, as the half-yearly payments become due, the borrower has the satisfaction of knowing that, although it may be only to a small extent, yet gradually and slowly he is decreasing his indebtedness; and, if he does happen to slip his cable, he leaves a lesser burden on his family than he would under the old system. He also has the advantage here of being able to pay off the mortgage at any time when he has the money to do it. We all know that under the present system that cannot be done, except in a very few instances. If a lender has interest coming in, and the borrower should reach circumstances that would enable him to pay the debt off, he is not allowed to do it unless the

lender can get better interest and as good security, but the borrower is kept to the full term of years, and to the payment of interest as before. There is, too, an excellent feature of the Bill—that is, the low charges made in connection with procuring the loan. I should like to see legislation in that direction to affect future advances on land, quite independently of this measure. At the present time it is next door to robbery the large amount that is charged a man who wishes to effect a mortgage upon a small property. A man may have a section worth £25, or even £20, and it will cost him three or four guineas to effect a mortgage on that property. I should like to see legislation, independently of this Bill, to effect a reduction of those charges. I am not making any direct attack upon the legal gentlemen, though I can hear them smile audibly; but I think the charges are excessive, and that legislation should be passed to lessen them. There is another feature of the criticism which was indulged in by the honourable member for Wellington City (Mr. Duthie) which, I think, calls for comment. He said that under this Bill it would be possible for a man to borrow money and use it perhaps for speculative purposes—that is, to purchase insurance shares with, or something of that kind. If such a thing is possible under the Bill I am sure it will not be too severe a task for the Colonial Treasurer to put in a provision to prevent the money being made use of in such a manner. I trust he has taken notice of this particular criticism of the Bill. Now, I must emphatically object to this sum of £5,000. I think it is too high an amount altogether, and I would rather see the Bill receive its happy despatch than see it pass in a form in which the sum of £5,000 can be lent. I consider that is too high altogether, and would make it apply to a class that does not require it. We thought we were going to help small settlers, and I consider the man who wants to borrow £5,000 cannot be looked upon as a small settler. I am fortified in this opinion by the Victorian Act, which limits the amount to £1,000. I consider £500 high enough, but I am willing to go as far as £1,000; but I cannot see my way to support anything beyond that amount. I do not agree with those who object to lending money on leasehold. Loans on leaseholds are provided for in the Victorian Bill, and when we consider that the vast majority will be leaseholders it would not do to pass a Bill that will shut them out; they will form an important factor in our landholding community, and are entitled to assistance. I shall not detain the House longer, although I should have liked to go further into the Bill, because it is a matter that I have given some attention to for years; but I do not wish to weary the House. I shall support the second reading of the Bill, but join with those who reserve to themselves the right to do what they can to amend it in Committee.

Mr. HALL-JONES.—I shall not detain the House for many minutes. Judging from the course the debate has taken the Bill is likely

Mr. Carncross

to come out of Committee in much the same condition as the Railways Bill. I am prepared to support any well-devised scheme for giving financial aid to settlers; but the Government have gone off the track in bringing down proposals such as are contained in this Bill. It is the general feeling of the House that the Government should use colonial moneys for this purpose. They have the opportunity of using the funds of the Post Office and the Government Insurance Department, and if that had been provided for the proposal would have been better received by the House and by the country. I would urge the Government to consider the suggestion made by the honourable member for Marsden, that the money raised by Consols should be used for the purpose of lending to farmers: that would be an improvement on this Bill. One objection to the present proposals is that the interest on a million and a half per annum would be a continual drain on the coffers of the colony. Honourable members seems to be unanimous on affording aid to settlers. I agree with them, but I may say I only agree with the preamble and first clause of this Bill; in the remaining portions of it I hope to see many amendments made. I disapprove of so large a sum as £5,000 being lent to any one person. This would only permit a few persons to obtain loans. I think this should be reduced, at any rate, to £3,000. Then, I do not think I can support the proposal to raise a million and a half for more than one year. It could not be taken as any reflection on the Government to say that there should be an annual Bill to say what amount should be raised. The Treasurer is asking too much when he asks for authority to borrow so large a sum as a million and a half a year for an indefinite time. It may be said the Government would have to provide all the machinery necessary to give effect to this Bill, and that it would not be wise to start the machinery unless we were assured of carrying it on for a number of years; but the Government can always rely on the good sense of the House to support their proposals, provided that the scheme works satisfactorily. It would not be wise for the colony to pay 4 per cent. for the money raised: the whole essence of the scheme is cheap money. Unless we raise the money cheaply in the Old Country we cannot lend it cheaply here, and by raising it at 4 per cent. and lending it at 5 per cent. there will not be sufficient margin to pay working-expenses. In reference to what has been said about lending on lease in perpetuity—that settlers under this form of tenure will be unable to take advantage of the provisions of this Bill; I see nothing whatever to prevent this. If a man takes up bush-land and falls bush—say he takes up a hundred acres and falls in one year a hundred acres, and has complied with the conditions of his lease up to that time, undoubtedly he could then obtain an advance under these proposals; and it wants clearly laying down that the amount lent should not be according to his interest in the land, but according to the improvements he

has made. Another very objectionable feature is contained in clause 56, which provides that,—

“If the balance in the Management Account is at any time insufficient to meet the charges thereon, the Colonial Treasurer may from time to time advance such sums out of the Consolidated Fund as may be necessary to meet the deficiency :

“(a.) Provided that the total amount so advanced in any one financial year does not exceed the sum appropriated by Parliament for such purpose ; and

“(b.) Provided further that all moneys so advanced shall be repaid by the Superintendent into the Consolidated Fund so soon as the balance in the Management Account will admit of such repayment.”

That is very objectionable ; the taxpayers of the colony should not be called upon to make up any deficiency that may occur ; the whole scheme should be self-supporting, and if it is found, later on, that the Management Account is not self-supporting, I think that any extra cost should be borne by those who get the benefit of the scheme. I wished to say these two or three words, as I intend to vote for the Bill, but shall endeavour to get it amended in Committee.

Mr. PARATA.—I rise to support the second reading of this Bill, as I think it is a Bill in the right direction—namely, to assist farmers. I do not know whether it will be applied to the Natives, but I should like to see it applied to them—that is, if they wish to come under it. I have nothing further to say, but I should like to reply to a few words the honourable member for the East Coast used in regard to the Natives of the South Island. He said the Natives of the South Island, as compared with the North Island Natives, had had to come to the Government to beg for four or five acres of land. I say he is wrong in making that remark, as the Natives did not ask the Government to give them land. The condition was, when the treaty was made between them and the Crown, that they should have this land. Therefore it was not right for the honourable member to say that the Natives of the South Island have asked for any such thing. Of course those Natives have not got such a large territory or extent of country as the Natives here have, but I will guarantee that in twenty years' time from this the Natives of the North Island will not be nearly so well off in comparison with those of the South Island. In the South Island they all hold small holdings at present, and they improve their land, and they work man and man to keep their wives and families. They do not plunge, and go drinking and holding meetings and wasting their moneys as they do in the North Island, and combining these things with horseracing and gambling. I could not allow these remarks to pass without challenging them, and therefore that is my reason for saying these few words. I will support the Bill through all its stages.

Mr. HALL.—Although the hour is very late, I think I must take this occasion to say a few words in favour of the Bill. I do not suppose it will take many minutes for what I have to say, but I think one of the probable questions is this : Will this Bill induce men to borrow more than they would otherwise do if it were not passed ? That argument has been used constantly on the floor of this House during this discussion, and it has been said that the consequence of this Bill passing will be to induce men to borrow who would not otherwise do so. I may say this : that money can easily be obtained at present from the loan companies and agents all over the colony, who are now offering money—as we see by the advertisements in almost every paper in the colony—in various sums at various rates of interest. Therefore the opportunities, I say, for people to borrow at the present time are as great as they can possibly be supposing this Bill were passed. Now, the next question is, Will the margin of one-third be sufficient to cover the expenses and the losses likely to be incurred by transactions under the Bill ? When we take into consideration that one-third is considered sufficient margin all the world over—and one-third in New Zealand under the present system of loans is always considered sufficient—I think we may safely say, with the care which will be taken by the Board which it is proposed to set up, that the one-third margin will be ample to secure the State against any loss which might accrue. Now, the honourable member for Bruce brought forward a very peculiar argument to-night. He said it was a bad thing to mortgage, and at the same time he said it was a bad thing to bring in any legislation which would have the effect of driving away capital from the colony. Then, the logical conclusion is, that if it is a bad thing to mortgage it is a good thing to drive capital away, but if it is a good thing to mortgage then it is a bad thing to drive money from the colony. The honourable member for Bruce was wrong in saying that it was a bad thing to mortgage. Take, for instance, a man who has expended £100 on labour upon a house which he is building ; he cannot finish it, for want of money, unless he borrows. Is he to allow that building to go to wreck and ruin when, by the expenditure of a small sum of money, he could make it reproductive, to bring in rent which would not only pay for his own labour, but for the money he has spent upon it ? Take a man who has grassed his land, but who has no money to stock it to make it profitable : it is necessary he should borrow ; but, according to the honourable member for Bruce, he is not justified in borrowing. It is the duty of the State to help men precisely in that position, and that is the intention of this Bill. I do not agree with the proposal to lend large sums of money ; for if a man wishes to borrow £5,000 he cannot be considered to be a poor man, or one who should come to the State to ask for help. The honourable member for Inangahua brought forward a curious argu-

ment also. He said that cheap money will have the effect of lessening the improved value for the purpose of taxation. It is the first time I have heard such an argument used. It is a singular argument, that the cheapening of money lessens the values of land. I always understood it had the contrary effect, for if you sold a farm which had upon it a mortgage at a high rate of interest you would get less for it than if the mortgage was at a low rate of interest. The honourable member for Hawke's Bay asked what would be the value of a white-pine house in thirty-six years, but that argument falls to the ground when the fact is remembered that fifty per cent. of the loan will have been paid off in twenty or twenty-five years, and that there will be an appreciable difference in the valuation of the security at that time and the value when the money was advanced. The honourable member for Hawke's Bay forgets that there is still the land, and the increased value from the time the money is lent till the time it is to be repaid. I think the value will then be very considerably increased, and the security undoubted. I was rather surprised at what the honourable member for Palmerston said with regard to the exclusion of the State tenantry from participating in the benefits of the Bill. Why, the honourable member has admitted over and over again that the village-settlement scheme has been a grand success.

Mr. PIRANI.—Hear, hear.

Mr. HALL.—And yet this is only legislation of the same kind; it is only the same scheme, on a larger scale! The man with five acres of village-land borrows £25 for a house. He gets an advance of about one-half on his bush-felling, and so on, often valued at £7 10s. and £10 an acre. These settlers pay their rent regularly, and the State considers this splendid security. The State keeps the fee-simple of the land: and it will have security on the larger areas proposed under this Bill. This is on all-fours with the village-settlement scheme, and I may say I think the State has full value in the security in this case. The question has arisen, Has the country asked for this measure? I say, most emphatically, Yes. If I am, at any rate, to take my own district as a criterion, I was asked during the election, both off the platform and on it, whether I would be in favour of a scheme whereby money would be lent out to settlers at a moderate rate of interest. I consider, as I have said previously, that it is absolutely necessary, in the interests of these small settlers, that money should be borrowed and lent out at a cheap rate of interest: the large owners can look after themselves. Then, is borrowing disastrous when the money is for reproductive purposes? As I have said before, whenever it is used for reproductive purposes it cannot be said it is not well used. Take the leaseholder: What is his position? At the end of six years he must have 20 per cent. of his area in grass; he must also have an amount equal to £1 per acre in improvements on his land besides. Now, when he has

made these improvements so far, I think he is entitled to some consideration, and to have some means extended whereby he may make his land more reproductive. When money is available, he will use it for the best interests of himself, and consequently for the benefit of the colony. The great hardship the settlers have felt in the past with regard to borrowing money has not been entirely confined to the excessive interest which they have had to pay—and, notwithstanding the many contradictions which have been made to that statement, I say that the average rate of interest throughout New Zealand is now 8 per cent. They (the borrowers) have not only, therefore, to pay this large interest, but also heavy fees in connection with raising the mortgage. I know many instances myself in which the expenses have been on this scale: There is, first of all, £8 for procuration; the valuation, £2; the drawing of the deeds, £2; and other expenses, £4: making a total of £16, which is equal to 2 per cent. on the amount borrowed—£800; thus causing an extra $\frac{1}{4}$ per cent. to be added to the $7\frac{1}{2}$ per cent., making the total 8 per cent., or 3 per cent. more than the settler would have to pay under this Government system. Now, if we can abolish that, and

2.0 the great apprehension that many settlers feel when they go to borrow money that they may fail to raise it, it would be a good thing. In many instances settlers have collapsed because they have no confidence in the borrowing system. I do not wish to detain the House further, because I have said substantially what I wished to say. I shall give a general support to the Bill, though I shall be inclined to vote for amendments, first, to lessen the amount to be lent, and, secondly, to secure Boards of Commissioners which shall be removed from all corrupting influences. If any member of this House will move in this direction I shall be most happy to support him. At the same time, I may say I congratulate the Colonial Treasurer on having brought forward this measure on such very short notice. Taking the Bill altogether, it is a very good one; and I am sure there is sufficient intelligence in this House to make the Bill workable and in the best interests of the colony.

Mr. PIRANI.—I wish to make a personal explanation, Sir. The honourable member for Waipawa misrepresented me when he said that I stated I was opposed to the Bill including Crown tenants. What I said was that the Bill could not include Crown tenants, because the provisions would not apply. I am in favour of including Crown tenants in the proper manner, but not in the manner provided in the Bill as drafted.

Major HARRIS.—Sir, this is a matter I have taken a considerable interest in since the year 1881. I have advocated it on several occasions, and I found that at that time the settlers were pleased at the very idea of it. What their feeling is at present I am not aware, but I think they must have changed their minds very considerably if they do not approve of it now. I thank the Government

Mr. Hall

for having brought this measure before the House, and, whatever may be the result, and whether the Bill goes through Committee in its present shape or not, I think the settlers generally have reason to thank the Government for taking them into consideration at all. In reference to the opposition to this measure, I take very little notice of that at all, as I think it carries very little weight. For instance, in times past we have heard what has been said about the Cheviot Estate, and what the purchase of that estate was going to lead to. We know that there were as many members against that as there are against this measure, and the prophecies were that it was to be a very great failure; and now we hear this is to be a great failure. I remember when the Land- and Income-tax Bill was proposed as a substitute for the property-tax: when that measure was before the House there were as many prophecies of evil against it as there are against this. It was said that the money could not be received under the land-tax, and it was afterwards found that a considerable sum over what was estimated by the Government was obtained under the new proposal; and this also was to oppress the settlers very much. The settlers found out it would be an advantage to them. They had been taxed on their improvements, and they were relieved from such taxation. So that we need pay very little attention to opposition coming from such a quarter. At the same time, it is well to hear both sides of the question, and to let honourable members judge between the parties. We have been told, as we were told in regard to the land- and income-tax, that the Government are driving capital out of the country. That is strange, because some of those very honourable gentlemen have also stated that this Government is reducing the rate of interest. Now, some of the honourable members opposite state that they could obtain money at 5 per cent. I think it is very good of them to make that known to honourable members on this side of the House, because some honourable members on this side of the House who may possibly require money may thus be put in the way of getting it. I think, however, this House should not be made the medium of advertising cheap money. If advertising is to be done it should be done through the newspapers. Those who have obtained money at 5 per cent. must have very good security, and such transactions must take place on a large scale. Small holders of property, I feel quite certain, cannot obtain money at such a rate. There is no member in this House who knows of a person possessed of but small property getting money at 5 per cent. on that property. If there is a member in the House who knows such a case I should like him to speak up. There is no reply to that. It is only the large holders of property who can obtain money at 5 per cent. I shall support the Bill, but will reserve to myself the right, in Committee, of doing what I can to improve it. I believe it is the wish of the honourable gentleman who has

brought forward the measure that we should do our best to improve it. I object to the amount of £1,500,000, proposed to be raised for this purpose. I think we might agree to a smaller amount than that, seeing that we have money in the Public Trust Office, Insurance Office, and Post Office. If these moneys could be utilised to commence such a scheme it might be well, and then, subsequently, if it was found desirable, the scheme could be enlarged. I should like, however, the people to have a voice in the matter. I object also to the Bill in this respect: that the money is to be lent on land under the Land Transfer Act. I do not think it is right to require persons to bring their title under the Land Transfer Act, because it will, perhaps, cost them £20. I have known several cases where it has cost £20. I object to the salaries which it is proposed to pay, for I think it is quite possible for this scheme to be managed by the officers at present in the Government service. I object to the maximum grant being £5,000—I think if we made it £1,000 it would be much better; and I have an objection also to the minimum advance being fixed at £50. I think it would give greater satisfaction if the sum fixed were much smaller. It is the very small people I like to favour all I possibly can. I think if it were £25 it would be very much better. There are a great many of them I know have taken up rough land in the back country. They have taken up land with very little means to do it. They depend a good deal upon the labour they can get round about. They go away with little else than the flour they take with them, and an axe on their shoulder; and I think, after spending their time in the bush, they can quickly improve it to the extent of £50, and it would be a great advantage to them if they could obtain an advance of £25 upon their improvements. I feel sure they would be very thankful if they could get that. We have been told this afternoon, by a gentleman who should have known a great deal better, that the farmers have been pets, and he says that they get the £500 exemption. Well, Sir, residents in towns get the same. Those who have properties in towns get the £500 exemption, and I do not see that farmers can be looked upon as pets in a case like that, where others are receiving a like benefit. I regret very much that there should be a mention at all of the farmers as against the townspeople. I think we ought to agree that what is good for the one would be good for the other, and not to grudge giving a little assistance to the farmers seeing that they have such a number of roads to make, and that all the improvements done in the country have to be done by them: and no doubt they are of assistance to the towns, for, of course, the towns could not do without them. I should like that we should feel that there is really no compulsion about this at all. There is no farmer compelled to take the money if he can get the money cheaper or to greater advantage from a private individual. There is nothing to compel him to take it from the Govern-

ment; so that there is no disadvantage to him in that respect. Now, it has been mentioned here this evening that this will be no good to settlers who are already in debt—that they will not be able to obtain advances. I feel confident they could obtain advances, and could pay off their present mortgages with them, with the money from the Government—that is, if they could get sufficient to pay off the mortgages at present. As to the amount of two-thirds, well, I think that that means that the officials who would have to look after this matter would be empowered to go to that extent; but it does not follow that they would go to the two-thirds limit in any case. They would have power to do so if they thought it worth while to do it. I think it will be a great advantage to persons to have thirty-six years in which to pay the money; and they will feel, while they are paying the 1 per cent. over and above the 5 per cent., that that goes towards paying off the principal. I think that will be a very great advantage, and particularly so when they know that they can reduce the amount of their indebtedness as they go on by paying sums in at any time they wish. I also think the charge made by the Government for obtaining this money is reasonable. I shall not detain the House longer at this hour of the morning.

Mr. WARD.—Sir, I can quite understand that on a subject so intricate and difficult as this some honourable members should have a certain amount of misapprehension and misconception, and I say, without any discourtesy to honourable members who have endeavoured to study and master the Bill, that in some cases they have a very incorrect idea of what is intended under the Bill. I shall be able to show this before I finish. I know I shall have to travel at a very rapid pace in order to deal with the criticisms of the Bill within the limited time of half an hour. The honourable the senior member for Wellington City, at least, when he proceeded to criticize the Bill very severely—and, having made his criticism, at an earlier period of the debate, he took himself away from the House, and did not remain to hear what was said in connection with the important points he raised—did not understand the matter, or else placed the position before the House for the purpose of misleading honourable members. I refer particularly to the cost of raising the loan, and to the amount of the expenses in connection with that loan,—to the lawyers' fees, as well as the other expenses. I shall come to that matter presently. Before I proceed further, however, let me say to the honourable member for Patea that his statement that this Bill had been altered since it was introduced is incorrect. The title of the Bill was altered, but nothing in the Bill save the title was changed. The Bill in every other respect is the same as it was prepared in the first instance, and there is no alteration in it. Then, the honourable gentleman said that stock had gone down since the introduction of the Financial Statement. It is a pity the honourable gentleman does not adhere more closely

Major Harris

to facts. What has happened since the Financial Statement was delivered? I may say that I have in my hand, but have not time to read it, a full *résumé* of the Financial Statement which appeared in the *London Times* and in other London daily papers a day or two after the Statement was delivered in the House, in which the whole of the important proposals contained in the Statement were reviewed. The cheap-money scheme, the proposal to obtain £750,000 for land-purchase and roading—all the financial proposals of the Government appeared in the London newspapers on the 24th July; and this is what has happened: Our 4-per-cent. stocks have advanced from 107 to 109½, and the 3-per-cents have since gone up from 101 to 108. I am absolutely correct in what I am saying. The information I have given honourable members is contained in the cables of the 6th September,—a few days ago,—and the statement I am making is perfectly correct. During the debate I have been twitted by the honourable member for Patea with having made a slip of an "0" in the remarks I made in introducing the Bill. I stated at the time, before sitting down, that I had in the hurry misread my notes. But two honourable gentlemen in the House have since made worse slips. The honourable member for Patea said the Government under these proposals, on the 1 per cent. repayments, would acquire £150,000 a year. Compare this with my slip. He turned £15,000 into £150,000; and he has the coolness to twit me with having made a slip of an "0"! But honourable members have not thought it proper to similarly twit my honourable friend with having put one "0" too many—

Mr. G. HUTCHISON.—That is what they "0."

Mr. WARD.—The honourable member, in that case, said £150,000: it was quite a pardonable slip, and any one might easily fall into the same error. I remind him of his mistake just to show that people who live in glass houses should not throw stones. Again, what did the honourable member for Nelson say? He said £750,000 was paid to the Assurance Fund. To have been correct he should have stated £7,500. I corrected him, and then he said he had made a slip, and put himself right.

Mr. GRAHAM.—It was not of so much consequence as yours.

Mr. WARD.—Slips of this sort sometimes occur when such matters are hurriedly dealt with in the House. The honourable member for Nelson, like the honourable member for Patea, made a much worse slip than I did, and yet they both coolly criticized my slip, and forgot their own entirely. I remind them of this; it may do them good. I corrected the mistake at once, and I think honourable members have nothing to complain of in this respect. I have just one word to say about the honourable member for Wellington Suburbs. He said that this Bill was a copy of the Victorian Act. When I heard him say that I was very much amused, because, as a matter of fact, it is not a copy of that Act. I have no copy, and I felt perfectly sure that the draftsman had not a

copy. I sent to the draftsman asking if he had a copy of the Victorian Act, and he assured me that he had not, nor had he used that Act in connection with this one, and since Dr. Newman had made the statement he had tried but failed to get a copy of it. Finally, I asked the honourable member for Wellington Suburbs if he had a copy, and he kindly lent me his copy to-night. Then I found, by a close examination of the Victorian Act, that the only similarity between the Victorian one and this is in the last schedule, which happens to be the same—namely, a 5-per-cent. table. I think my honourable friend should be more careful in regard to his arguments, because when an honourable member begins to criticize an important Bill like this he should be well fortified before depreciating the efforts of the Government in introducing it: and he should not have made a statement which is incorrect. The fact is, the rate of interest being the same, the table was bound, if correctly computed, to be the same. Then, the honourable member and some other members misexplained, or they do not understand, the way in which it is proposed to work this land-bond system. What did the honourable member for Wellington Suburbs say? He said, assuming that a man wanted to borrow £500, what would he require to do? He would require to go to his butcher with his bond, and probably have to pay something by way of discount before he got the money. As a matter of fact, if a man wanted to borrow £500 he would not get the bond at all, as the bond would be given to the man who lent the money to the Government. Yet in discussing that important point the honourable member absolutely led this House to suppose that the man who borrowed the money was the man who got the bonds! But the man who borrows the money is not the man who gets the bonds. The man who lends the money is the man who gets the bonds, which is a very material difference. The honourable member for Hawke's Bay criticized the Bill not unfairly, but he made one or two statements that I shall refer to as I pass on. He said that money was hoarded up because the confidence of capital was shaken. I want to know, that being the case, how it is that one institution alone is said to have sent out something like a million pounds from the people of this colony; and I think it is unfair for the honourable gentleman to make a statement to the effect that there is a want of confidence in the Administration of this country, causing money to be withdrawn from investment in the colony. But the honourable gentleman said it was rather difficult to argue against such a scheme as this: and probably it was difficult for him to so argue, seeing that he advocated the borrowing of twenty millions in 1877 for a scheme under much more unfavourable conditions. He said that taxation was then much lower than it is now. Was not that a very good reason for now endeavouring to give the people cheaper money. And if their taxes were so much less then, surely they could better afford to pay more for their money. Then

the honourable gentleman wanted to borrow twenty millions. Would honourable members believe that at the time he referred to the total amount of mortgages existing in this colony was only £5,635,248, including town and country mortgages? Yet the honourable gentleman, who professes to be so cautious, advocated the borrowing of twenty millions of money—to do what? To wipe off £5,635,248 of mortgages.

AN HON. MEMBER.—There are no records to show that.

MR. WARD.—The honourable member does not like that. If the honourable member wishes for records, he has only to look up the parliamentary returns, and he will find the whole thing there recorded: £5,635,248 was the amount of mortgages, and £20,000,000 was the amount that my honourable friend advocated should be borrowed; and he also advocated that the money should be lent at 6 per cent. Then he went on to coolly ask, Even if this money were borrowed, what advantage would it be to farmers, to lend it at 5 per cent.? The honourable gentleman went on to say that money lent at 5 per cent. would be of small benefit to the farmers. All I can say is, if there is to be very little advantage to the farmers out of our proposal, what advantage would it be to them to obtain money at the rate of 6 per cent., as the honourable member suggested? And yet he went on to say that he approved of a scheme to advance the money to settlers out of the deposits in the Post-Office Savings-Bank. He is most inconsistent. Now, I want to know where the difference comes in. If he used the deposits of the people lodged in the Post-Office Savings-Bank for the purpose of advancing loans to people in this colony, where is the difference between doing that and paying interest to the people direct, as is proposed under this Bill? There is little or no difference. Any proposals the Government makes would be opposed by the honourable member. I now pass on to the remarks of the senior member for Wellington City (Sir R. Stout); and I want, in connection with this matter, to place before the House, in the first instance, what the position is. The honourable gentleman stated deliberately here that there would be a loss of £20,000 a year interest upon the investment proposal, and he gave a series of figures to show how this loss would be incurred. He said the Treasurer forgot to tell the House what the loss was going to be between the time the money was raised and the time it would be paid by the colony and become interest-bearing, and what the cost was of raising the loan. I forgot nothing of the sort; and now I will tell honourable members what the cost would be of raising a million of money. I believe the honourable gentleman clearly understood it when he asked the House to believe that there would be a loss of £15,000 at 1 per cent. When he said that, he knew perfectly well that the loan was extending over thirty-six years, and that, in respect to the cost of raising it, it was not, as he asked us to suppose, all chargeable in one year, but ought to be

extended over the whole period for which the loan is issued. Upon a loan of a million to be raised at $3\frac{1}{2}$ per cent., the cost of raising would be £15,000, and management and expenses £15,000; the interest at $3\frac{1}{2}$ per cent. would be £35,000; the Insurance Fund, £25,000; and the investments, £1,000,000: that would make it £1,073,000. On the other side, the credit would be £1,000,000 for the money invested; valuation-fees to be paid would be £1,050; the interest at 5 per cent., to be paid back to the department, would come to £50,000; fees for law-costs, £525: or a total of £1,051,575. Now, from the £1,070,000 there is to be deducted £14,500—I am now calculating for a period of thirty years only, instead of for thirty-six years—that leaves you a balance of £1,055,500; and for Solicitors and Valuers you would require to deduct £10,000 contributed by other departments: leaving a total of £1,045,500. With regard to this amount of £10,000, I would ask honourable members who have been talking about these expenses if I did not explain to the House that these Solicitors were to do the whole of the business of the Public Trust Office and the Government Insurance Office, and other Government departments, and must these lending departments of the Government not be charged for the services rendered in that way? This Advances to Settlers Office would be credited with the amount of £10,000, the contribution for work done for other departments, and the fees for work done by the office; and, in connection with a million of money raised in the way I have just stated to the House, would you believe that, instead of a loss, as some honourable members have tried to make out, there would be a profit to the colony of over £6,000 on transactions extending over thirty-six years and a half?

Mr. FRASER.—What about the mortgage-tax?

Mr. WARD.—The mortgage-tax has nothing whatever to do with this position. I am prepared to deal with the mortgage-tax, but I am not going to be put off this matter. The position has been utterly misrepresented. That is often very astutely done by certain members of this House; but I am prepared to put this table of the exact position in *Hansard*, and I ask those honourable gentlemen to dispute it if they can. Every item that ought to be debited is debited, and, instead of a loss, as some honourable members endeavoured to show, there would be, under this proposal, a profit of over £6,000 after debiting it fully; and honourable members who from their standing in the House ought to know better have no right to attempt to mislead the House and the country in such an important matter as this, which could be demonstrated with the greatest possible ease if honourable members would take the trouble to look at it. The honourable member asks what about the mortgage-tax. We heard the honourable member for Wellington City (Sir R. Stout) say this was going to cost £6,200 on £1,500,000, and we heard the honourable member for Dunedin City (Mr. Earnshaw) repeat the same error, and the

honourable member for Waitemata and honourable gentlemen all round the House were doing

the same thing. Now, did these members not know there was a deduction of £500 to be made from the £1,500 mortgage before the mortgage-tax is levied at all? If they did know, why did they not deduct it? Does it not show that these honourable members do not know what they have been talking about? I tell them now at any rate that it is so. And I say they do not know what they are talking about. If they look at the Land and Income Assessment Act they will find that there is an exemption of £500 on a mortgage up to £1,500 to be deducted, the exemption decreasing by £1 for every £2 of increase in the amount of mortgage. Those honourable members made no deduction, as was clearly shown by the fact that the senior member for Wellington City said, "You have not provided for the mortgage-tax." What is the position of the Government Insurance Department and the Public Trust Office? Do they deduct the mortgage-tax? Most undeniably not. The Government do not intend to deduct the mortgage-tax in each individual case. What would be the position by the time the million of money had been lent out? Instead of the loss which members talk about, the loss would be about £2,000. It would really seem as if members assume that the whole of the twenty-nine millions advanced to the people of the colony at the present time was going to be advanced by the Government under this scheme. We know that there are now people in the colony trying to put out money at $5\frac{1}{2}$ or 6 per cent. But were they doing it before they heard of this proposal? Certainly not. If private individuals are found willing to lend money at 5 per cent. the Government will be only too glad to step aside. The Government merely desire to see cheap money in the colony, and, if the effect of the proposal of the Government is to induce private individuals to supply the necessary want, that is all we require. When honourable members talk of the deduction of the mortgage-tax, let them fairly put the position. Even if it were intended to charge the mortgage-tax it would not be imposed on existing loans, but on fresh business; and if we advance a million a year on individual mortgages, the tax, so far as the Government are concerned, will not be calculated at all on individual mortgages, but the gross amount of the mortgages will be calculated and the lending office will be asked to provide for the tax. That is the position which the Public Trust Office and the Government Insurance Department are now in. Therefore, if honourable members think the Government intend to put an incubus on the shoulders of the settlers in this way, they have made a great mistake, because it was never intended, and, in fact, would not be likely to be the case. Then, again, about the Bankruptcy Act. We heard the senior member for Wellington City talk a great deal about the Bankruptcy Act; and what did he say? He said, "Does the House know that under the proposals of the Govern-

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ment a man may get his discharge from every creditor but the Government, but for the term of his natural life he would remain undischarged in connection with his liability under this Bill?" The Bankruptcy Act would not apply in this case at all. Now, if honourable members look at the Bankruptcy Act of 1892, clause 132, subsection (d), they will find that under the law as it stands at present a man is responsible to the Crown even if he obtains a discharge from his other debts. What we are doing under this Bill is only widening the existing law. For what purpose? For the purpose of protecting the State. When the Government advances up to two-thirds of the value of the security it is essential that the State should be protected, and we have therefore taken the necessary safeguard in this Bill by saying the Bankruptcy Act should not apply, and, in doing that, we have only made an extension of what is already the law. Yet the senior member for Wellington City said this was an outrageous and dreadful condition imposed under the Bill upon the unfortunate settler. But, as I have shown, all that he referred to is done under the existing Bankruptcy Act, and we have simply made an extension of it. If it is thought necessary in Committee that this important clause should be amended so as to insure for the man who is unfortunate enough to go through the Bankruptcy Court the necessary protection to enable him to go back and resume his holding of land, I am willing to consider that. But I assure honourable members that the colony is not going to be put in a position whereby any creditor, or any combination of people, may say, "Here is the Government which has advanced so much to the settler; under the circumstances, we are going to have a hand in taking from this man what he has acquired from the Government." We are not going to put the settler, or any person who obtains a loan under the Bill, in that position. It is in the interest of the person who has obtained a loan from the Government that he should be protected in the way now suggested. Now, Sir, the honourable member said that this was a departure from the Financial Statement, and I have heard it said by honourable members in the House during this evening and the other evening that this was also a departure from the Governor's Speech. I am very much surprised to hear honourable members who have read the Financial Statement and the Governor's Speech come to this House and say it is a new departure. In what respect is it a departure? It is a departure so far as the details are concerned, and in the introduction of a provision to advance to leaseholders: but nearly every member of this House wanted that put in. As a matter of fact, I introduced it into the House in the Trustees Bill; and, lest the Trustees Bill should not go through, I decided that it should be put into this Bill, so as to strengthen the position of the Government in their endeavour to assist the leaseholders who have taken up land for settlement in the colony. The Govern-

ment thought that leaseholders should have an opportunity of obtaining cheap money, and we have therefore put it into the Bill. We have heard honourable members say that this is one of the reasons for their opposing this Bill, because it is a departure in this respect. Now, I tell honourable members, with all due respect, that it is not possible to bring down all the details of a measure in the Financial Statement. If you want strict adherence to the proposals in the Financial Statement, the Government would have practically to introduce their Bills side by side with the Financial Statement. Then, again, with regard to the proposal in this Bill to raise debentures at 4 per cent., I am amused at the misconception of some honourable members on this point. Now, I tell the House that the Government do not intend to pay even 3½ per cent. for this money if they can get it for less. They hope they will not require to pay more than 3 per cent. for it. The proviso in the Bill, which says debentures can be issued at 4 per cent., is very necessary, for the reason that the money may be temporarily required for the purpose of carrying on the business under the scheme. Temporary accommodation may be required for two or three months at various times, in which case it would perhaps be necessary to pay at the rate of 4 per cent.

An Hon. MEMBER.—But you have it in the latter part of the clause also.

Mr. WARD.—If it is in the latter part of the clause it can be struck out; but I say that is the reason for it; and any Government or any members of this House who wanted to make a success of a large proposal such as this would have hampered themselves in the initiatory stages of carrying out the business of the department if they had not inserted such a proviso as this. Then, the honourable member for Palmerston stated that the Government was intending to issue inscribed stock, and he was surprised at the proposal to issue inscribed stock in the first instance: but the provision in this Bill to issue debentures at 4 per cent. is an extra precaution. Those honourable members who say we cannot get money at 3½ per cent. do not seem to know what is going on in the world, and I would therefore invite them to listen for one moment to a paragraph from *Commerce*, dated the 8th August, in which it states that deposits have fallen to ½ per cent., and it goes on to state further that call-money can be overwhelmingly supplied at ½ per cent. I am not going to read this paragraph at length, but it goes on to say that nothing short of wholesale shipments of gold abroad could ever alter the overburdened condition of the money-market. In addition to that, there is a statement in another financial paper to the effect that £100,000 was recently lent in London for 16s. 8d. for the use of it for one day. I think honourable members, when they hear that, will agree that the Government should be able to get the money at 3½ per cent., and at as cheap rates as any of the other colonies. We heard the honourable member for Wai-

rarapa making comparisons between New Zealand and Canada, the Cape, and Natal. He says that the Canadian $\frac{3}{4}$ -per-cents stand at 105 to 106, those of the Cape at 106, and those of Natal at 108. I think those were the figures he quoted. But does not the honourable gentleman know that Canada and the Cape are much older borrowing colonies than our colony? Is it not something creditable to this colony that our stock stands at 109? The honourable member said New Zealand stocks were only 103, side by side with those of Canada, at 105; the Cape, 106; and Natal, 108. I say the honourable member cannot point to any time in the history of this colony when our stocks ever before reached these figures. The honourable member, I am sorry to say—like some other honourable members—makes statements apparently for the purpose of decrying the credit of this colony. Who is responsible for whatever want of confidence there may have been from time to time in respect to this colony at Home? Who has contributed the articles to the *Investors' Review* making statements to the detriment of New Zealand? Who made the communication to the *Scotsman*, which was read by the honourable member for Wellington City (Mr. Bell) to-night? Can the honourable member tell me who made it?

Mr. BELL.—No. Can the honourable gentleman?

Mr. WARD.—No; and I do not believe the honourable member knows who it was.

Mr. BELL.—No.

Mr. WARD.—Certainly not. That information, published in the *Scotsman*, looks very much as if somebody in this colony supplied it.

Mr. BELL.—It must have been sent by cable.

Mr. WARD.—It was not sent by cable. I have read the full *résumé* published by the *London Times* of the proposals of the Government. The article published in the *Scotsman* looks as if it had been supplied by some one who assumed that he knew the finances of this colony and the Government proposals. Who has taken this active interest in the colony at Home? Does anybody in New Zealand ever take such an interest in the affairs of Scotland, for instance, as to write here in such a way about their affairs?

Mr. BUCHANAN.—We have lent them no money.

Mr. WARD.—No, but we shall be able to do so some day, I hope. There appear to be certain busybodies who are ever ready to damage the credit of this colony so long as they think that by doing so they are injuring the credit of the opposite party. In reply to the honourable member for Chalmers, who advocated the currency of this colony being materially changed, I may point out to him that the change which he suggested was tried in Queensland, and was an entire failure. The paper currency there fell off 50 per cent., and a loss of £20,000 occurred to the Government during the first year it was tried. The experiment was so unsatisfactory that I do not think there

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is any probability of this colony trying the system. My time is almost finished, and I must therefore come to an immediate conclusion. With regard to the £5,000 limit, which some honourable members have taken exception to, I wish to say, if you are going to shear the Lending Board of the power of making solid investments, you will weaken the scheme, and prevent the making of small investments. Take the case of insurance companies: to enable them to become strong and safe, they find it necessary to take large risks as well as small. So, if you want to make this lending office weak, you will confine it to small investments alone. We want to make small loans, and that is why I desire to have the loans spread over different classes of risks. The strong must help the weak. Some honourable members—for instance, the honourable member for Wairau and the honourable member for Nelson City—named very small sums as the maximum. If the suggestions of those honourable members are approved of in this respect I shall invite honourable members at once to say that the Bill shall go no further, because no Government would take the responsibility of a scheme which would be made so weak by reducing the securities to such an extent as would result from only making investments up to £200, or even £300. In connection with the proposal that we should each year submit the requirements under this Act for the year to the House, I wish to say this: It is an important point that there should be a limit to the amount to be raised under the Act, and in Committee I shall be perfectly prepared to discuss the matter reasonably. I want to point out, however, that, if a limit is proposed from year to year, that will seriously impede the working of the scheme. I would suggest to honourable members, in connection with this point, that, if they want to see the business successfully carried on, it is a proper thing to say there should be a limit; but if you say the limit is to be one from year to year you will seriously hamper the business of such an office. I think it would be the proper thing to say it should last for so many years, and stop there. I think that is a fair thing. It is quite debatable, and I am prepared in Committee to meet it. Now, in connection with the expense, let me once more point out this important fact: Legal expenses at the present time cost us at the rate of over £7,000 a year. I do not say that is excessive; but under this proposal it is not intended to add to the legal expenses of the country one single sixpence. If honourable gentlemen do not like the legal expenses connected with the scheme, let them direct that the Registrars of Deeds shall perform this work. If they wish to do that, it is possible, and can be considered in Committee; but the proposal in the scheme is one which will not increase the legal expenditure. The only increase will be in connection with the Valuers, and I regard them as more important than the Solicitors; and I think the House will be of the same opinion, and will see that it is of the greatest importance

that it should be carried. My time is up, and I can only say that the Government are in earnest in their desire to benefit the people of this colony, and I believe lasting benefits will be conferred upon the people if the proposals in this Bill are assented to.

Bill read a second time.

The House adjourned at thirteen minutes to three o'clock a.m.

LEGISLATIVE COUNCIL.

Wednesday, 19th September, 1894.

First Readings—Second Reading—Sunnyside Asylum—Boroughs-lighting—Westland and Nelson Coalfields Administration Bill.

The Hon. the SPEAKER took the chair at half-past two o'clock.

PRAYERS.

FIRST READINGS.

Government Railways Bill, Hastings Borough Loan Validation and Empowering Bill.

SECOND READING.

New Zealand Company's Land-claimants Bill.

SUNNYSIDE ASYLUM.

The Hon. Mr. JENKINSON said he had been told, in regard to the system of co-operative work that had been applied to skilled workmen, that in some cases these workmen had not averaged 5s. a day, and that after the co-operative work was done these workmen were given work at a higher rate of wages than the ordinary days wage to compensate them for the loss they had incurred in working at such low wages. He asked a question some time ago with reference to fair wages, and it appeared there was a clause in the Public Works Department conditions for tendering which stipulated that the current rate of wages must be paid. He thought the Government should certainly set a good example; and if his information was correct—namely, that 5s. a day was the actual amount earned by these men—he thought it was not quite so successful as they could wish. Regarding this particular block of buildings referred to in the motion, he could say from personal observation that if the men there made anything like wages they had made them at a loss to the department, because they were not provided with sufficiently good tools to carry out the work. He thought, if this return were furnished, they would be able to see what were the wages paid to the men, and would see also the average amount earned by them on this job. He therefore moved the motion standing in his name.

Motion made, and question proposed, "*That a return be laid upon the table of the cost of the new block of buildings (containing baths and closets) at Sunnyside Asylum, referred to in the last annual report on asylums, showing (1) actual cost of material, (2) actual cost of labour, (3)*

number of men employed, and (4) time worked and wages earned per week by each man, stating nature of employment, and whether on co-operative or day labour."—(Hon. Mr. JENKINSON.)

The Hon. Mr. SHRIMSKI objected to this motion altogether. If they were going to take up this position they might as well move for a return to find out how shopkeepers managed to carry on an extensive business, what their receipts were, what rates and taxes they had to pay, and what return was left them, after discharging all these demands, to meet business engagements. He could see no necessity whatever for asking for returns of this character, and he was therefore prepared to move, *That the motion of the honourable gentleman be not adopted.* They were met there to legislate on matters affecting the welfare of the colony; they were not there merely to look after the interests of a particular class of men—to find out what wages they got, and what wages they did not get. It seemed rather strange that the Minister had nothing to say in regard to this matter.

The Hon. Sir P. A. BUCKLEY said this was a sort of dictation to Ministers. He could inform the honourable gentleman that Ministers quite understood their duty, and were not going to be dictated to by the honourable gentleman. The motion was a very proper one, and he entirely agreed with it.

The Hon. Mr. SHRIMSKI.—Well, we expect to hear something from Ministers on the question.

The Hon. Sir P. A. BUCKLEY said they were not going to be dictated to by the honourable gentleman. It was a constant cause of irritation to hear Ministers accused in this way because the honourable gentleman did not get everything he wanted. He objected to this class of interruptions from the honourable gentleman, and he hoped the Council would not tolerate it. The honourable gentleman had stated that Ministers did not say anything.

The Hon. Mr. SHRIMSKI.—We expect the Ministers to guide the Council.

The Hon. Sir P. A. BUCKLEY said they were not going to be guided by the honourable gentleman.

The Hon. Mr. REYNOLDS said that, with regard to what had been stated by the Hon. Mr. Jenkinson, he always understood it had been the case hitherto that Ministers should give their opinion upon matters of importance like this; and he thought it was the duty of Ministers to express their opinion in this case, because it was impossible that each individual member of the Council should know the whole ins and outs of the question. He trusted, therefore, that for the guidance of the Council Ministers would express an opinion.

The Hon. Sir P. A. BUCKLEY rose to a point of order. This reflection had been cast upon him personally, he supposed, by the Hon. Mr. Shrimski. He might say that he never allowed a motion to pass by without making himself acquainted with the facts. He had on this occasion ascertained from the department whether they had any objection to the motion,

and he thought silence was generally understood to give consent. It was never his wish to take up the time of the Council needlessly, and he did not trouble it with more speeches than he could help; and on this occasion, having ascertained from the department that they had no objection whatever to the motion, he thought it unnecessary to intervene.

The Hon. Dr. GRACE would like the honourable gentleman in his reply to say briefly what was the policy underlying his motion. Did he desire to demonstrate that it was a good thing to take this work on the co-operative principle, or did he desire to say that these works having been dealt with under the co-operative principle had led to the payment of a small wage to the labourers? For his own part, he had no objection at all to the return. As a matter of interest, he wanted to know what the honourable gentleman's precise object was. He had no doubt it was a want of keenness of perception on his (Dr. Grace's) part, but the honourable gentleman seemed to him not to make it quite clear to the Council what his object was in making the inquiry. Was it his desire to demonstrate that the erection of this building by co-operative labour was a good principle? Secondly, was it his desire to show that, notwithstanding the erection of the building on the co-operative principle, the co-operative labourers did not receive sufficient wages? and if that was so, what did he wish to deduce from that argument?

The Hon. Mr. SWANSON had been in hopes that the honourable gentleman would explain his object. Did he propose to show that the workmen who were put on the job were supplied with bad tools? If they did not earn 5s. a day, was it the Government or the men who had lost by the work? Probably the honourable gentleman would explain what was expected from the men if they were bad workmen and had bad tools given them.

The Hon. Mr. JENKINSON said that, in answer to the Hon. Dr. Grace, he could only say that the honourable gentleman might put what construction he liked on the return when it was furnished; but he did not want it to be thought that it was in the interests of the workmen alone that he had asked this question. He had the idea that co-operative work, when extended to skilled work, would not be a success. It might be easy for the officers of the Public Works Department to give out estimates, and to fix prices for unskilled work at something near a remunerative rate, both for the men and for the colony. But in the case of skilled work, where they had probably four or five different classes of workmen employed, he was very much afraid the officers of the Public Works Department would not be able to make estimates sufficiently exact either to give the workmen a good wage, or, if they did give them a good wage, on the other hand prevent a loss from accruing to the department. In reference to the particular work mentioned in the motion, he thought a great part of it was done on the co-operative principle; and when he spoke of those workmen not having

sufficient tools, and tools of the right sort to do the work, he spoke from actual knowledge, because he happened to be an Official Visitor to this asylum. During one of his visits there he saw some of the workmen—at least, one man in particular, a bricklayer's labourer—working with a bucket which had the bottom worn out, and a little bit of board put in to serve as a bottom; and besides that he had a piece of rope to haul up the material to the scaffolding, but the rope was 3ft. or 4ft. too short. It appeared to him that, if the work was to be conducted—not necessarily in the interests of the men—but in the interests of the public and in the interests of the department, these men should be furnished with good tools. He did not know whether these men furnished their own tools or not, but certainly they should have had better tools. At the same time he noticed the carpenters working with tools which did not appear first-class, and with which they could not possibly do the work satisfactorily. He did not know that it was on this special job the men got 5s. a day, but he was told in Christchurch that on some jobs that would be the wage earned. He thought the Hon. Mr. Shrimski, when he objected to the motion, spoke rather hurriedly. He thought the motion brought forward was rather in the interests of the public service, and he had considered that the honourable gentleman would be only too willing to support him in moving a motion like this. But the honourable gentleman had said, if they were to ask for returns of this kind, they might as well ask for returns in reference to shopkeepers. It was quite true the colony had nothing to do with shopkeepers in business, but it was quite true also that, in the interests of the public service, they should inquire into these things. These buildings were carried out by the Public Works Department; and if members came there to legislate for the country, and to do their duty with regard to it, he thought they should keep their eyes open to the manner in which the public money was being expended. He would only ask members to look back scarcely a couple of months at the work that was done on the Museum here, and, though members who were accustomed to pass that building might not have noticed it,—he did not say it was done by co-operative labour, but it was done by the Public Works Department,—it was positively sickening to see the way in which the work was carried out, and the weeks and weeks that were occupied in painting it. He thought, if the Hon. Mr. Shrimski reflected a moment, he would agree with him that this was a most important part of their duty: to see that the public moneys expended were expended in the right way, so that the Public Works Department got a fair return from the money. They must act fairly, and, while getting a fair return for the wages given, they must at the same time give a fair day's wage for a fair day's work. He did not think for one moment that the department would have any objection to furnishing the return. He only wished the Council to understand that he had simply moved for the return in the interest

Hon. Sir P. A. Buckley

of the public service, and in order to see that they got a fair day's work for a fair day's wages, and paid a fair day's wages for it.

Motion agreed to.

BOROUGH-SLIGHTING.

The Hon. Mr. McCULLOUGH did not intend to take up the time of the Council at any great length in dealing with this motion. He thought it would be admitted that it was not outside the duties of Municipalities to provide cheap gas and water for the inhabitants of boroughs. In fact, the Legislature had contemplated that the Municipalities would undertake such works as gasworks, for in the Municipal Corporations Act there were no less than nineteen sections dealing with the question of lighting. The whole of the machinery for dealing with this matter was provided in the Municipal Corporations Act of 1886. Clause 353 provided that the Borough Council might do all things to light the streets, and to supply the inhabitants with gas. They might acquire land on which to erect the buildings; they might raise a special loan for the purpose; they might supply gas outside the borough; they might levy a gas rate; they must keep a separate account for all gas receipts; and clause 369 authorised the Borough Council to purchase gasworks. It was this portion of the Act, he thought, which required amendment, and to meet the case he had given notice of the motion which he was now moving. He would like to point out to the Council that clause 369 enabled the Corporation to purchase gasworks already in existence in the borough or in the neighbourhood. It further provided that the Corporation or Council might erect gasworks; but upon what conditions? This was where the hardship was—in that the Corporation would have to approach the Legislature and get a special Act passed enabling them to commence such works. Now, he would ask honourable members' attention for one moment, and ask them to call upon their experience as to the trouble, and the cost, and the difficulty of getting a special Act passed through the Legislature when that special Act dealt with vested interests, and such large vested interests as honourable members must admit gas companies' interests were. Clause 369 appeared to be very fair on the face of it, for it provided that the Corporation might purchase gasworks; but upon what condition? When the gas company was willing to sell. Well, it was needless for him to say that gas companies were good speculations as a rule, and gas companies, as long as they could make 10 per cent. or 20 per cent., were not likely to willingly offer their properties for sale to Borough Councils. He thought he had said almost enough to lead the Council to believe he was right in assuming that the Municipal Corporations Act required amending in the direction of his motion—that was, if it was a desirable thing that a Corporation should possess gasworks. He might also add that the law at present—the Act he had quoted from—granted a monopoly to a gas company. It had passed

into a proverb almost that monopolies were bad; and in connection with this matter he might be permitted to read the opinion of a recent writer upon monopolies. His attention had been called by an honourable member present to a book on this subject. The writer was dealing with the action of the State in the matter of certain undertakings which were total or partial monopolies. He said—

"There is a large and constantly-increasing class of industrial undertakings possessing privileges which give them more or less the character of monopolies, and which thus call for special regulation by the State. It is a matter of speculative interest to ascertain what these undertakings are, and what are the characteristics which they possess in common, so that we may be able to recognise and define them."

He then went on to say,—

"The following is a tolerably complete list of these undertakings: Harbours and natural navigations, canals, docks, lighthouses, roads, bridges and ferries, railways, tramways, gasworks, waterworks, the post-office, and telegraphs.

"In some of these—e.g., docks, railways, gasworks, and telegraphs—competition has been attempted; whilst others have been monopolies from their commencement.

"But in none of them has competition proved to be completely successful. It is of great importance that this point should be kept steadily in view, since it is only in those cases which competition cannot fully regulate, and so far as competition does not regulate them, that the need for special State interference is felt."

The Hon. Mr. WALKER.—Who is the writer?

The Hon. Mr. McCULLOUGH said, T. H. Farrer, dealing with the question of "The State in its Relation to Trade." He dealt with monopolies under all the heads that he (Mr. McCullough) had just quoted, and, in speaking of gasworks, he went on to say,—

"The case of gas-supply is peculiar, since gas-manufacture has reached a high state of development and success; and the complete effect of the attempts Parliament has made to control the monopoly is better seen than in cases where profits are still small. In many cases the dividends have become so large that the public are painfully aware of the conflict of interest between themselves and the shareholders; and, on the other hand, in certain large places, prudent Municipalities have made a good thing for the ratepayers out of the supply of gas.

"There is one case—viz., Manchester—in which the gasworks have been originally established by the Municipality; and there may be others. There are many cases in which works originally established by a company have been subsequently bought by the Municipality, and these cases are on the increase; but how few they are, in comparison to the cases of gasworks still owned by companies, may be seen from the following figures:

The total number of gas companies in England and Wales, according to the parliamentary return of 1881, is 336, with an aggregate authorised capital of about £41,500,000. In the metropolis there are four gas companies, with a capital of £13,000,000. Besides these, there are a certain number of public gasworks in the hands of private persons; and against this number of private enterprises there are 136 cases in which the municipal authority is the owner of the gasworks."

He had thought fit to point out these opinions to the Council in dealing with the question of monopoly. Turning up the English Acts of Parliament dealing with gas companies, he found that in nearly every case there were certain conditions introduced, Parliament evidently feeling a monopoly was being granted. The Acts made provision, first, that the price of gas should not exceed a certain figure, and, in the second place, that the dividends should not exceed a certain percentage, evidently with the intention of conserving as much as possible the interests of the gas-consumer. In the Act authorising the Droydsden Gas Company, the provision was that the cost should not exceed 6s. per 1,000ft., and that price was only to continue for five years, after which the price of gas per 1,000ft. was to be reduced to 5s. 6d. In Leicester the price was not to exceed 4s. 6d., and the dividends were not to exceed 6 per cent. In Croydon the price was not to exceed 6s., and the dividends were not to exceed 7½ per cent. In an Act incorporating no less than sixteen gas companies in and around London the provision was that the gas should not exceed 4s. 6d. per 1,000ft., and the dividends were not to exceed 10 per cent. It would be seen, then, from these facts that Parliament had attempted to regulate in some way the price of gas to consumers, and to limit the amount paid in dividends. He would like, in contrast, to call the attention of the Council to the provision in some of our local gas companies' Acts, such as that of Auckland, for instance. In the Act passed by the Legislature authorising the formation of the Auckland Gas Company it was provided that the dividends were never to exceed 20 per cent.; and in some of the other enactments the same provision was to be found—as, for instance, the Wellington and Nelson Acts—namely, that the amount paid in dividends was not to exceed 20 per cent. Honourable members would notice the vast difference between the percentage allowed by this Legislature and the percentage of the dividends allowed by the Parliament in England to gas companies there. Another peculiar condition was attached to the Acts of Parliament in Great Britain, and that was, should the profits exceed the amount allowed to be paid in dividends, the excess was to form a reserve fund; and, further, that should any two ratepayers apply to the Court when this reserve fund was of a large amount they could demand an inquiry, and, if the result of the inquiry was such, in the opinion of the Court, that the price of gas could be reasonably reduced, the company was thereupon called on

to make a reduction in the price. All these facts pointed to the attempt of the Legislature to conserve the interests of gas-consumers by attaching these conditions to Acts authorising the construction of gasworks. The gas company of Auckland paid no less than 15 per cent. to its shareholders. Its entire capital was £146,215, and it had a reserve fund put aside of 18s. 1d. per share. It would be evident from these figures that the shareholders of the company were in a very favourable position. Under those circumstances, he thought he was justified in saying that had the City Council or the State any control over the gas company of Auckland it might reasonably have been asked to reduce the price of gas. The price was 10s. per 1,000ft., less a discount of 2s. 6d. if paid within the month. That was 7s. 6d. net. The price, whether for lighting, for cooking, or for motive-power, was the same—no reduction was made for cooking or motive purposes, as was the case in other places. It was considered a hardship in Auckland, for it retarded to some extent industrial pursuits, cheap motive-power always tending to increase the number of local industries. Other gas companies in the colony did not pay as large dividends as the Auckland one. Napier paid 10 per cent.; Wanganui, 10 per cent.; Gisborne, 10 per cent.; Hokiika, he was sorry to say, only paid 5 per cent., but Greymouth made up for that by paying 12½ per cent. The Christchurch Gas Company paid 10 per cent. Probably honourable members who were well acquainted with Dunedin and Christchurch would be able to tell the Council the feeling in those cities concerning this question of gas-supply. He remembered seeing a discussion in the Christchurch Press some twelve or eighteen months ago. There was an agitation for the construction by the Corporation of gasworks in opposition to the gas company now having the works there, because the inhabitants thought the price of gas was too high. He believed the result of that agitation was the reduction in the price in Christchurch. The Acts authorising gas companies in New Zealand practically gave the companies a monopoly: first, because there was great difficulty in a Corporation getting authority to establish gasworks themselves; and, in the next place, it was questionable whether a Corporation should go into competition with a company then existing, for it would probably entail loss on both. He wished to take a middle course by giving Corporations authority to purchase at a reasonable and fair price. If gas companies had a monopoly, the question arose: Should the monopoly exist for all time?—because, unless there was some alteration in the law, it would be a monopoly to existing companies for all time. This was not right or fair in the interests of the inhabitants. He thought his motion was liberal and fair. There was no attempt to take an unfair advantage of the companies. It distinctly provided that it should be at the almost unanimous desire and wish of the inhabitants of a city that the Corporation should purchase the gasworks. It

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required a majority in favour of it of not less than two-thirds. All would admit that that was a very large majority. In the next place, the company was afforded an opportunity of selling at a reasonable and fair price, and it was only in the case of a company refusing to sell, or asking too high a price, that the provisions of the Public Works Act were enforced. This course was suggested that the greatest good might result to the greatest number. He might be told that it would entail hardships upon the shareholders of gas companies to ask them to relinquish what they might consider a very good investment. But the same argument was used with regard to the proprietors of large landed estates, who, under the Land for Settlements Bill, would be called upon to relinquish their properties. The position was somewhat similar, and, if the principle was right in the Land for Settlements Bill, they could not help admitting that it was equally right to deal with the gas companies in the direction he pointed out. He hoped the Council would think so. No doubt many members of the Council were interested in gas companies, and knew more about their working than he did. He was only dealing with the facts and figures he found in the balance-sheets of gas companies, but he was sure that, no matter how much they might be personally interested in the question, it would not at all influence them in dealing with the broad question, as to whether the local authorities of large cities should or should not have the opportunity given them of acquiring the gasworks on fair and reasonable terms. He would be sorry to make any motion or suggest any dealing with the property of other people except in a manner which might be characterized as reasonable, fair, and straightforward. He hoped the Council would not accuse him of wanting to take any course that could be characterized to the contrary. He therefore hoped that the Council would admit that the Municipal Corporations Act required amending in the direction he pointed out, and that his motion would be adopted.

Motion made, and question proposed, "*That it be a recommendation to the Government to include in any Bill to amend 'The Municipal Corporations Act, 1886,' provisions whereby Borough Councils desiring to acquire gas or electric-lighting companies' works or property may have the following powers conferred upon them, viz.: (1.) The Council to have the right to demand from a gas or electric-lighting company a statement in writing of the price required for their works, such statement to be lodged with borough officers within forty days from the receipt of the notice demanding such statement. (2.) Should a company refuse to sell, or the price be in the opinion of the Council too large, and no probability of an agreement being arrived at, then the Council to have the right to take the said works compulsorily under the provisions of 'The Public Works Act, 1884,' and the price and the compensation to be paid for such taking shall be assessed in manner provided by that Act: Provided that, before the*

Council of any borough enter into negotiations with a gas or electric-lighting company for the purchase of works, a poll of the ratepayers of the borough shall have been taken in that respect, and a majority of at least two-thirds shall have been declared in favour of the Council acquiring such works."—(Hon. Mr. McCULLOUGH.)

The Hon. Sir G. S. WHITMORE was sure that the honourable gentleman was only actuated by public spirit in this matter; but there was another side from which they ought to regard the question. The colony was acknowledged to be in great want of capital for many enterprises that it was desirable should be entered into in the country. Was it just, was it fair, was it reasonable, as the honourable gentleman said, that when a company happened to make some little profit at a certain time, its property should be taken away and vested in a Municipality? The honourable gentleman said they had the principle already introduced in the Land for Settlements Bill,—which, he might remark to the honourable gentleman, was not yet passed. But there was this difference: The Land for Settlements Bill dealt with the country as a whole, and conferred certain powers on the Government. This Bill was to confer powers on Municipalities. He presumed the honourable gentleman had before his mind some case in which a gas company had succeeded. He was not at all aware that he had made any proposal to take up any "lame ducks," for which the capital was not sufficient, or where the anticipations of the capitalists had not been realised.

The Hon. Mr. McCULLOUGH.—I have not found any.

The Hon. Sir G. S. WHITMORE said all the honourable gentleman wanted was to take away from persons who had been fortunate in their investments the result of their enterprise, capital, and work. He was not one of those who thought it desirable that the Government should monopolize all the work of the colony, and especially all the profitable work. They had heard plenty of people talking about annexing the property of the Union Steamship Company, and others talked about annexing other enterprises in this colony; but he had always looked upon this as a very bad thing, because they would come to be mere waiters upon Providence, and that was a very great pity; and when it came to extension of such powers it was time to stop. He did not think that any further powers should be given to Municipalities than they already possessed. There was no difficulty whatever in coming to a voluntary arrangement with a gas company. In some places they had done so, and that ought to quite meet the honourable gentleman's views. No Government could take up a question of this sort; and he did not think there was any particular good to be derived from arguing on matters of this sort as in a debating society. For his own part, he would vote against the resolution, as he did not think the proposal was a wise one. If it were passed, and if it had any effect at all, it would have a

very prejudicial effect on enterprise and the introduction of capital into the colony. He thought himself that those who had started the electric light in this colony deserved a great deal of encouragement, and should not be led to believe that they might have their work taken from them at any time if it proved remunerative. He could not see the advisability of putting more powers into the hands of Municipalities, and hoped the motion would not succeed.

The Hon. Mr. OLIVER said one wanted to know why they should be asked to pass such a resolution. It did not appear to lead to anything, or to have any relation to any measure which was before them, or likely to be before them in the near future; and, as to the Council giving a lead to the Government, he thought the Government had proved that it did not want the Council to give any such indication. If the Government wished to embody a further application of the principle of compulsory purchase to any department of labour it was quite able to do so. For his part, he thought the principle was utterly bad—utterly and irredeemably bad. The honourable gentleman had made the suggestion that it was founded on the principle of “the greatest good for the greatest number.” Now, the greatest good for the greatest number could be secured by maintaining the sacredness of contract—by maintaining the freedom of the people in this or any other country to enter into contracts which should be binding upon them, and should not be varied by the will of one party to the contract. The honourable gentleman said that the price which might be paid for the gasworks under his proposal would be a fair price—that he wanted nothing unfair. How did they know that it would be a fair price, and that nothing unfair would be proposed? They knew that the Municipalities would be endowed by the proposed legislation with compulsory power, which they were, he supposed, entitled to believe they would exercise in the way which, in their opinion, would contribute most fully to the revenues of the Municipality; and he saw no reason to suppose that, if that compulsory power of purchase was given, there would be anything but unfairness. The honourable gentleman had told them of certain restrictions which were imposed in England and, he supposed, in some of the colonies as to the price charged for gas, and as to the dividends which might be declared. So far as he knew, they had not by their legislation imposed any such restrictions; and now were they to be asked, because of their neglect to do so, to compulsorily place these people, who were induced by their legislation to go on with useful works, in the same position as if the Legislature had had the wisdom to make those restrictions?

The Hon. Mr. BONAR.—There is a restriction in every Gas Act.

The Hon. Mr. OLIVER said that that should lessen the inducement to interfere by the application of so dangerous a principle as allowing one party to a contract to vary the contract. No doubt Municipalities ought to be

encouraged to undertake the supply of gas and water to the people: in fact, they had not been without the encouragement to do so. It had been pointed out that the state of the law at present permitted them to enter into negotiations for purchase, and he knew those negotiations had, in some places, been actually carried out. With regard to the Municipality of Dundedin, the gas supply was in the hands, first, of private individuals, as were also the waterworks. The Municipality, being desirous of possessing these means of supply, entered into negotiations with the firm which supplied gas, and brought the negotiations to a successful issue; and the price that was asked was not an unreasonable one, for a large profit had resulted from the supply ever since the purchase was made. The same might be said of the supply of water to the inhabitants of this district. So far as he could discover from the address they had listened to, nothing at all had been adduced which ought to induce them to interfere further with freedom of contract. He would vote against the resolution, and hoped the Council would not pass it.

The Hon. W. DOWNIE STEWART said the motion offered another illustration of the prevailing spirit—that wherever an institution had been successful we must either pull it down or buy it. If the motion of the honourable gentleman had been what it should have been, it would have gone in the direction that all the gasworks, good and bad, should be bought compulsorily. But he gave each Municipality the right to hold in *terrorem* over the gasworks to say that, “Unless you reduce your dividends to the vanishing-point we will compel you to sell.” The honourable gentleman overlooked altogether the great public benefit that gas companies had rendered when the place was very sparsely populated—when capital was invested with a certain amount of risk. He was overlooking the fact that in many instances these companies, instead of declaring anything like substantial dividends amongst shareholders, had expended their funds in developing their works. These circumstances were not taken into account, simply because 10 and 15 per cent. was paid now as a fair return for what shareholders had sacrificed in the past. The honourable gentleman also overlooked the fact that, if a company continued to abuse its powers for any length of time, no doubt the Legislature would step in and enable Municipalities to establish gasworks of their own. The honourable gentleman, he (Mr. Stewart) noticed, had not given them any comparison between the rates charged by the Corporations having their own gasworks and the rates charged by the gas companies. He thought it would be found that there really was not much difference. He had no doubt that, if the honourable gentleman wanted to get the gasworks here, he could get them at a reasonable price. The rate charged in Wellington was very reasonable, and the gas company had to compete and was now competing with electricity. And it must be borne in mind that there was another important factor

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in competition now—namely, cheap kerosene; and people were not absolutely compelled to rely on gas to the extent that they might have been at other times. He objected to the motion entirely, as being simply a direct attack on enterprise and the investment of capital, and also what might be termed an attack on successfully-managed companies. The charge in Auckland did not seem unreasonable,—7s. 6d. a thousand,—although he had no doubt the honourable gentleman would like to see it down to 2s. 6d. He (Mr. Stewart) thought it was a very dangerous motion, and would certainly oppose it.

The Hon. Mr. BONAR regretted very much that the honourable gentleman should have brought such a motion forward at this particular time of the session, and on this particular day, because it opened up a very large question, which they could spend a week over, and then not get to the end of. He would not attempt to follow the honourable gentleman into the general question, except to point this out: that there was no monopoly in gas companies at all. He had been good enough to quote the Hokitika Gas Company. He could tell the honourable gentleman that its dividends had come down from 15 to 6 per cent. in consequence of the competition of kerosene, without any electric light. The difference in the price of kerosene and the cheapness of lamps made it a very successful competitor against gas, and they could not call that a monopoly where the competition was so keen on this single account. That destroyed all the argument so far as monopoly was concerned. Was there to be no honour in Parliament? Were they to insist on persons bringing down private Bills and going to large expenses, and, at the same time, was Parliament to be allowed, without any private Bill, to sweep away private interests legally acquired, and force persons to abandon what they had spent money on? That was a thing they ought to repudiate. They had had enough of it already in their recent legislation. It was not worth while to go into the details of the motion, as there was so much that might be said about the question. This was not the time to go on with the discussion of such a large question, which might take up a whole day at the least, and the best plan of disposing of it would be to move "the previous question."

The Hon. Mr. McCULLOUGH.—That is very unfair.

The Hon. Mr. BONAR said it was not unfair at all. The attempt made by the honourable gentleman was unfair in the extreme; and his reason for moving as he did was to avoid further discussion, because at this period of the session, with the business they had before them, it would be very unwise to enter into a general discussion on which nearly every member of the Council might have a good deal to say.

The Hon. Mr. BOWEN agreed with the honourable gentleman who had last spoken as to the merits of the resolution, but disagreed with what he proposed to do with it. He

thought the question should go to a direct vote, and certainly hoped, himself, that the Council would negative the motion. His honourable friend the mover of the resolution was, he thought, a specimen of what bad example could do. He said they were taking people's land from them when their neighbours wanted it, and compelling the former possessors to move on, and why should they not do the same in this case? He (Mr. Bowen) had no interest in any gasworks in any way, but he, like every one, had an interest in the progress of the country, and if they were to hold, as it were, a threatening rod over everybody who showed the way in private enterprise, all he could say was that all enterprise would be as dead as Cæsar. It was so now. He was very much struck by an expression that had dropped from the mover. He was sure that in private life he would not be an advocate of such a doctrine or practice as he now suggested. He said he had done his best to propose reasonably fair and straightforward means to get hold of the gasworks. That was what it came to. We were to adopt what was reasonably fair and straightforward! Under the new dispensation, the words "fair and straightforward" were to be "reasonably" qualified. His honourable friend said it was very hard on the boroughs and on the ratepayers that they could not get hold of these gasworks; but he seemed to forget that it was in their power to make any condition they liked with these companies when they applied for the necessary concessions. They were very anxious to get the companies established at the time they were started, and they made terms with them; and yet the minute they found the companies were prospering they turned round and said, "It is not a good bargain, and we want to be off with it"—just like the little boy who said he would not play any longer, when he did not get the best of the game. There was another fallacy in the honourable gentleman's description of the position of these companies. He talked of the shareholders generally as if they were deriving extravagant rates of profit. But honourable members know that a great number of the shares held in any company had been bought at very high prices from the original shareholders, and those who had bought them were by no means getting a large profit for the money they had put into those shares; and they had put their money into them, at a price which did not promise a high rate of interest, on the understanding that the State protected property and enterprise. They never believed that the State was going to encourage spoliation because a few people in some borough chose to get up an agitation and cry out that it was against their interest that enterprises of this kind should be allowed to remain in private hands. As to competition, his honourable friend opposite spoke of kerosene; but it was not kerosene that would endanger gas interests; electricity was now in the air, and electricity was causing a great deal of anxiety to the gas companies in the colony. In Christchurch there had been a good deal of excitement over the question whether electricity was to be

introduced into Christchurch for lighting purposes, and the gas company there was very anxious about it. There was no doubt at all that they would have plenty of competition in this colony, and all those companies were trembling—as all companies were—under the threat of competition. He did not think it at all likely that very large profits would be made for a very long time by any company; there were an enormous number of inventions every day which would cut into their profits. But if the State was to interfere it would become a very serious matter. He agreed with his honourable friend opposite that this was rather an academic debate at this stage of the session, and he did not think it was worth while going into the whole of the merits of the case; but he could not help pointing out what a victim of bad example his honourable friend was.

The Hon. Mr. PHARAZYN quite agreed with the honourable gentleman who had just sat down that the proper way to dispose of the question was not by moving "the previous question," but by voting against the honourable gentleman's motion. What did "the previous question" mean but this: "That this question be not now put"? To his way of thinking, this question should not be put now or at any other time, and he trusted that the Council would distinctly negative this question, as it was undoubtedly a mischievous proposal. It was quite in accord with the socialistic proclivities that now manifested themselves in everything, and he thought the whole thing a mistake. The country was suffering from these attacks of the Legislature on every kind of property, and the whole community was suffering seriously from this, and to a much greater extent in a negative direction than in a positive one, although people in many cases were hardly conscious of the fact. Everything was uncertain, and people were not sure whether, if they invested their money in any enterprise, they would be allowed to go on with it or not. He was interested to some extent in a gas company. It was proposed originally that Palmerston North should start its own gasworks. The authorities there considered the question of the Municipality starting that enterprise, but they came to the conclusion that it was not worth their while. Then a private person undertook to supply the Corporation with gas on certain terms, having the right to carry on those gasworks for, he thought, twenty-one years, with a further extension of twenty-one years, and on the same terms and conditions. Ultimately, the concern was formed into a company, of which he was a shareholder. There had been a great deal of trouble in connection with the matter, and there had been only a small dividend, so far—namely, 5 per cent. It would be a monstrous thing to take from the shareholders of this company a property which was beginning to pay in a very moderate manner. The shareholders looked forward to the future, and, as the place extended and the population increased in Palmerston North, no doubt the time would come when the dividends would

be increased. Considering the small dividends paid now, and the larger dividends which might be expected hereafter to come, he thought it might fairly be considered that for the local body to forcibly take over the thing would be a most iniquitous proceeding,—nothing short, in fact, of downright robbery and confiscation. So far as the gas company in the town referred to was concerned, they had exercised the greatest caution in their whole system of management in order to obtain any return at all. It was quite a mistake to suppose that there was anything in the nature of a monopoly in this business when they had always before them the competition of kerosene and the possible competition of the electric light. The whole thing, he believed, was an entire delusion. Had the Municipalities managed these things satisfactorily and attained success with them? In the very year when the concern promised to be a success, to come down with a proposal of this kind, to take it over before it had actually proved to be a success, would prove disastrous to the Municipality itself.

The Hon. Mr. BOLT said that, from what he had heard of the discussion, it appeared to him that the Council was really there in the interests of companies and corporations rather than in the interests of the people.

The Hon. Mr. OLIVER objected to this remark. In the whole course of his life he never held a single share in a gas company. He hoped the honourable member would not persist in such insinuations; they were unworthy of him.

The Hon. Mr. BOLT had not said that the honourable gentleman held any shares. He only said that, so far as he had listened to the discussion, it had been in the interests of property rather than in the interest of the whole people. He would be very glad if that was not so, but everything he had heard bearing on questions of this sort since he came to the Council had been in the interests of the companies and other monopolies. Nothing was said about the interests of the whole people when the interests of these combinations were concerned, and he conceived that to be where the fallacy of the discussion came in. There was no interest to be considered as against the interest of the public. The motion provided that gasworks should be taken, but certainly taken at their fair equivalent, and he considered this was a proper thing to do in a case of this sort. If they went back into the history of the question they would find that in every case where a Corporation acquired gasworks the people as a whole had benefited by them. In Dunedin, during the old times, they were paying 15s. a thousand for gas—and very bad gas it was—when the company existed. The people agitated for years and years, and, ultimately, the Corporation acquired the gasworks, and now they only paid 7s. 6d. a thousand for lighting, and 6s. 6d. a thousand for heating purposes. Since then the Corporation had rebuilt the gasworks, which were at the time in a ruinous condition; and they had

Hon. Mr. Bowen

from fifteen to twenty thousand pounds lying to credit of the Gas Account in the Corporation books. Where would those profits have gone had the citizens not owned the works? The Hon. Mr. Bonar said there was no protection for the companies; but he (Mr. Bolt) said there was every protection for the companies, for they were to be paid for the whole of their property. What did they want more than that? If the honourable gentleman thought the effect of such a clause introduced into the Municipal Corporations Act was that no companies would come forward to construct new gasworks, he thought the honourable gentleman was mistaken, and that the result would show that. If any gasworks were constructed, according to their own showing there would be no hardship if the gas companies were paid a fair equivalent for their works—they had no need to say anything about protection at all. The only question was, whether the compensation was just or not, and that question was for the public body to consider—not the Corporation alone, but the people as a whole, and the company interested.

The Hon. Mr. McCULLOUGH would reply very shortly, as he did not wish to intrude upon the attention of the Council. He regretted to have to say that he thought most honourable gentlemen who had spoken had not read his motion. The Hon. Sir George Whitmore spoke as if a Corporation was going to take gasworks whether the shareholders liked it or not. Now, the first condition of the motion was that a Council should be authorised to negotiate for the purchase of gasworks by a two-thirds majority of the ratepayers taken at a poll. The Act as it stood required the company to agree to sell before the Corporation could buy it out. As long, however, as a company was paying dividends of 10 and 15 per cent. it was not likely the Corporation would ever get the opportunity of buying the gasworks. He did not think it could be controverted that it was desirable Borough Councils should have an opportunity to supply cheap light and cheap water to the community. He said they had not that opportunity under the law as it existed, and therefore he was anxious to amend it in the direction indicated in the motion. The gas company and the Council could come to an amicable arrangement if they thought fit. It was only when they could not agree, and there was no reasonable prospect of agreeing, that the provisions of the Public Works Act would be brought into force; therefore he did not think that any great hardship would be done. He himself agreed with the Hon. Mr. Bolt that all the honourable gentlemen who had spoken had spoken as if his motion was a direct attack upon capital. Now, he did not wish to make any attack upon capital. He only wanted to give an opportunity to the inhabitants of a city or borough to buy gasworks if they thought fit.

An Hon. MEMBER.—They have got power now.

The Hon. Mr. McCULLOUGH said they had not got the power unless a gas company desired

to sell. The only object he had was to place a Council in a position to acquire gasworks by paying for them. The Hon. Mr. Oliver said, How did they know that the Council would act fairly? The same question might be asked touching the dealing with land for railway purposes under the Public Works Act. Had it ever been said that the arbitrators under that Act acted unfairly? Therefore there was not any reason to suppose they would not act fairly in the question of gasworks. The Hon. Mr. Oliver also said his motion was a one-sided affair, and was wanted only by a few agitators. He thought he had made provision for that by saying it required a two-thirds majority before the Council could undertake the negotiation. The Hon. Mr. Stewart said there seemed to be a demand in New Zealand to pull down or to get possession of every successful venture or industry in the colony. He would call the attention of honourable members to the fact that there was a desire on the part of ventures which were not paying—for instance, the Bank of New Zealand—to come to the State to help them.

An Hon. MEMBER.—No.

The Hon. Mr. McCULLOUGH said it was very much like it. The Hon. Mr. Stewart made an admission about gas companies that he (Mr. McCullough) did not think fit to make: he said that a great deal of the plant was put down out of the earnings of the company. That was a fact, he (Mr. McCullough) believed. There was no getting at the books of gas companies to know what their profits actually were. One company that he knew something about was paying 15 per cent., and part of the plant was paid for out of profits. The Hon. Mr. Stewart admitted that fact, and he dared say the honourable gentleman knew a good deal about such matters. Companies were not only paying 15 per cent., but were erecting plant out of their extra profits. The Hon. Mr. Bonar said there was a good deal of opposition to gas companies, which had the effect of keeping the price of gas down. He particularly mentioned kerosene; while the Hon. Mr. Bowen referred to electric light. His (Mr. McCullough's) motion dealt with electric-lighting companies just as much as it did with gas companies. If the price of gas was brought down, and kerosene and electricity competed with these gas companies, he was giving the gas companies a fair opportunity of getting rid of bad ventures, and honourable members ought to look at the question from that point of view. He was giving facilities to the gas companies to get rid of their works when they ceased to be paying. Honourable members ought to support his motion on that ground alone.

An Hon. MEMBER.—But would the Municipalities buy them?

The Hon. Mr. McCULLOUGH said, of course they would; and that was why he wished to give them the opportunity. The Hon. Mr. Bonar said there would be no opposition and expense in getting a private Act through the Legislature at the present time. He had asked what about the expense in the first instance.

He would point out to the honourable gentleman that there was no opposition to these private Acts going through in the first instance; but would any Act go through now with a provision that 20 per cent. might be paid in dividends, when money was to be had at 5 or 6 per cent.? If a Municipality brought in a Bill at the present time, they would very soon hear all about opposition. The power of gas companies would be exercised in Parliament very forcibly; he need only refer to the attempt made to take a Bill through the Legislature authorising the erection in the City of Auckland of electric-lighting works. Who opposed it? The gas company.

The Hon. Mr. SWANSON.—No.

The Hon. Mr. McCULLOUGH did not wish to take up the time of the Council on this point. With regard to what the Hon. Mr. Bowen had said as to his (Mr. McCullough's) use of the phrase "reasonably fair terms," he was sure that any terms that would be offered to the gas company under present circumstances, or to the landowner for any land which the State required, would not be considered reasonable and fair terms; therefore he used the term "reasonably fair terms." He hoped the Council would pass the motion; and, as to the way it was brought in, he might refer to the Hon. Mr. Stevens's motion the other day, dealing with a Bill in another branch of the Legislature. He was only following a good example, and, following that example, he was justified in putting the motion on the Order Paper.

The Hon. Mr. SWANSON wished to have an opportunity to say two or three words in explanation of the flat contradiction he gave to the last speaker.

The Hon. Mr. McCULLOUGH said that, if he had been wrong in the statement he had made, he was quite willing to withdraw it. He had always heard that the opposition to the Bill he had mentioned came from the gas company.

The Hon. Mr. SWANSON said the opposition, as far as the City of Auckland was concerned, was entirely upon the instruction, unanimously carried, of the Auckland City Council. It was carried, with the exception of his own vote, on the judicial committee which was appointed by the Council to deal with the matter. He believed such decisions were hardly ever disputed; but he raised the question, as a member in the Council, whether the Auckland people should not be left free to treat with any company, and he was pleased to say the Council allowed it to go through in that form. He had said then, and he said now, that he never held a single share in a gas company, and it was the Corporation solely which offered opposition in the case which had been mentioned.

The Hon. Mr. McCULLOUGH was quite willing to accept the honourable gentleman's correction.

The Council divided.

Hon. Mr. McCullough

AYES, 9.

Grace
Buckley
Bolt

Jenkinson
Kenny
MacGregor

McCullough
Montgomery
Rigg.

NOES, 22.

Acland
Baillie
Barnicoat
Bonar
Bowen
Feldwick
Kerr
McLean

Oliver
Ormond
Pharazyn
Reynolds
Richardson
Shrimski
Stevens

Stewart
Swanson
Taisora
Walker, L.
Whitmore
Whyte
Williams.

Majority against, 13.

Motion negatived.

WESTLAND AND NELSON COALFIELDS ADMINISTRATION BILL.

The Hon. Sir P. A. BUCKLEY, in moving, *That this Bill be now read the second time*, said a Bill was passed last year giving the tenants on this reserve a right to leases for twenty-one years. Representations had been made to the Government that this term was too short, and it was therefore proposed to extend the leases to a term not exceeding forty-two years. That was the whole object of the Bill, and after its second reading it was proposed to send the Bill to the Waste Lands Committee. On the former occasion a great deal of information with regard to the reserves was furnished, which would be in the recollection of honourable members.

The Hon. Mr. JENKINSON objected to the Bill, because it was against his principles to allow any more coal-reserves to be alienated from the Crown, especially for such a long period as forty-two years. Twenty-one years was a sufficient time to allow any company to have power to take coal out of a reserve. He would divide the Council on the second reading.

The Hon. Mr. KERR thought the last speaker was not aware of the circumstances. This had nothing whatever to do with coal. There were a number of people located on the reserves, having their houses there, and up to last session they had no tenure, when leases were granted for twenty-one years. But it was then urged that the time was too short for them to erect substantial buildings, as they would have no compensation at the end of that term; and representations had been made during the recess which had warranted the Government in proposing the present measure. If the Hon. Mr. Jenkinson had been conversant with the facts of the case, having liberal and extended ideas, he would be only too glad to support such a Bill, it being entirely in the interests of the inhabitants of Westport. As the Bill was going before the Waste Lands Committee, and as he had spoken on it last session, he would not offer any more remarks.

The Hon. Mr. BOLT hoped the Bill would not pass. He trusted these long leases would not be continued. At some time it would probably be found that the community should buy out these leases, and it would then be urged as a reason for compensation that the people had forty-two years' leases. It was unfair that

they should be left in the hands of a few people for a great number of years. He felt sure that before the leases were up there would be an agitation for the community to acquire them, and possibly large compensation would be claimed.

The Hon. W. DOWNIE STEWART said it was obvious that the honourable gentleman who had last spoken, and the Hon. Mr. Jenkinson, had not read the Bill, or had not understood it. It had nothing whatever to do with coal any more than with the skies.

The Hon. Mr. JENKINSON.—What is the title?

The Hon. W. DOWNIE STEWART said if the honourable gentleman would read the Bill, and endeavour to understand it, he would see that it was a mere title. This was land on which persons had built houses, and there was no coal under it at all. There was no coal there. It was a reserve connected with some coalfields. He was very much surprised that honourable gentlemen should get up and speak on a subject they had never paid the slightest attention to, or, if they had, were evidently not capable of understanding.

The Hon. Mr. BONAR would explain to those honourable gentlemen that this Bill did not apply to coalfields, but to the Township of Westport, which was some nine or ten miles away from the nearest coalfield. The original town had been built on the beach; the sea encroached on it and washed it away, and the people got permission to move higher up the river; and they had never been able to get a title to the Town of Westport till last session, when they were granted leases for twenty-one years. This was too short for people to put up proper buildings, and it was therefore proposed to extend the leases to forty-two years. When the Bill went before the Committee the honourable gentlemen would find the position to be exactly what he said.

The Hon. Mr. JENKINSON.—What is this piece of land?

The Hon. Mr. BONAR said it was a piece of land on the bank of the Buller River, set apart as an endowment for the construction of the harbour, and had nothing whatever to do with coal-mines.

The Council divided on the question, "That the Bill be read the second time."

AYES, 27.

Acland	Kerr	Rigg
Barnicoat	MacGregor	Shrimski
Bonar	McCullough	Stevens
Bowen	Montgomery	Stewart
Buckley	Oliver	Swanson
Feldwick	Ormond	Taiaroa
Grace	Pharazyn	Wahawaha
Jennings	Reynolds	Whitmore
Kenny	Richardson	Williams.

NOES, 2.

Bolt
Jenkinson.
Majority for, 25.

Bill read the second time.

The Council adjourned at five o'clock p.m.

HOUSE OF REPRESENTATIVES.

Wednesday, 19th September, 1894.

First Reading—Third Reading—Buller Coal Companies—Rangiora Court—Eltham Co-operative Works—Westport Telephone—Chinese—Kelly's Creek Works—Sugar-beet—Amalgamation of Bank of New Zealand and Colonial Bank—Maps and Agricultural Teaching—White Ants—Water-courses—J. Aiken—Amalgamation of Bank of New Zealand and Colonial Bank—Foot-rot—Government Debentures—Binder-twine—Grey Education District—Personal Explanation—Adjournment—Rating Bill—New Zealand Consols Bill.

Mr. SPEAKER took the chair at half-past two o'clock.

PRAYERS.

FIRST READING.

Lands Improvement and Native Lands Acquisition Bill.

THIRD READING.

Government Railways Bill.

BULLER COAL COMPANIES.

Mr. R. MCKENZIE gave notice of the following question: To ask the Government—(1.) If they are aware that 220 men have been dismissed within the last few days from the Deniston coal-mines? (2.) Are they aware that a population of from four hundred to five hundred people are kept on the verge of starvation through a dispute between two coal companies as to haulage rates of coal at Mokihinui? (3.) Will they take some steps to relieve the distress existing amongst these coal-miners and their families, by starting relief-works or otherwise?

Mr. SEDDON said he might save the honourable gentleman the trouble of asking this question. The Government considered the position was so serious that they had taken the only alternative there was for them to take. The Westport Coal Company's Gracity Creek Mine had kept its men idle, the Cardiff Coal Company had also kept its mine idle, and the Mokihinui Coal Company had done the same. These companies were not complying with the output conditions of their leases, and instructions had been given to give them notice to determine the leases of the whole of these mines.

RANGIORA COURT.

On the motion of Mr. J. W. KELLY, it was ordered, That a return be laid before this House showing—(1) The number of summonses issued by the Clerk of the Court, Rangiora, from the 1st September to the 15th September, 1894; (2) the names of persons issuing such summonses, and the amounts involved in each case; (3) the names of the persons against whom the summonses were issued.

ELTHAM CO-OPERATIVE WORKS.

On the motion of Mr. G. J. SMITH, it was ordered, That a return be laid before this House showing—(1) The number of men employed on the co-operative works at Eltham; (2) the gross earnings of the men for the last three months;

(3) the highest amount earned by any one workman for each of the three months; (4) the lowest amount earned by any one workman for each of the three months.

WESTPORT TELEPHONE.

Mr. R. McKENZIE asked the Postmaster-General, If he will make provision on this year's estimates for the establishment of a telephone exchange at Westport?

Mr. REEVES, on behalf of the Postmaster-General, had to say that the department would be glad to open a telephone at Westport if a sufficient number of subscribers were guaranteed to enable the telephone to be established without loss.

CHINESE.

Mr. COLLINS asked the Government, If it is true, as stated in a Christchurch paper, that Chinese immigrants have been arriving in Wellington in considerable numbers? Is the Government prepared to deal with this evil at an early date? Will they raise the poll-tax so as to give this colony similar security to that enjoyed by New South Wales and Victoria, and avert that commercial, social, and moral ruin which threatens our larger centres of population, and which experience shows inevitably follows upon insufficiently-restricted Mongolian influx?

Mr. REEVES said they were quite prepared to take further steps to prevent the influx of Chinese this session, if honourable gentlemen would allow the public business to proceed, so as to enable them to pass a Bill. Personally he was exceedingly anxious to pass a Bill. With regard to the first part of the question, it was not true, as stated in a Christchurch newspaper, that Chinese immigrants had been arriving in Wellington in considerable numbers: that was to say, it was not true if by that it was meant that a larger number of Chinese had been coming in than had been going away. There seemed to be an opinion to that effect, but, as a matter of fact, during the last six months ninety-four Chinese had come into Wellington and ninety-six had gone out. Therefore more had gone away than had arrived.

KELLY'S CREEK WORKS.

Mr. G. J. SMITH asked the Minister of Labour, Whether any married men have been discharged from the works at Kelly's Creek, West Coast Road, and single men retained, and whether among those retained there are any who are connected with or have any interest in any business carried on in the locality? If so, will the Minister give their names and occupation, or the business in which they are interested? He had received a letter affirming that certain statements were true which he had embodied in the question, and he had put the question so that the Minister might give the information asked for.

Mr. REEVES said that all the men specially taken on at the Kelly's Creek works had had their services dispensed with on the 4th of last month. The only men now there were a black-

smith and the permanent employes engaged in the maintenance.

SUGAR-BEET.

Mr. MONTGOMERY asked the Minister of Agriculture, With respect to the proposed bonus on sugar-beet,—(1.) If he will supply small quantities of reliable seed to such farmers as have land suitable for the purpose of growing it? (2.) What is the cost of the machinery necessary to manufacture sugar-beet? (3.) Will the department issue a leaflet on the subject?

Mr. J. McKENZIE might say that a small quantity of seed had been ordered, and would be distributed when it arrived in the colony. With regard to the second part of the question, as to the cost of machinery, inquiries were being made in connection with the matter. With regard to the third part, the department would be very glad to issue a leaflet with the information required to persons interested.

AMALGAMATION OF BANK OF NEW ZEALAND AND COLONIAL BANK.

Mr. PIRANI asked the Colonial Treasurer, If he will consent to the paper laid on the table about the bank agreement being referred at once to the Public Accounts Committee, giving full power to that Committee to investigate statements made therein?

Mr. WARD might say that, after the Government had considered the proposals, they would then decide whether or not it was necessary or desirable that the matter should be referred to the Public Accounts Committee; but the Government must first come to a decision upon the proposals submitted to them.

MAPS AND AGRICULTURAL TEACHING.

Mr. McLACHLAN asked the Minister of Education,—(1.) Whether he will, in view of the excellent and accurate maps of the colony issued by the Government Printing Department, recommend that these maps be used in our public schools? (2.) Seeing that the public-school syllabus requires, under the heading of "Science," that the elements of agricultural knowledge should be taught, will he have a text-book prepared for that use in our public schools?

Mr. REEVES said (1) the Surveyor-General had the matter in hand, and (2) a professional gentleman of high reputation was preparing a text-book for the purpose.

WHITE ANTS.

Mr. MITCHELSON asked the Minister of Lands, If the Government Entomologist has taken any steps to ascertain the correctness or otherwise of newspaper notices regarding white ants, and whether any official report has been received upon the subject?

Mr. J. McKENZIE might say that the Entomologist had supplied the Government with a preliminary report on the matter, but further inquiries were being made at the present time. The department was getting a report on the matter, and when this was

Mr. G. J. Smith

received he would be glad to inform the honourable gentleman.

WATERCOURSES.

Mr. PIRANI asked the Minister of Lands, Whether he will refer to the Committee to whom the Land Drainage Act Amendment Bill is referred the matter alluded to in a question answered this session about liability to maintain common watercourses?

Mr. J. MCKENZIE said he had to answer this question, Yes. He would refer the matter to the Committee on the following day.

J. AIKEN.

Mr. PIRANI asked the Minister of Lands, If James Aiken, of Waverley, has been relieved of his leases of Section 7, Block XI., Section 1, Block XII., and Section 6, Block XV., Taranaki District; if so, by whom, and for what reason? He might explain that a little over a year ago Mr. James Aiken was a competitor at a sale of University reserves, at which he got an area amounting to 23,444 acres. He competed for almost every section, and it was known in the district that the reason of his competition and bringing-up of prices of this land from the upset of 6d. an acre to as much as 3s. 9d. an acre was that he had a block of 7,000 acres almost adjoining it which he wanted to dispose of, and by raising the price of the other sections he naturally increased the prospective value of his own. Immediately after he had obtained or had been dropped in for these three sections he left for a trip Home for the benefit of his health, and remained away twelve months. When he came back he wished the Land Board of the district to relieve him of these sections. They refused to do so, and it was said that since that, by some means, Mr. Aiken had got relieved of the burden, while those he compelled to pay additional prices had had to stick to their bargains. He would like the Minister to inform him if he knew anything of the circumstances, and if there was any truth in the statement that this speculator had been relieved of the sections in question.

Mr. J. MCKENZIE could not vouch for the truth of the whole of the story the honourable gentleman had told them in connection with the matter. He did not know whether the man in question was a speculator or not; but he would tell the House candidly all that had happened, so far as he knew, in connection with the matter. This Mr. Aiken had been a leaseholder of a number of sections, as the honourable gentleman said, and had fallen behind with his rent, and would not pay it. He claimed to have paid more rent for the land than the land was worth, and said that his neighbours were all in the same position. The matter was brought before him (Mr. McKenzie) by the honourable member for Patea, who introduced Mr. Aiken as a respectable settler living in his part of the country, and as a gentleman whose word he could trust. Later on Mr. Aiken made application to surrender these sections. The

matter was referred by him as Minister to the Board at Taranaki, and after going into it the Board recommended that the surrender of one section should be accepted; and the surrender of that section had been accepted. The reason was this: If they had not accepted the surrender of the section the Board would have had to declare it forfeited, and it would have come to the same thing. They had no power to force the man to pay rent—he would not pay; and he supposed if the remainder of the settlers in the same block who took up land at the same time made a like application to the Land Board they would be dealt with in exactly the same way.

AMALGAMATION OF BANK OF NEW ZEALAND AND COLONIAL BANK.

Mr. TANNER asked the Colonial Treasurer, Whether he will obtain and print, for the convenience of members, the complete balance-sheets of the Bank of New Zealand and the Colonial Bank for the years 1888 to 1893, inclusive? He asked this question in order that members might be in a position to get whatever information might be gathered from the balance-sheets.

Mr. WARD might say that instructions had been given to have the balance-sheets printed and circulated as soon as possible.

An Hon. MEMBER.—For how long back?

Mr. WARD.—From 1888 to 1893.

FOOT-ROT.

Mr. BUICK asked the Minister of Agriculture, If he will instruct the Government Veterinary Surgeon to prepare a leaflet on the subject of foot-rot in sheep and the best treatment for its cure, and have the same issued to the settlers? He asked this question because during the last few months the subject of this disease among sheep had been exciting a great deal of attention among the sheep-owners of Marlborough. A large amount of newspaper correspondence had taken place, meetings had been held, and, as the result of this agitation, grave doubts had arisen as to the precise nature of the disease. Mr. Gilruth, the Government Veterinary Surgeon, had visited the district and, he believed, had obtained a considerable amount of information on the subject. It might be necessary that he should make certain experiments, but he would like to ask the Minister if, after these experiments were made, as the result a leaflet would be published giving full information as to the nature of the disease and the best cure for it under different circumstances.

Mr. J. MCKENZIE might say that the Veterinary Surgeon at the present time was making inquiry into the matter in the district, and that as soon as those inquiries were completed the department would get a leaflet prepared and circulated in the district.

GOVERNMENT DEBENTURES.

Mr. G. HUTCHISON desired to put a question to the Colonial Treasurer of which he had given him private notice. It was as to

whether he had any objection to lay on the table the communication he had referred to in the debate upon the Government Advances to Settlers Bill, to the effect that our $3\frac{1}{2}$ -percents were at some recent date quoted in London at 103. He asked this question because, from the information accessible to honourable members in the ordinary way, such a statement was hardly credible, although it might be very gratifying if correct. He found from the *Economist*, which was a recognised authority on these matters, that on the 14th July our $3\frac{1}{2}$ -percents stood at 101 to 102; that on the 21st July, after the Bank of New Zealand legislation was announced in London, they fell to 100 $\frac{1}{2}$ to 101 $\frac{1}{2}$; and on the 28th July, after the Budget proposals had been cabled to London, they again fell to 100 to 101. In the *Economist* of the 18th July this reference to New Zealand occurred: "Australasians have not moved"—speaking of stock—"with the exception of New Zealand, these having fallen on sales, due to the announcement in the Budget of a statement that a renewed issue of a million or a million and a half is in contemplation." The latest date of which they had quotations was the 4th August, when the quotations were 99 $\frac{1}{2}$ to 100 $\frac{1}{2}$. He was sure the colony and the House would be glad to know if there was authentic information as to the rise in price indicated by the Colonial Treasurer.

Mr. WARD said the honourable gentleman probably was aware—if not, he had the honour to inform him—that in July, the date to which he referred, the quotations given were exclusive of dividends. That being so, the honourable gentleman, he was sure, from his knowledge of finance, would at once observe that there ought to be a material difference between the values of stocks under those circumstances and the values of stocks with dividends added. The statement made in the House the other evening was on information received in reply to a cable by the Government to the Agent-General, who in reply stated that for six months the $3\frac{1}{2}$ -percents stood at 103, and the Agent-General would not advise the Government in connection with that matter incorrectly. That was his reply to the honourable gentleman. It was not the business of the Government or the desire of the Treasurer or of the Treasury to in any way state in connection with the stocks of the colony that the position was other than what it really was. When he informed the House the other evening that this intimation had been received from the Agent-General, he assumed that the House would take the statement from the Government as indicative of what the real position was. If his honourable friend was not satisfied, he would have an extract of the cable taken out, certified to, and laid on the table.

BINDER-TWINE.

3.0. Mr. ALLEN asked the Colonial Treasurer, If he will take the necessary steps to place binder-twine on the free list? The matter was causing a considerable amount

Mr. G. Hutchison

of interest in the South, and he had received communications from several farmers' clubs from time to time, asking if it were possible for this duty to be taken off. He hoped the Colonial Treasurer would give a favourable reply.

Mr. WARD said this matter had been under the consideration of the Tariff Committee. The report of that had been sent to the Government, embodying recommendations upon this and other matters, which would be taken into consideration by the Government, and when a decision had been arrived at the House would be duly apprised of it.

Mr. ALLEN said this was a matter entirely apart from what the Tariff Committee might report, and he would like to get a separate answer.

Mr. WARD said the Government could not give an answer until they had decided the question as a whole.

GREY EDUCATION DISTRICT.

Mr. GUINNESS asked the Minister of Education, Whether he is aware—(1) That the salaries paid to the head teachers in the Grey Education District are in most instances fully 33 per cent. less than are paid to head teachers doing similar work in schools with equal averages in other education districts of the colony; (2) that the teachers employed by the Grey Education Board are in nowise benefited by the return to payment to Boards on the working-average, instead of on the strict average, as recently made by the Minister of Education for the express purpose of benefiting the teachers throughout the colony; (3) that schools averaging five, six, and twelve pupils are managed by Committees enjoying the same voting-power at elections for members of the Grey Education Board as are enjoyed by the Committees of the largest schools in the district and in the colony? And, if so, will the Minister state what remedies he will propose to apply to these examples of injustice under which a large body of deserving men and women are groaning—men and women who are required to possess the same literary qualifications as other teachers, and to perform work equal in quality to that performed by their more fortunate brethren in more favoured parts of the colony?

Mr. REEVES believed the salaries were lower in that district, but scarcely so low, he thought, as the honourable gentleman's estimate. He believed also that the teachers were not directly affected by the payment on the working-averages except in so far as the finances were strengthened by the Boards getting more money. He presumed it would be worse for the teachers if the Board did not get that money. He did not think that there were schools averaging only five or six pupils in separate districts; but he believed there was one school averaging only eleven, and this was due partly to the smallness of the district. In small districts he noticed that the teachers were worse off than those in large districts. As to what he could do,

he hoped next session to introduce a Bill to classify the salaries of teachers if the Government would permit him to do so—that was, if the House would pass the School-attendance Bill.

PERSONAL EXPLANATION.

Mr. McNAB said he noticed in the last issue of *Hansard* that his name had been omitted from an important division-list. It was when the Rating on Unimproved Value Bill was before the House. On that occasion he voted with the "Ayes." He also found that his name had been omitted from the record of a division that took place on the 31st August, when he had voted with the "Noes." He found there was no mention of his name on the division-list on the records of the House, but on examining the division-sheets themselves he found his name marked in both cases. Owing to the somewhat careless manner in which the tellers had marked the sheets, the clerk was unable to tell whether he was present or not. He was present at both divisions, and recorded his vote.

ADJOURNMENT.

Mr. PIRANI moved the adjournment of the House in reference to the answer given by the Minister of Lands to his question (No. 11), and for the purpose of enabling the Minister to give a fuller explanation of this extraordinary case. He might point out that the gentleman who had been absolved from his obligation entered into with the Lands Department was the owner of 7,000 acres of bush-land in the Stratford district—a man of wealth; and, as the Minister of Lands had just said, his respectability had been vouched for by the honourable member for Patea. He thought there should be some further reason than that given by the Minister for relieving him from his obligation incurred when he leased the lands in question in the Taranaki District. On the date of the sale in question something like fifteen sections were offered for sale, varying in area from 1,000 acres to 645 acres, and they were sold at low prices. This gentleman competed at the sale of the sections, and ran them up to 3s. to 3s. 9d. per acre, and put the purchasers in the position of being very unfairly dealt with. Immediately after the sale this rich man left the colony for a trip Home, so that he could not be compelled to go on with his improvements. The other unfortunate purchasers went on with their improvements, and complied with their conditions and paid their rent. The settler who went Home returned, to apply to the Land Board to be relieved of payment of rent for these sections, but the Land Board refused to consider the application unless he paid up the rent in arrears. He paid up the arrears; and then the Land Board went into the case and refused to relieve him of his obligations. Upon that, with the assistance of the honourable member for Patea, he waited upon the Minister, with the result that the matter was again remitted to the Land Board, and, as the Minister had informed the House, the Board decided to relieve

him of one section. Now, the principle involved was this: If a man of means, and able to pay his rent, chose to enter into a speculation of that sort, and could be relieved of the effect of his speculation, then, he considered, other Crown tenants in the colony had the same right to be relieved as this gentleman had. Of course, the Minister of Lands stated that the other purchasers of those sections, if they had the same reasons, could apply and be relieved of their sections, but the honourable gentleman forgot that the other holders had carried out the law by improving their sections, and therefore it would not be fair to expect them to throw away their improvements for the sake of getting out of paying the rent. This gentleman who evaded the law was in a better position, because he had not made improvements. If, as the honourable gentleman said, there was no way of making a rich man like this pay his rent for the sections he had taken up, then there must be some amendment of the law required, and he would like to ask the Minister if he could see his way to bring in an amendment so as to prevent any case of that kind occurring in the future.

Mr. J. McKENZIE said it appeared to him the honourable member for Palmerston knew very much more about this matter than he, as Minister of Lands, did. At any rate, the honourable member knew a good deal more about this Mr. Aiken than he (Mr. McKenzie) did. It was the first time he had heard that that gentleman was a wealthy man, or that he was a speculator, or that he held any large blocks of land. The honourable member for Patea had represented him to be a struggling settler. Now, it was quite possible that the statements of the honourable gentleman were correct, but the Land Board had reported that the land was too rough to dispose of at the price, and that being the case he believed they could not force this gentleman to pay his rent. The honourable member for Palmerston must know that it would be two years before this man could be compelled to make improvements, and therefore he had not broken the law except in so far as he had not paid his rent, and the only way the Government could come upon him for that was to forfeit his section.

Sir R. STOUT.—You could sue him.

Mr. J. McKENZIE said the honourable gentleman knew they were not in the habit of suing such settlers as the one in question.

Sir R. STOUT.—I know nothing of the sort.

Mr. J. McKENZIE said, if the honourable gentleman could point out a similar case where a man had been sued, he (Mr. McKenzie) would be much obliged to him.

Sir R. STOUT.—What about Scott's case?

Mr. J. McKENZIE said that was a different matter altogether.

Sir R. STOUT.—He was sued for rent.

Mr. J. McKENZIE said Scott was simply a dummy for a mortgage company, and the honourable gentleman himself put him in gaol without suing him at all.

Mr. SPEAKER reminded honourable mem-

bers that the debate was confined to questions on the Order Paper.

Mr. J. McKENZIE said, with regard to the matter brought up by the honourable member for Palmerston, the Government would make inquiries, and, if it were found that this settler was a wealthy man, as stated by the honourable member for Palmerston, legal opinion would be taken as to the proper position to take in order to compel him to pay his rent.

Mr. G. HUTCHISON said the Hon. the Minister of Lands was not correct when he stated that he (Mr. Hutchison) represented Mr. Aiken as a struggling settler. The Minister had drawn on his imagination for that. He perfectly recollected what he stated to the Minister, which was that Mr. Aiken was a respectable settler, who wanted to be relieved of unreasonable rents under three leaseholds acquired by him under the vicious system of public competition by auction. The Minister had dealt with this matter entirely on the information of his department. As to the other settlers in the same block—the University reserve inland of Waverley—they also had paid too much for their land. They were endeavouring to carry out the conditions of the leases, and were now desirous of getting the relief that had been extended to Mr. Aiken—namely, to be allowed the opportunity of surrendering their present contracts. He hoped the Minister would see no reason to refuse that relief, under the circumstances. While on the question of adjournment he might be allowed to supplement what he had said in reference to the quotations of Government stocks by a reference to the monthly investment list for August issued by a stock-broking firm in London. This list corroborated the quotations given by the *Economist*. The passage was as follows—

Mr. SEDDON rose to a point of order, as this was not on the Order Paper.

Mr. SPEAKER had considered the matter. The rule did not say that the subjects open to discussion must be actually on the Order Paper, which he thought was the intention of the new Standing Order, but that replies of Ministers to questions on that day might be discussed on the motion of adjournment; and, as otherwise there would not be opportunities during the remainder of the present session for private members to discuss matters of the kind, he had allowed it to go on.

Mr. SEDDON, of course, obeyed the ruling, but he desired to point out that it might lead to a member asking a question simply for the purpose of debate.

Mr. SPEAKER said that was no doubt the case, and he thought it would be inconvenient to allow such a practice to grow up; but he thought Ministers might get over that by not replying to questions without notice until questions of the adjournment of the House had been got over.

Mr. SEDDON hoped his honourable colleague would profit by that hint.

Mr. G. HUTCHISON would read the extract, which was as follows:—

Mr. Speaker

"The Colonial Department received a shock in the announcement that the New Zealand Government had had to come to the assistance of the Bank of New Zealand. The support took the extraordinary shape of a guarantee of preference stock of the bank at 4 per cent. for ten years, and was accompanied by conditions and circumstances which are not favourably received on this side. The bank itself is to become a Government institution, with head office in the colony—a position which past experience does not justify. The successful issue of the above stock was, moreover, accompanied by the announcement that the colony wants at once another one and a half millions from this [London] side to lend to farmers at low rates, and one million to be raised at home [in New Zealand]. There are so many objections to be raised to the idea of a Government becoming its own banker—mortgagee to many who may be its own supporters, and, as is further proposed, sole issuer of bank-notes in the country—that the proposals are viewed with considerable misgiving by stockholders here [in London], and have had an adverse effect upon the colonial market generally, and New Zealand stocks in particular."

Mr. CROWTHER thought the honourable member for Palmerston deserved great credit for bringing up this question. So far as he had been able to follow out the statement made by the Minister of Lands, it seemed that any of these tenants could jog along for one year and nine months without having any liability. Surely, if that was the case, it was time the system was altered. He had quite understood that in this case the sections of the Act referred to were sections that might hereafter be amended, and his own opinion was that if the Land Board made a recommendation to the Minister to release the tenants the Minister should act upon the recommendation. He thought the department must have had information other than that laid before the House that day, and, that being the case, it was absolutely necessary that the matter should be followed up and that something should be done. There was no doubt in his own mind that this was a very bad system, and the sooner it was altered the better.

Mr. J. McKENZIE, as a matter of personal explanation, thought that the honourable gentleman must have misunderstood him. What he had said was that if any tenant of the Crown made application for land he had to pay down half a year's rent in advance, and he would not be forced to make his improvements for a certain length of time. The section of the Act referred to stated this, and the applicant in question had made his half-yearly payment. They had no power to force this man to pay rent if he had not the means to do so; and, as a rule, settlers who came before the Government wishing to surrender their holdings were men who could not pay. He had got nothing out of the land, and consequently must have lost on the transaction.

Mr. ALLEN had not been satisfied with the answer given by the Colonial Treasurer to his

question, and he hoped that, before the session closed, a much more satisfactory answer with reference to the question of the duty on binder-twine would be given. He had asked the question for a special reason—namely, that the farmers had found this year that they were in considerable straits, and they were endeavouring to reduce their expenses. This was an important item in their expenses, and it was somewhat unreasonable that the farmers should be charged a duty on their twine. He thought the Colonial Treasurer would admit that they ought to give some relief, and, as he knew the honourable gentleman sympathized with the farming community, that he would possibly have this duty removed; otherwise he must see that it would mean increasing the price, and doing serious injury to the farmers without benefiting anybody. There was especial reason that the Colonial Treasurer should remit the duty this year, on account of the bad season they had with their grain last year, and possibly would have this year also. It was not fair to say that this question would have to be left over until the whole question of tariff revision was dealt with. He thought it was a matter which should be considered this year, and immediately. Therefore he hoped that the Treasurer, who professed to be, and he believed was, earnest in his desire to help the farming community, would make the slight concession asked for and remit the duty at once.

Mr. DUNCAN desired to add a word to what had been said about binder-twine by the honourable member for Bruce. In 1885, when Sir Julius Vogel was Colonial Treasurer, the Auckland people prevailed upon him to put a duty upon this twine, for the purpose of supporting an industry. Mr. Peacock, the then member for Auckland, said it was going to largely benefit the colony, and would very soon reduce the price. This duty was carried then, very much against the farmers' wish and interest. Then, again in 1886 they found that the duty was advanced 2d.

Mr. WARD said the duty was not put on until 1888.

Mr. DUNCAN said it was put on in Sir Julius Vogel's time, and he was in the House in 1888. The position at present was this: that, although the raw material, in the shape of flax, was growing on the spot, and the twine could be made on the spot in large quantities, in consequence of the New Zealand duty Victoria was able to land twine in New Zealand 1d. a pound cheaper than it was found selling in the colony. They could land it here 1d. a pound cheaper, after paying freight and all charges both ways for raw material. He had been told also that Victoria would still land it here at 2d. less than the present price even if the duty were off; and he thought that, with the raw material and appliances at hand, if New Zealand could not hold her own, then it was time that something was done, and done at once. This was not a laughing-matter, as the farmers last year in Otago and in most of Canterbury were in circumstances of dif-

ficulty through losing a full year's crop of their wheat from wet weather, and the low prices which the crop would fetch would not pay for the harvesting. This question would have to be faced, and gone into at once, to give them some relief. If this article were placed on the free-list there would not be the slightest injury done to anybody, because, if it were true—and he believed it was—that it could be landed from Victoria 1d. a pound cheaper than the locally-made twine could be sold for here, then there must be something wrong. He trusted the Colonial Treasurer would inquire into the matter, and put the twine on the free-list at once.

Mr. W. HUTCHISON thought it was only right to say that the binder-twine, along with other items in the tariff, had received careful consideration from the Tariff Committee. He was not at liberty to say what the decision was that had been come to in the matter, but it would be a very imprudent thing to deal with binder-twine apart from the other items in the tariff. The whole ought to be considered together when a settlement was made. It was not such a very heavy matter for the farmer, this one item; and next year at furthest the whole thing must be gone into, and then it might be advisable to repeal this particular duty. Under the present circumstances, however, it would be somewhat invidious and therefore wrong to select this one item alone.

Mr. FLATMAN said it was evident that there were very few farmers on the Tariff Committee. The particular matter of binder-twine had been so well explained by the honourable member for Bruce and by the honourable member for Oamaru that he need not say anything except to express the hope that the Colonial Treasurer would be able to see his way to reduce the charge.

Mr. EARNSHAW said the honourable member for Pareora and the honourable member for Rangitara represented country interests. It could not be said that there was an undue proportion of town representatives on the Tariff Committee. The country members on that Committee were quite able to take care of themselves. He did not agree with the request that the House should deal with one special item of the tariff this session. There were several articles of the tariff which it was far more important to deal with than the one that had been referred to. There was cement, for instance; and there were other articles which should be immediately attended to. The Government had for four years burked this question. He, however, understood they would, in accordance with the recommendation of the Tariff Committee, appoint a Royal Commission to consider the question. The binder-twine made here was made solely by boy or cheap labour, which was demoralising to our towns. The question should be considered next session.

Mr. FLATMAN might explain that he was not a member of the Tariff Committee; neither did he say that the honourable gentleman who

had just sat down was not able to take care of himself. He was getting on nicely, and would soon run alone.

Mr. McCLACHLAN said, in reference to binder-twine, many honourable gentlemen seemed to be ignorant as to that article. For instance, his honourable friend the member for Napier knew so little about it that he did not know binder-twine, or how to tie a knot. He might explain that in his district they imported a great many tons of twine. It was a very large item indeed. A farmer cropping four or five thousand acres required tons of twine, and if there was a duty of 1d. a pound on twine it handicapped him in his business. As the representative of a country district, he would be very glad to see the duty removed from twine.

Mr. R. McKENZIE said it had been stated that rings had been formed here to keep up the price of twine. That might be so; but rings had been formed in Victoria as well as in New Zealand, and they kept up the price there also. It was a well-known fact that, owing to a large syndicate in America having gone into liquidation recently, there was a very large quantity of binder-twine stored at New York and Brooklyn, and if quantities of that twine were allowed to come here it would mean closing the binder-twine works here. It was nothing serious to the farmers to have to pay the small amount that they had to pay on twine. He represented, he had no doubt, as many farmers as the honourable member for Oamaru or the honourable member for Ashburton. It would be inadvisable for the Colonial Treasurer to go into the question of the tariff piecemeal. They would have to deal with this question in a systematic manner.

Mr. BUDDO said the farmers suffered under so many grievances at the present time that this question of twine did not seem a large one compared with others. He might mention that he and his neighbours had been using colonial-made twine with advantage to themselves, and found it more than a penny per pound cheaper than the imported article. There were other matters connected with the farming industry which required dealing with more than this one: there was the question of railway freight and forwarding the grain to the seaports, bonus on export of clover, and others of importance.

Mr. WARD said the honourable member for Patea was a gentleman whom it was very difficult to get to accept a statement made upon an important matter in reference to which he was making inquiries, unless he really saw the proof in black and white. His honourable friend no doubt was thoroughly sincere in his desire to see what the position of the stock of this colony was, and, that being so, he hoped before he sat down to be able to prove that what he had informed him that afternoon and last evening was correct. The Melbourne *Argus* of the 8th September, which was a reliable paper, and one which was usually well informed, published the quotations for British and colonial Government stocks.

An Hon. MEMBER.—By telegram?

Mr. Flatman

Mr. WARD said the date was the 30th August. Under the heading "The Money-market, London, 30th August," it gave the position of this colony's stock as follows: New Zealand 3½ percents, 102½; and on the 6th September, as 103. That was an independent authority, and he thought it confirmed the statements which he had made last evening and that day. He hoped that would be satisfactory to the honourable gentleman.

Mr. G. HUTCHISON.—Of course that is *cum* dividend.

Mr. WARD said the honourable gentleman gave the quotations for July, and he (Mr. Ward) pointed out that that was *ex* dividend. He informed his honourable friend that the quotations which he named, in September, were with the dividend added. Now, when he informed the honourable gentleman that the quotations were at 103, the honourable member did not any longer dispute the point.

Mr. G. HUTCHISON said he did not dispute it; he only asked for information.

Mr. WARD said he had given the honourable gentleman the information, and now he said it was *cum* dividend. His answer was, of course it was. He stated the facts as they ought to be stated; and he again informed the honourable member, in confirmation of what he informed the House, that the *Argus* of the 8th September quoted New Zealand 3½ per cent. stocks at 103; and New Zealand 4 per cents, in the same paper of 30th August, were quoted at 109, and on the 6th September at 102½. It had been stated in that House that the Government were responsible for the depreciation of our stocks, and that since the Financial Statement was published and the Bank of New Zealand Shares Guarantee Act was passed our stocks had gone down. He hoped, however, that the independent source he had quoted would satisfy the most fastidious and critical that the stocks of the colony under the present Government had not depreciated. The honourable member for Patea last evening stated that our stocks had fallen since the publication of the Financial Statement.

Mr. G. HUTCHISON.—Hear, hear.

Mr. WARD.—I say they have not fallen.

Mr. G. HUTCHISON.—They are rising with the approach of the interest-payment.

Mr. WARD asked if the honourable member could tell him any previous date at which our 3½ per cents were 103½.

Mr. G. HUTCHISON.—Three months ago.

Mr. WARD asked if the honourable gentleman could tell him when our stocks were ever before at 103 with the dividend added, or when the time was approaching for the dividends to be paid. The honourable gentleman knew that he could not do so. He invited him to deduct the dividends, and take the balance, and then could the honourable gentleman tell him when our 3½ per cent. stocks with the dividend deducted stood in as high a position as they did now? The statement which had been made that New Zealand stocks had depreciated since the present Government had come into office, and in consequence of their

proposals, was quite contrary to the facts. Every one admitted that the circumstances under which the colony had been called upon to deal with the Bank of New Zealand might have been calculated to depreciate the value of our stocks; and he thought it would have been gratifying intelligence to every one that we had maintained our position in the London money-market. That ought to be a matter for gratification on the part of honourable members. He might say, in connection with the quotation of the 3½-per-cent. stocks, that there was only one month's dividend accrued: that was another point which he thought the honourable gentleman should give the colony credit for. He had just had a memorandum handed to him stating that only one month's dividend had accrued. He assumed that the information was correct. But why, when our 3½-per-cent. stocks stood at 103, and in the face of authoritative information that that was so—why should honourable gentlemen opposite be so anxious to make out that they did not stand at 103?

Mr. G. HUTCHISON.—Give us the facts.

Mr. WARD said he had given the honourable gentleman the facts.

Mr. G. HUTCHISON.—Not until we have worried you.

Mr. WARD said the honourable gentleman did not worry him a bit. He (Mr. Ward) was very philosophical in his nature, and it took a great deal to worry him, and the attempts of the honourable gentleman to worry him would have no effect; but what he was desirous of doing on the present occasion was to educate his honourable friend. It was very difficult to do so, he admitted, but still he endeavoured to do so. The honourable member quoted from the *Economist* to show that the position of our stocks was attributable to the action in regard to the Bank of New Zealand. Now, he wished to give the honourable gentleman one or two authoritative statements which, side by side with the *Economist*, would be accepted as an equal if not a better authority. The *Standard* said,—

"The New Zealand loan, in the form of Bank of New Zealand 4-per-cent. preference stock, was stated this afternoon to be already one and a half times subscribed, and the lists only open nominally to-morrow. Large investing institutions are understood to have written for heavy amounts of it."

Then, again, in speaking of the same matter, the *Capitalist* stated,—

"Colonial Government securities have been in steady demand. A special feature was the launching of the Government-guaranteed 4-per-cent. stock of the Bank of New Zealand. Although the prospectus was only published to-day, the total amount of stock offered is already greatly over-applied for, and stands in the market at 1 to 1½ premium on the issue price of £101½."

That was perfect evidence of the fact that, according to the financial authorities at Home, this operation was regarded as being a successful and an essentially satisfactory one. It must be remembered that the currency of this bank

stock was only for ten years, and it must be admitted that, for short-dated stock such as that was, under the circumstances it realised a very satisfactory price.

Mr. G. HUTCHISON.—What did they realise?

Mr. WARD said he was not going into that matter now; he was making statements against those which had been made by the honourable gentleman. The Government, he might say, had received a communication from the Agent-General in addition to that, in which he stated that the highest financial authorities in London regarded the whole operation as being eminently satisfactory. The Agent-General referred to the Bank of New Zealand and other financial authorities by name, and stated that in their opinion the financial operation was more successful than he anticipated. And the Agent-General went into the whole question whether or not it was desirable to have underwritten the operation or to have put them on the open market, and they had the positive assurance of the Agent-General that by financial authorities in England of the highest standing it was considered to be anything but desirable to put their stock on the open market without being underwritten, and the general opinion of the experts was that if it had not been underwritten not half of the amount would have been subscribed. And what would have been the position if it had not been underwritten? He merely wished to say that a file of British papers, every one of which referred to the operation which the honourable gentleman had brought up to-day, referred to the transaction as having been very satisfactory. That being so, he did not think it was necessary to take up the time of the House further than to say that every one was desirous of seeing this financial operation put through on the best possible terms. The Government on this side, and the Agent-General on the other, were desirous that this should be done; and the Government had the satisfaction of knowing that the different authorities in different parts of the world agreed in what was done by the Government of the day. In that morning's paper there was published the opinion of the Premier of Victoria on the subject. Now, Sir James Patterson was a hard-headed, shrewd man, and a man whose opinion was worthy of the consideration of people beyond the limit of his own colony. That opinion was worthy of consideration when they remembered that Sir James Patterson was the Premier of the Colony of Victoria during a time when it passed through a period of terrible uneasiness and difficulty such as they knew Victoria had passed through. What was his opinion of what was done by this colony in a great emergency? He would read it:—

"In common with the politicians and Press of New Zealand of all shades of colour, Sir James Patterson, of Victoria, who is essentially a practical man, has gone out of his way to indorse the action of his brother Prime Minister in New Zealand in guaranteeing the recent £2,000,000 issue of the Bank of New Zealand.

Sir James expressly eulogizes it as a statesmanlike move. Financial institutions, he says, are so bound up with a country that it would not do to let them sink. If the Victorian banks had stood together last year they would have been assisted, but they would not, and were too many for the Government to deal with. There were too many banks, and he advocated amalgamation."

Now, his honourable friend would see that people outside the colony appreciated what the Government were doing in this matter, and if the honourable gentleman could not himself appreciate what they were doing he thought he was a man of sufficient common-sense and acumen to accept the judgment of people who were competent to express an opinion upon the Government policy.

An Hon. MEMBER.—Who wrote that article?

Mr. WARD believed it was written by Mr. H. D. Bell, but he was not certain.

Dr. NEWMAN would like to draw the honourable gentleman's attention to the fact that, when he was quoting from that morning's paper, if he had turned to another column he would have seen that the Mikado of Japan and the Emperor of China had been so struck with the policy of the Government that they had offered to place the Premier of New Zealand in charge of the affairs of their respective countries. It was pure assumption for the Colonial Treasurer and his colleagues to take credit for the value of our stocks. They might as well say to a farmer that, because the price of calves had gone up five "bob" a head, therefore they were entitled to receive the support of the farmers, on the ground that they had been instrumental in raising the price of calves to that extent. He admitted that our debentures had never been at the price they stood at to-day: but why were they at that price? The reason was that money was so cheap in London that all gilt-edged securities were at famine prices. That was the position; and, our securities having been looked upon as good securities, they were forced up to an unreal and unnatural height by the cheapness of money. That was the reason of their having attained their present position; but to say that the honourable gentleman's Budget had had the effect of raising the quotations of our stocks was cool, empty assertion. That was the position. The actual position was this: Our three-and-a-halves were about 108 or 109½. When the news went Home that we intended to float two millions in London, at that time there was a drop in our stocks of 3 per cent. After the money had been subscribed they gradually rose, until now they were 108 or 108½; and the honourable gentleman was right in saying that they had touched a very satisfactory position. But he (Dr. Newman) believed these stocks would come down with a rapid run if the borrowing policy of the Government were to be carried into effect. It seemed to him that in England things were on the verge of a turn, and, even without any wrong policy on the part of the Government, in a short time our debentures would fall in

Mr. Ward

London as fresh avenues of trade were opened up in that country. Too much had been made from time to time of our stocks being either up or down 1 per cent. He would like to ask the Treasurer, if this two-million loan was subscribed five times over, whether it was not a very great mistake to have it underwritten.

Mr. WARD.—We cabled Home, and asked them not to underwrite it.

Dr. NEWMAN said the net result of the operation was this: that the loan had been underwritten, and the Agents had expended an underwriting-fee of 1 per cent. That was £20,000 for underwriting the loan; and yet, at the same time, our loan was subscribed five times over. That was an exceedingly unwise position. Our Agents in London should have known that the loan would be rushed, and they should not have had it underwritten, and that money should have been saved to the colony or to the Bank of New Zealand. There was one matter to which he would like to draw the Colonial Treasurer's attention for half a minute. It was this: that, when we went to the London money-market to float loans and other things, we should adopt the plan of asking people to come to our offices in London, instead of going to the Bank of England. In this manner large sums of money could be saved by the colony. It was found in America that they had to pay very considerable charges for raising money, and they changed the system there. When people found they had to apply at the Treasury instead of at the bank, they applied as readily at the Treasury as at the bank, and the consequence was that the State saved a great deal of money. The bank did not bring any support at all to the raising of a loan. If a loan were popular money would come into the Agent-General's Office just as well as it would come into the bank. Therefore he thought they could save a great deal in connection with the raising of loans. He hoped the honourable gentleman would supply the House with information as to why this loan was underwritten, and why the colony's Agents had agreed upon such a waste of money.

Sir R. STOUT said he did not know what number of the *British Australasian* the Colonial Treasurer alluded to. He did not find it in the number of the 9th August.

Mr. WARD said he referred to the *Argus* of the 8th September.

Sir R. STOUT said the honourable gentleman said the *British Australasian*.

Mr. WARD said the newspaper he referred to was the *Argus*.

Sir R. STOUT said that in the 4.0. *British Australasian* of the 9th August there was nothing about it.

Mr. WARD said the date was the 2nd August.

Sir R. STOUT said in the *British Australasian* of the 9th August he found it stated that our bonds were down below par. He desired to say that he did not think it advisable they should take their information regarding their financial position from the newspapers. They were certainly misinformed. He had before

him, for example, the *Mail* of the 6th,—honourable members knew that that was a weekly issued by the London *Times*,—and there was a long article in the *Mail*, and in this article they said that we were going to borrow a million and a half. They had no conception that it was a million and a half a year, and they thought the first a bold experiment; to the other they would probably have applied another term. He did not think it was wise for them to cumber their discussion with references to the Home papers. He thought they should be able in Parliament to think for themselves, without the aid of the outside Press. All he had to say was that any person who knew anything about stock transactions in London would know that as soon as you put new stocks in the market the price of stocks was bound to fall. A great deal of stock was taken up by brokers, who had to sell to different customers; and if the colony went yearly on the market with a million and a half, what would be the result? The brokers would not be able to “unload,” and the result would be that the bonds would go down. If the slightest tightness arose in the money-market, that would depreciate the bonds. He would like to say, judging from the way the business was carried on, that it looked to him as if they would not get through the session until November, and he thought it was a great pity that time should be lost. They could deal with the financial Bills, and then get the Public Works Statement before them, and take the other Bills later.

Mr. SEDDON concurred in a great deal that had fallen from the honourable gentleman. He did not think it right they should be judged entirely from the standpoint of the Press of the Old Country. The reason this had been quoted by his colleague was that certain extracts had been quoted by the honourable member for Patea from the *Economist*, and therefore his honourable colleague had shown that there was another side to the question, and it was right to put the one against the other.

An Hon. MEMBER.—They are not to be compared.

Mr. SEDDON said an honourable member said they were not to be compared. He was quite right; any comparison was in favour of the *British Australasian*: but he would say there were financial journals at Home, and it was very well known that the spirit moving behind these journals was not altogether in the interests of the borrowers. It was right this should be taken into consideration. Then, the article that had been quoted by the honourable gentleman had been corrected since. It had been written under the assumption, owing to a mistake in telegraphing Home the Financial Statement, that the Government were going to increase the land-tax by not less than £750,000. Very well; the effect of saying that they were going to increase the land-tax to that extent would in itself have a detrimental effect, and a number of articles which had come to hand had been written

under that assumption; whereas it was to get £250,000 for the purchase of Native land, £250,000 for the purchase and roading of private lands, and £250,000 for improving, roading, and for the settlement of Crown lands—or, for these three purposes, a total of £750,000—that had been proposed. He felt it was only right they should set these matters at rest. Government were not responsible for the waste of time. They had asked members on their side of the House that there should be none. It might be of some importance that Mr. Aiken, who was a settler, should not have been relieved from paying rents due upon the land; but the question was, since every hour in that House was a matter of moment, whether or not the honourable gentleman could not have got what he wanted by simply seeing the Minister of Lands—by seeing the Minister of Lands and telling him what he was prepared to do in the matter. He agreed with the senior member for Wellington City that, if the members would not to some extent curb themselves, the result would be that the House would be sitting to the end of November. He could not help it if honourable members would do these things; he could not control them.

Mr. MASSEY did not wish to refer to the position of our stocks in the London market, but would say a few words on another subject which had been mentioned—that of binder-twine. He was sorry that he was out of the House when this question came up, but he came in in time to hear the honourable member for Kaiapoi, who represented an agricultural constituency, tell the House that this was a matter of very little importance to farmers. He was very much surprised to hear him express that opinion, for he had reason to know that it was a matter of very serious importance to the farming community, especially to those farmers engaged in the production of cereals. The duty on binder-twine was 15 per cent., but by the time the twine reached the farmers the duty made a difference to them of 1d. a pound. Now, as numbers of farmers used a ton of string in their operations, it would make a difference to them of £9 or £10—a tax from which they received no benefit whatever. Farmers received for their cereals at present European prices less freight and other charges; they had to come into competition with the cheap land and cheap labour of other countries; and yet in their own colony they were taxed on articles which they required. This, considering the present prices of cereals, was a serious matter. The present prices of grain would not afford much in the way of duty, and no one knew that better than the Colonial Treasurer, and therefore he hoped that honourable gentleman would see his way to abolish it, and the sooner the better.

Mr. MASLIN said, with respect to binding-twine, while he fully sympathized with the farmers and acknowledged that they had to compete in the world's market, he wished to mention that he noticed the total amount of

duty paid on binding-twine imported from outside the colony last year was only £93 18s. That was the duty paid on binding-twine, whereas New Zealand exported to other countries binding-twine to the value of £3,200. The total amount imported was 229cwt., and the amount exported was 1,365cwt. of New-Zealand-manufactured twine. Seeing that the twine industry was in a flourishing condition, and could export twine, it was proved that this duty was no longer required, and he thought it should be done away with as soon as possible.

Mr. BUCHANAN said it was a matter of regret that the honourable gentleman who had just sat down did not give the subject a little thought before addressing the House. He told them that, as only the small sum he named had been paid as duty, the farmers could not possibly be suffering very much from the tax upon twine. The honourable member surely realised that the effect of the tax had been such as almost to kill competition from outside.

Mr. MASLIN.—We compete with outside.

Mr. BUCHANAN said that was so, and the correspondence which had appeared in the newspapers of the colony on this subject showed the Colonial Treasurer in a very unenviable light. The effect of Protection in this matter had been that the surplus twine manufactured here had been sent outside the colony to the Australian Colonies at low prices, while the highest price was charged in this colony; and yet they had a representative of farmers getting up in the House and telling them in the gravest possible manner—whether he meant it or not—that the farmers could not be suffering very much because of this duty! The farmers of the colony had been suffering heavily because of this, and if the Government had any sympathy with the farmers—and it had professed to have a good deal—it would repeal this tax as speedily as possible.

Mr. PIRANI could not help replying to what the Premier had said. He had spoken of wasting time over a very trivial matter. This very trivial matter involved rent to the extent of £135 a year, and it affected every Crown tenant in the colony. If that came within the Premier's idea of a trivial matter he thought there were very many trivial matters in the colony which it would be better to have fought out in the House. The point was that, in the ordinary course of law, if this man felt aggrieved at the decision of the Land Board, he should have appealed to the Supreme Court, but instead of that he went behind the back of the Land Board to the Minister. He thought the Minister, even if ignorant of the facts, as he admitted now that he had been, should not have interfered, but should have directed the man, as he had ample means, that he should take his proper recourse and go to the Supreme Court on appeal. Then, there was the other point, about collecting rents from Crown tenants. If the law did not allow the Minister to collect rents from Crown tenants who were able to pay, simply because they did not use the land, the sooner he brought in a measure

to enable him to recover such rents the better it would be for the revenue, because it was now simply conferring a premium upon the speculator to go in for land, and, if he found the rent high, he could simply forfeit the land, and so escape liability for further payments. He thought the matter was one well worthy of consideration, and that it was of interest to colonists, as well as to the rest of the tenants,—who were treated in an invidious manner compared with this man,—that the matter should be ventilated.

Motion for adjournment negatived.

RATING BILL.

IN COMMITTEE.

Clause 13.—In boroughs, owner to be deemed the occupier in cases of less than three months' occupancy.

The Committee divided on the question, "That the words 'in a borough,' proposed by the Statutes Revision Committee, be inserted in the clause."

AYES, 22.

Allen	Graham	Parata
Buchanan	Green	Russell, W. R.
Button	Heke	Ward
Collins	Hutchison, W.	Wilson.
Crowther	Lang	
Duncan	Massey	<i>Tellers.</i>
Earnshaw	McGowan	Bell
Fraser	McNab	Stout.

NOES, 32.

Buddo	Lawry	Russell, G. W.
Buick	Maslin	Seddon
Carnell	McKenzie, J.	Smith, E. M.
Carroll	Meredith	Smith, G. J.
Flatman	Millar	Stevens
Hall	Montgomery	Steward
Hall-Jones	Morrison	Tanner
Hogg	O'Regan	Willis.
Houston	Pinkerton	<i>Tellers.</i>
Kelly, J. W.	Pirani	Hutchison, G.
Larnach	Reeves	Thompson.

PAIRS.

<i>For.</i>	<i>Against.</i>
Mitchelson	Cadman
Te Ao.	McLachlan.

Majority against, 10.

Words not added.

The Committee divided on the question, "That clause 13 be a clause of the Bill."

AYES, 38.

Buddo	Houston	Pinkerton
Carnecross	Kelly, J. W.	Pirani
Carnell	Lang	Russell, G. W.
Carroll	Larnach	Seddon
Collins	Mackintosh	Smith, E. M.
Crowther	McGowan	Smith, G. J.
Earnshaw	McKenzie, J.	Stevens
Flatman	McKenzie, R.	Steward
Graham	McLachlan	Tanner
Hall	McNab	Ward.
Hall-Jones	Meredith	<i>Tellers.</i>
Harris	Millar	Lawry
Hogg	Morrison	Mills.

Mr. Maslin

NOES, 16.

Allen	Maslin	Stout
Bell	Massey	Thompson.
Buchanan	McGuire	
Buick	Newman	<i>Tellers.</i>
Fraser	O'Regan	Button
Heke	Russell, W. R.	Hutchison, G.

PAIRS.

<i>For.</i>	<i>Against.</i>
Cadman	Mitchelson
Reeves.	Green.

Majority for, 22.

Clause agreed to.

Clause 55.—Half-rates chargeable for buildings unoccupied for not less than six months.

Mr. BUCHANAN moved, That the clause be struck out.

The Committee divided on the question, "That the clause stand part of the Bill."

AYES, 39.

Allen	Larnach	Pirani
Buick	Lawry	Saunders
Carnell	Mackintosh	Seddon
Carroll	McGowan	Smith, E. M.
Collins	McKenzie, J.	Steward
Duncan	McKenzie, R.	Stout
Earnshaw	McLachlan	Tanner
Graham	Meredith	Thompson
Hall	Montgomery	Ward
Harris	Morrison	Willis.
Houston	O'Regan	<i>Tellers.</i>
Hutchison, G.	Parata	Hall-Jones
Kelly, J. W.	Pinkerton	Mills.
Kelly W.		

NOES, 16.

Bell	Heke	Smith, G. J.
Buddo	Lang	Wilson.
Crowther	Massey	
Flatman	McNab	<i>Tellers.</i>
Fraser	Russell, G. W.	Buchanan
Green	Russell, W. R.	Newman.

PAIRS.

<i>For.</i>	<i>Against.</i>
Cadman	Mitchelson
Carncross.	Te Ao.

Majority for, 23.

Clause retained.

Clause 62.—Rates to carry interest.

Mr. BUCHANAN moved to strike out "twelve months," and insert "six months" in lieu thereof.

Amendment agreed to.

Clause 63.—Rates overdue for two years cannot be recovered.

Mr. THOMPSON moved, That the clause be struck out.

The Committee divided on the question, "That the clause proposed to be omitted stand part of the Bill."

AYES, 40.

Allen	Carroll	Green
Buddo	Collins	Hall-Jones
Buick	Earnshaw	Harris
Button	Fraser	Heke
Carnell	Graham	Hogg

Larnach	Montgomery	Smith, E. M.
Lawry	Morrison	Smith, G. J.
Mackintosh	Newman	Stout
McGowan	O'Regan	Tanner
McGuire	Pere	Ward.
McKenzie, J.	Reeves	
McKenzie, R.	Russell, G. W.	<i>Tellers.</i>
McLachlan	Russell, W. R.	Bell
Mills	Saunders	Hall.

NOES, 18.

Buchanan	Lang	Steward
Crowther	Massey	Willis
Duncan	McNab	Wilson.
Houston	Meredith	<i>Tellers.</i>
Hutchison, G.	Pirani	Flatman
Kelly, J. W.	Seddon	Thompson.
Kelly, W.		

PAIR.

<i>For.</i>	<i>Against.</i>
Cadman.	Mitchelson.

Majority for, 22.

Amendment negatived, and clause retained.

Clause 70.—Native land not to be sold for rates without sanction of Trust Commissioner.

Mr. HEKE moved to strike out the remainder of the clause after the word "rates," in the second line.

The Committee divided on the question, "That the words proposed to be omitted stand part of the clause."

AYES, 41.

Buchanan	Kelly, J. W.	Newman
Buddo	Kelly, W.	Russell, G. W.
Carncross	Lang	Russell, W. R.
Carnell	Larnach	Saunders
Carroll	Lawry	Seddon
Collins	McGowan	Smith, G. J.
Crowther	McKenzie, J.	Steward
Flatman	McKenzie, R.	Tanner
Fraser	McLachlan	Ward
Hall	McNab	Willis
Harris	Meredith	Wilson.
Hogg	Mills	<i>Tellers.</i>
Houston	Montgomery	O'Regan
Hutchison, G.	Morrison	Smith, E. M.

NOES, 15.

Allen	Green	Stout
Bell	Hall-Jones	Thompson.
Buick	Hutchison, W.	<i>Tellers.</i>
Duncan	Mackintosh	Heke
Earnshaw	Pirani	Parata.
Graham		

PAIRS.

<i>For.</i>	<i>Against.</i>
Cadman	Mitchelson
Pinkerton.	Te Ao.

Majority for, 26.

Amendment negatived, and clause agreed to. Bill reported, and read a third time.

NEW ZEALAND CONSOLS BILL.

Mr. WARD.—Sir, I feel that, after the financial discussion we had last evening, honourable members will probably be disposed to have this Bill cleared away in half an hour or so. With that object in view, I do not intend to go

into all the details of the question, because I feel sure the proposals contained in this Bill are of so simple a character that little or no explanation is needed from myself in order that honourable members may thoroughly comprehend the scope of this Bill. Now, Sir, I take it that, while there may be diversity of opinion upon the usual methods of financing in this colony, there can be no exception taken to the proposal which has for its primary object that of enabling the people of this country to have a better means of investing their savings than they have at the present time. Under the Post-Office Savings-Bank system large amounts are paid in every year to that department, but there is a great difficulty in the way of that department being of such use as it ought to be to the people, and a difficulty which the department itself finds it is not easy to get over. I refer to the fact that it is necessary to limit the amount depositors may lodge upon which interest is to be paid by the colony. Honourable members know that the limit upon which interest is payable is £500. People desirous of placing larger sums on deposit in the Post-Office Savings-Bank are placed in the position of not being able to earn interest upon any deposit beyond £500. Honourable members may ask, Why is that not met by the Government taking authority to pay interest beyond £500? I will tell honourable members why. All moneys deposited in the Post-Office Savings-Bank are practically at call. That being so, the colony might be called upon at any moment to disgorge large sums of money when it was inconvenient to do so, and it would be a most imprudent thing for this colony, or any other colony, to allow large sums to be deposited which, in the ordinary course, might have to be repaid at short notice. That is the reason why the Government originally decided not to allow interest to depositors upon any sum exceeding £500. Another great difficulty in connection with the Post-Office Savings-Bank has occurred; and it is this: There are friendly societies and other societies anxious to avail themselves of the Post-Office Savings-Bank for deposits. There are also various other societies, among them building societies, which have desired to lodge their money for investment with our Post-Office Savings-Bank. Both classes of associations to which I refer, in the ordinary course might require to have their money payable at short notice. There have been strong representations made to the Government to change the present system. It has been represented that the present method has precluded those societies from using the Post-Office Savings-Bank for the deposit of their moneys at interest. Now, under the system proposed in this Bill both of these classes will have that opportunity afforded to them; they will have a system by which they can invest their savings, and at once place them in the position of earning a rate of interest not exceeding 4 per cent. under these Consols. Friendly societies, building societies, and people generally now unable to use the Post-Office Savings-Bank will have given to them under this system

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a ready and always available method by which they can invest their savings. If honourable members want another very good reason why it is desirable to have the system provided by this Bill I will tell them that other reason. It has been very well known in this colony for a long time past that many people who are anxious to deposit their moneys to receive interest have been very fastidious as to the places they should deposit their moneys in, and in some cases it has necessitated their deposits being limited to places where they could not earn money on their deposits. The result has been that very large sums of money, probably against the will of the people, and through no fault whatever on their part, are found to be transferred from this colony to elsewhere. That is not a good thing for the colony, while it may be a very good thing for the institutions that avail themselves of the circumstances in which they are placed. Under the proposal to issue Consols to the extent of half a million in one year, and half a million another year, it will be open to the public to select this in addition to the usual places in which they are now able to deposit their moneys for investment. They will have the State always ready to receive up to the maximum mentioned in this Bill, which will at once recoup them by the payment of interest. If we want to refer to other colonies, I invite honourable members to look at the system which has existed in other parts of the British dominions and in England for many years past. There the system of Consols is found to work admirably, not only so far as the State is concerned, but the Government have conferred upon the people a means of enabling all classes from time to time to invest their moneys in these Consols. I do not propose on the second reading to go into the whole of the details of this Bill, but I will point out to honourable members that under this Bill the smallest investor in the colony can invest £5 under this system, and interest will be payable at any post-office in the colony, and, if investors so desire, they can have the Consols inscribed in the ordinary way. The limit of time which the issue is not to exceed is forty years. It may be shorter: circumstances must regulate this. It may not follow that the currency of these Consols may extend to forty years, but there may be people who in the ordinary course may desire to invest not for the purpose of changing their investments; there may be many people who desire to provide for trusts or otherwise by investing in this class of securities for a long time. Honourable members may ask, What are the Government going to do with the money when they get it? That is a natural question, and, as usual, I am prepared to inform the House how we intend to use the money.

Mr. BUCHANAN.—More fully than usual?

Mr. WARD.—The complaint of honourable members on that side of the House is generally that we are too full in our explanations. Now, by a system of circumlocution, the honourable member for Wairarapa desires to stop me from

making a very necessary explanation, because in this case I consider an explanation very essential. Honourable members want to know what the Government are going to do with the moneys that are invested in these Consols. In the first place, I am sure honourable members opposite are very anxious, judging from the way in which they attack the Treasury benches, to see a diminution in the Treasury bills. Portions of these moneys could from time to time be used in lieu of Treasury bills. That is one purpose to which moneys received can be used by the Government of the day, and that is the direction in which a portion of the moneys received will be utilised as it may be convenient for the Treasury to do. Now, Sir, there has been, I think, an impression that this idea of creating Consols of the colony is going in for what some honourable members are disposed to term by the very obnoxious expression of "wild-cat" proposals: I do not know who first suggested this, but it appears to me that honourable members who are ready to use terms of this kind ought to be prepared to condemn the system of finance which existed in that country which we profess in many things to follow, but which we find nowadays following the lead of New Zealand. It is not a fair term to apply to a sound system of finance, as is the issue of Consols. It may be, of course, a convenient term for stigmatizing the actions of the Government in connection with finance; and I think any Treasurer is deserving the sympathy of his fellows, because, it matters not what he intends to do in the interests of the colony, he will find he is subjected in many cases to assertions and ideas which emanate from others as to his actions or intentions, which, to my mind, very often have no application at all. Now, Sir, the maximum amount of these Consols is one million. The rate of interest to be payable, named in the Bill, is not to exceed 4 per cent. I wish to say that if the Government can see their way to receive deposits by these Consols at a less rate than 4 per cent. they will endeavour to do so; but the House should understand that if we receive no applications at less than 4 per cent. we shall exercise our judgment and discretion, and, if we should find it necessary, we shall issue them at 4 per cent. I

9.30. think, myself, that, looking at the proposal all round, it should meet with the general approval of honourable members on both sides of the House, because, after all is said and done, the object of every man in this House, and in this country, should be to see that the finances of New Zealand are placed beyond question on a sound and stable basis. While in past times different Governments and Treasurers have availed themselves of the system of issuing Treasury bills time after time, I think there can be few honourable members who desire a continuation of that. I now put forth, in preference to that system, one which is very much better for the people of the colony, which will enable them to invest their earnings with the Government of the colony, the colony utilising

those funds, and paying interest to the people of the colony, and giving them an exchangeable security. An effort has been made in the Bill to guard against what was expected to be one of the difficulties in the first instance—that is, to guard against syndicates outside the colony availing themselves of this system of investment by purchasing these Consols in the colony. Honourable members will see that on reference to the Bill; but if that effort is not sufficient I am quite prepared to accept any suggestion in Committee to further guard this.

An Hon. MEMBER.—What clause is that in?

Mr. WARD.—I have not looked at the Bill this evening. I feel I am quite able to explain the Bill without reference to its clauses. At any rate, it is quite evident that it is the desire of the Government to have this system in practice. What we intend is that there should be available for the people of this colony a sure, ready, and exchangeable system for investment of small sums of money with the Government of the day, and that they should get a ready form of security in the shape of Consols. The desire of the Government is to protect the people of the colony from any possibility of these Consols being bought up by outside people and syndicates that may desire such security as this, and, if that is not already met, then, in Committee, I am perfectly prepared to have such amendments made as will enable that to be done. It is customary in this colony to hear honourable gentlemen say that the Government is quite anxious to go in for borrowing large sums of money. When I tell the House that the British Consols current at this date sum up to a total of £525,000,000, they will see that this form of investment, this system of financing in the Old Country, is one which is regarded as very first class. I merely refer to the fact, because when the Government of this colony proposes to issue a million of Consols it has not been unusual to hear some honourable gentlemen very strongly condemn it. Now, I take it that, while there are some honourable members anxious to see the financial stability of the colony conserved, the Government are, and I personally am, as anxious as any member of this House can possibly be to see that. Any one who looks to the future, and who also knows what has taken place in the past, will allow that this colony should not go on as it has been going under the former system. I say it is a matter of duty on the part of the Government and of members of this House to see that the changes taking place day by day and week by week and year by year are met by the necessary alteration in the system connected with the finances of the colony. We have passed the time when large sums of money are being raised—though I know honourable members will dispute the point—I say we have passed the time when the colony has at its back in London for the Public Works Fund large sums of money on which to lean for financial purposes. That time is past, and under the financial proposals of the Government this is the only substitute

we have that can take the place of the former system. I say that advisedly. Honourable members cannot say that the proposal under which money is obtained for lending to settlers is one on which the ordinary finances of the colony can be carried on. I cannot refer to that matter, and I do not intend to do so; but in that respect there can be no such thing as the colony, in the ordinary course of its finance, being able to rely upon moneys obtained for this purpose for carrying on the extraordinary business of the colony. That being the sole question, to my mind—

An Hon. MEMBER.—Where is the clause you have referred to?

Mr. WARD.—There are regulations to be proposed in reference to this matter. When I said it was safeguarded I had in my mind the fact that it is provided under the Bill that regulations should be created for all purposes by the Governor in Council. I may say the object, the desire, and the intention of the Government in framing those regulations will be to protect this money from being subscribed by people outside the colony, and I may further add that if that power is found to be insufficient the Government are prepared in Committee to consider such amendments as may meet the case. In placing the matter before the House, I desire honourable members to view it—as I am sure they will, and as the Government is desirous that it should be taken—in the light of whether it is necessary or desirable, in the interests of the colony, that a large number of people who may be daily earning money should have an opportunity of making a safe investment, and one which, should they in the ordinary course of events desire to get rid of it in connection with their private affairs in any way, they may always know is such an investment as can be at once exchanged. I trust the Bill will commend itself to honourable members. The proposal, I think, is a thoroughly safe one. We have a precedent to the extent of £525,000,000 of investments in Consols for our guidance, and I have very much pleasure and confidence in proposing the second reading of this Bill.

Dr. NEWMAN.—The cheers which greeted the Treasurer as he sat down reminded me of what occurred in English history on a certain occasion when the church-bells were ringing throughout England because war had been declared with Spain. A man wiser than his fellows said on that occasion that before long the people of England would be wringing their hands with grief; and I take it that before the policy of this Government has been carried out—if this House is not wise enough to check it—the people of this colony will be wringing their hands over the large amount of debt that has been put upon them. The policy of the Government reminds me very much of those coats which one can buy in the shops, which are called “patent reversible coats,” with one side for fair weather and the other side for rough. When the honourable gentleman brought down his Financial Statement he had a paragraph

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relating to these Consols, in which he alluded to the thrift of the people, and it was said that the object of raising this million of money was that the Government might use the funds to promote the development of the country. That was the object of raising the million of funds then. The honourable gentleman says, “Hear, hear”; and yet, within the last ten minutes, he has told the House nothing whatever about the development of the country, but has said that he wanted it for deficiency bills—for Treasury bills are nothing but deficiency bills.

Mr. WARD.—Are not Treasury bills used for the government of the country?

Dr. NEWMAN.—Yes. Those honourable gentlemen when they took office got £800,000 of Treasury bills. They raised another £100,000; afterwards they extended it to £476,000; and the honourable gentleman proposes to-night to extend it another whole million. Has the policy of the Government any continuity? Does he mean that this is going to develop the country? What are Treasury bills. Deficiency bills or Treasury bills, by whichever name they are called they mean the same thing. They mean that there is a deficiency—a shortage in revenue; and the honourable gentleman is going to take these deficiency bills, or whatever he calls them, simply and solely because the revenue of the colony is going so much to the bad,—because he is afraid of a deficit. I hope this House will very carefully scrutinise this Bill before it passes it. This is one of a crowd of Bills that are now before us, every one of which is borrowing in some direction. It is idle for honourable gentlemen to use other phrases. What is the preamble of the Bill? It is simply a pretence from start to finish. It says, “Whereas it is expedient to encourage thrift by affording to the people of New Zealand facilities for the safe investment of their savings.” Sir, this Bill is nothing of the kind. It is a borrowing Bill; and what a crowd of borrowing Bills we have! We have a borrowing Bill for the Midland Railway, two millions for the Bank of New Zealand, and now we are going to have a Globo Assets Bill for two or three millions more; and Heaven only knows how much more. Evidently the honourable gentleman who has brought in these Bills thinks that he has only to ask the House to fly kites, and then a new era of prosperity will dawn upon the colony. Sir, there is no cash anywhere in his financial proposals. He seems to think—and the House cheers him on every occasion, no matter how wild and reckless his proposals are—he apparently thinks that he has only to propose these Bills and the country will be all right. What happened at the time of William III., as described by the historian, meets the present position. We have only to go back to the history of Great Britain to find out what our present position is. It was then said that the Land Bank of England would form the salvation of England from every trouble; it was said that it would be like the miracles wrought for the Israelites—that is, quails day by day and manna every evening—and when the honourable gentleman

is bringing in a Bill he looks round as though he were the Messiah of the colony and were going to endow it with every blessing. The honourable gentleman is not yet out of his troubles; he has got to see the result of it yet; and I hope the House will have the courage to compel him to withdraw this Bill. Before the Bill should be passed, even supposing the second reading is granted, the honourable gentleman ought to define definitely what he is going to do with the money. He told us on the 22nd of July, or thereabouts, that it was to be used to develop the resources of the country; and to-day he expects a deficit, and therefore he is going to make use of this form of Treasury bill; while to-morrow he may like to do something else with it. In the history of this colony there never has been anything in the way of placing a million of money in the hands of a Treasurer who merely tells us what he is going to do with it. Then, I would draw attention to the astounding fact that he says in his slipshod fashion that there are in England £525,000,000 of Consols. The honourable member has not the faintest notion what the debt of England is. That £525,000,000 are mere Goschens—24-per-cents. Outside of that there is a debt of £200,000,000, and outside Consols the floating or unfunded debt; and, therefore, saying this twice over, it was no mere slip of the tongue, like the matter of saying £15,000 instead of £1,500, as he did the other night, but is an actual mistake. He says that England has only this £525,000,000 of Consols.

Mr. WARD.—I did not.

Dr. NEWMAN.—He said it twice over.

Mr. WARD.—I did not say "only."

Dr. NEWMAN.—A curious thing is—and I hope honourable members notice it—that whenever a question is asked on this side of the House as to what clause anything is in, the honourable gentleman goes on, and presently there creeps along those benches a bit of paper, and he reads it out and says, "It is clause 36," or something like that. It seems to me the gentlemen who sit on the chairs draft the Bills and prepare the notes; and the honourable gentleman is so busy flying his kites and issuing his new paper that he has not time, from start to finish, to study the Bills. Then, we have a remarkable thing: the Premier one night told us that this Bill was to get at the stockings and teapots of the old women of the colony; and the Treasurer, being impatient with the Premier for talking of stockings and teapots of old women, has, in clause 32, "gone one better." He has said to himself, "Where is the money to come from? I have used all there was in the Public Trust Office and in the Government Insurance Department." The Premier says to the Treasurer, "Go to the stockings and teapots"; and the honourable gentleman, searching where he can find some more money, turns to the little boys and little girls. Clause 32 begins, "Any person being a minor, if over ten years of age." He is going to boys of eleven or twelve attending the State

schools, and is asking them to turn out all the contents of their little money-boxes. That is clause 32; and I have no doubt, if the Minister of Lands can think of some others after he has exhausted the stockings and teapots and the money-boxes of the poor little children, the rest will be gone for, too. I hope before the House passes this Bill it will insist on a provision saying what the money is to be used for—whether it is to be used for any definite purpose outside Treasury bills; and, if it is only for the purpose of meeting Treasury bills, I hope the House will not agree to it. We had far better face the music straight away, and keep on fighting, than let the country go in for paper money. I would suggest that the honourable gentleman should use a little more caution in his finance. If he means to borrow all this money in this direction this year, what is he going to do next year? This country cannot go on increasing its burden of interest. This is not the first time in the history of Great Britain and of the colonies that there has been an attempt to boom and make everything prosperous by writing on paper. Over a hundred years ago there was an American statesman called Pelelah Webster, who said, "It is absolutely cruel and wrong to tax the people of the United States. So long as you have a printing-press and some bales of paper you can create no end of wealth," and he was applauded from one end of the country to the other; but the result was, after he had used his printing-press and bales of paper, the United States were landed in utter misery and despair. It is just as silly for a colony or for a country to write on bits of paper and say these are worth so much as for any one of us to float any number of I.O.U.s and think we are rich. I would ask the House to consider another question. The honourable gentleman talks of these securities as if equal to cash, and I would put it to him, will persons invest in these securities? I think, to a certain extent, there will be a difficulty, and that difficulty will be in passing them on. Supposing any one were to buy one of these debentures—say, for £100—how would he pass it on and get rid of it? If it were put in the bank at 4 per cent., when due £100 in gold or notes would be paid; but, on the other hand, if he got a hundred debentures and tried to sell them in the open market, I take it that very often they would not fetch above 80 or 85 per cent. Despite what the Treasurer may say, it would be very difficult to get more than that. Therefore I think very many of them would not be taken up. I do not propose to move that the Bill be read a second time this day six months, as it may be amended; but when it is called on for its second reading I, for one, shall vote against it.

Sir R. STOUT.—I should have been glad if the Treasurer, in moving the second reading of this Bill, had explained its object. Its object, I understand, is to raise money locally in order to pay off our Treasury bills, so as to have less Treasury bills than we have been in the habit of doing with before.

An Hon. MEMBER.—He did not say that.

Sir R. STOUT.—Well, I am going to deal with that. I presume that is the argument that will be used. I ask this House to consider what this Bill means. Nothing pains me more than the easy, jaunty way in which the proposal to borrow millions is received by the House. Do honourable members know what will happen this year? If the Bills before the House at present pass we shall have pledged this colony to five and a quarter millions for this year; and not only that, but we shall have pledged it for two and a quarter millions next year; and so it will go on increasing. What is meant by this Bill? Let me point out to the House what this Bill means. This money is to be used for converting our floating debt into a permanent debt. That is what it means. I undertake to say, except in stress of war, that has never been done in England; and it has only been done in our colony upon two occasions, and it was done then because we were in such a financial position that we could not get increased taxation. We were showing deficits in our revenue, and it was absolutely necessary to convert some of the floating debt. What is to happen now? The colony is going to take the floating debt—because, what is a Treasury bill? It is exactly the same as an English Exchequer bill; it is supposed to be issued in aid of revenue; it is issued before the revenue is collected, and it is supposed to be paid off by the end of the year. What are we going to do? To take the floating debt—which with due finance we ought to be able to keep within bounds—and convert that floating debt, which now amounts to £1,476,000,—that is our limit, though the whole amount is not drawn—we are going to convert a million of it into a permanent debt of forty years' standing, without sinking fund; and the result will be—what? We still maintain our Public Revenues Act. There is no proposal to amend or to repeal that. Therefore we shall have £1,476,000 still available as Treasury bills whenever the need arises. I ask the House to remember that this is simply borrowing a million, not to expend in the purchase of land, or for public works, or for railways—not to buy Native land or to expend in lending to farmers—but to convert our floating debt into a permanent debt of forty years' standing. I undertake to say that if a single member in this House had ventured to urge this proposal on the hustings he would have been hardly listened to at the last election. I ask the House to be careful what they do. This Bill is simply borrowing money to convert the floating debt into a permanent debt of perhaps forty years' standing. Let me look at this from another point of view. What does the Bill propose? It is to give what is called a further means of safe investment to persons who have money to invest in the colony. I do not deny for a moment that people may desire this class of security. I do not deny that the honourable gentleman may be able to get this million in two years, although I do not think the colony's funds will stand it. But supposing he does, I ask the House to consider

what this means. Where is the money to come from? It must necessarily come from somewhere. To say that money is not at present invested is simply absurd. I do not suppose money is uninvested either in banking institutions or loan companies. People are not hoarding their money without putting it somewhere. This proposal will mean, therefore, that it will take the money out of the savings-banks; it will take it out of the general banks; it will take it out of the building societies and out of loan companies. And what would be the effect? If you deplete the banks, what will it mean? You are now engaged in banking operations. You are to be engaged in banking operations, at any rate, for ten years. If you deplete your bank, if you are going to discourage deposits in your bank, you will have to come to the aid of the banking institution again by giving a further guarantee. If the bank cannot obtain deposits here and in London, what will necessarily follow? That it cannot carry on banking or ordinary commercial business.

Mr. REEVES.—The money goes into it.

Sir R. STOUT.—I am amazed at a Minister of the Crown knowing so little about finance. Does the honourable gentleman say the Bank of New Zealand is the holder of Treasury bills at present? Certainly not. It does not go into the bank. How do you have Treasury bills invested? Not in the Bank of New Zealand, or very few of them; therefore it is not going to the bank at all. You are encouraging people, instead of depositing their money in the banks, to take up Consols. This weakens the banks. It will stop the banks giving advances to various concerns; it will limit their aid to commercial enterprises and to the manufacturing industries; and the result is, it will be taking the limited capital of the colony out of commercial enterprise and out of manufacturing enterprise. And why? If we need to borrow this money, the fair thing is to borrow in the cheapest market where you can get it. But if you borrow it from your own people, and take their capital away, what will be the result? Not a manufacturer or farmer but will be crippled under this Bill. There is no way out of it. I do not deny that this will be a safe investment for people who want it; but I do not think the Government should create this class of investment. It ought to encourage the capital of the colony—it is limited enough—being devoted to the encouragement of our farming and manufacturing enterprises. If you ask the people in New Zealand to take up Consols you will leave nothing for any new enterprise whatever. I do not think the colony is called upon to do that. You are weakening our financial institutions by this operation. The honourable gentleman says he is going to stop syndicates from abroad purchasing these Consols. There is no provision in the Bill to that effect. Section 36 cannot have that application. There is no power to make such a regulation. But honourable members cannot have seen what power the honourable gentleman takes under the Act by section 35. Do honourable members know that after he has

issued stock under this Act he may go to London and may convert the whole of it under the Consolidated Stock Act of 1877, and practically borrow in the London market the whole of this stock; so that, instead of there being a provision in the Act to stop a foreign syndicate getting any of the money, he has power to convert this loan under section 35. What is the argument, therefore, in favour of the Bill? The only argument that may be used in favour of the Bill is this: that the colonial people, distrusting banks, having no commercial spirit, no enterprise, no manufacturing enterprise, may wish to invest their money in Government securities, and not lend on mortgage nor to manufacturers or to banks. There may

be a small demand for this kind of investment, but I do not think the demand is sufficient to cause us to pass this Bill, especially when I can point out that this floating debt of ours is to be made a permanent debt for forty years to come. This is simply another Bill to borrow a million of money, and to increase the permanent debt of this colony, without any sinking fund or other provision for its being paid off. Then, there is one point more I wish to refer to. I have already mentioned that the Public Revenues Act does not affect this. The point is this: What is the argument that can be used in favour of selling these Consols? The only argument the honourable gentleman has used is that, because there are in England under the late conversion of Consolidated Stock scheme many millions of Consols in England, therefore we ought to have a million Consols in this colony. But they have a good many things in England that we do not want here, such as State Churches, and all those things. We do not want these here at all. Does the honourable gentleman not know that we have already nearly thirty millions of Consols ourselves in England? We have already created those Consols in England ourselves: and I do ask this House to think what this Bill means. Are we going to allow one million to be added to our permanent debt—to be made a permanent debt for forty years? I have seen loan Bills proposed in this House, and I have heard loan Bills discussed in this House, but I think this is the first time that I have listened to this House proposing such a measure as this as lightly as if it were a mere trumpery Bill to advance £500 or £600 to a local body to help it with its finances. That is the way millions are talked of in this House. The honourable member for Ellesmere took exception to my asking the question, "Are we to have repudiation?" Because I mentioned the term the honourable member thought it was a wrong term to use. But I do ask the House what is to be the end of this colony if this borrowing is to go on. How can we stand it? Is our taxation to be increased? Is it not a fact that we have had claims coming up from different parts of the colony from people who wish to be relieved from different taxes? We were to have had the Customs taxation reduced, but I venture to say, if these borrow-

ing Bills are to be gone on with, that, instead of having our taxation reduced, we must have taxation increased. There is no other outlook before us. Our revenue is not being increased. We are dealing with a falling revenue: our railway revenue is falling; our Customs revenue has fallen lower than last year. What is to be the result? I do ask the House to consider this carefully. This matter ought not to be dealt with in a party spirit at all, and I do ask the House to consider the responsibility that rests upon it in this matter. I say it is a grave responsibility. I say we are in the midst of a financial crisis such as never existed in the colony since I came to it, now more than thirty years ago,—neither in the case of the Three-million Loan, nor the various war loans that we have raised, nor the borrowing policy of 1870. We are face to face with a crisis more grave than any of these. I say our financial institutions are really staggering under their troubles; and what are we about to do? We are about to intensify their troubles by passing this Bill; and the Bill is not going to be any benefit to the colony whatever; it is going to injure the colony in every way. It may benefit a few people who may want what are called "safe investments." I do not suppose it will relieve a hundred of our people; and I ask, is the colony going to pass such a Bill as this, considering the state it is in at the present time? I am aware, Sir, the Government wish to get their business hurried on, and I shall say no more on this subject. I shall certainly record my vote against the Bill, and I do hope the House will rise to the occasion and reject such a borrowing proposal as this.

Mr. SEDDON.—Sir, I may say that I am somewhat surprised at the speech I have just listened to; for I should not have expected to find an apologist and advocate for the financial institutions, syndicates, and money-lenders of New Zealand in the person of the senior member for Wellington City. I say unhesitatingly that the necessity for this measure has arisen in the colony; and, in fact, if the statesmen of New Zealand had been true to themselves and to the people, opportunities such as are offered in this Bill would have been given to the people of New Zealand before. What has caused the depression which the honourable gentleman has now mentioned?—though I do not for a moment agree with him that the crisis exists which he has depicted. I say we have year after year been draining the country, and have been sending £3,000,000 per annum from New Zealand to pay interest on the public and private indebtedness. At the present time, the honourable member must admit that something like £3,000,000 sterling leaves New Zealand yearly for this purpose alone; and I say, notwithstanding all the money the honourable gentleman mentioned as being the public debt by way of loan—and amounting to thirty-nine millions—of this large amount, the people of New Zealand had no chance to invest therein. No, there is no opportunity given; and I say this is a drawback. That is what is crippling

our resources and keeping our people poor. This is the first opportunity that has been given to our people to invest in the Consols of their country. And then the honourable member tells us that this means the conversion of our Treasury bills into a permanent debt of £1,000,000 sterling. The honourable gentleman knows that, with the authority we have as regards our Treasury bills, at any time, if they are used for this purpose, they can be converted by a fresh issue of Treasury bills. There is no power asked in the Bill to limit the issue. The honourable member told us that there was £1,476,000. He did not tell the House that, of that amount, £476,000 remained in England for the Imperial-guaranteed debentures. We have a million pounds sterling to come at any time those are redeemable. I challenge the honourable gentleman to find a word in the Bill that can be construed to mean that the money raised under this proposal is to be permanently used for Treasury bills, or that it is to be a permanent debt on the colony. I challenge the honourable gentleman to find one single word on which that construction can be placed. When the Colonial Treasurer was asked what it would be applied for he said it would be applied for this purpose, but he never told the House that he was going to use this money permanently for the purpose stated by the honourable member. Then, Sir, to show that the honourable gentleman has not read the Bill at all, he tells us that we are going by regulation to prevent syndicates from taking advantage of this Act. If the honourable gentleman will read section 3 of the Bill with section 36 I think he will find that section 3, at all events, will prevent what the Colonial Treasurer said was to be provided against. Section 3 says,—

"The Governor may from time to time, by Order in Council, authorise the Colonial Treasurer to receive by way of deposit from persons in the colony such sum or sums as may be mentioned in such order, not exceeding in the whole one million pounds sterling, bearing interest at a rate not exceeding four pounds per centum per annum."

So that there is an Order in Council to be issued, relating to people in the colony. Then, under clause 36, there is full power given to make regulations, which, together with the other section, I say, provides sufficient safeguards. But the Colonial Treasurer, in concluding his remarks, stated that if anything further was necessary he would be quite prepared to meet it in Committee, and I say that all the objections taken are purely Committee objections. Sir, my honourable friend and colleague says that he is well able to deal with dummies; and, if there is to be any dummying in this, we have been able to stamp dummying out in one direction, and I have no doubt we shall be able to do it in another. Then, the honourable gentleman stated that all these moneys in the colony are at the present time invested. I at once say that he is incorrect in making that statement. We know very well that there are large sums of money which have

been drawn out of financial institutions, and sent out of the colony; and there are large sums of money which have never been reinvested at all.

Sir R. STOUT.—Where is it?

Mr. SEDDON.—I undertake to say that once these Consols are negotiable we shall very soon find where this money has been. It will soon come to light, and it will be invested. At the present time it is lying dormant. This has been proved unquestionably in the neighbouring colonies, and I say that when the depression was in this colony the same thing obtained here. The honourable member stated that we should be crippling the banks. I say we are not, because the money that will be received will be paid to the bank, and will probably assist the commerce of the country. The honourable member stated that it would not assist the commerce of the country; he stated that we should be crippling ourselves for years by sending money out of the colony. I say we shall be keeping our money ourselves. Now, it is a well-known fact that there are moneys that have been sent out of New Zealand for investment. The Government have information upon that head—that there are thousands and thousands of pounds that have been sent out of New Zealand.

Sir R. STOUT.—When?

Mr. SEDDON.—Not during our time, at any rate, but during the time the property-tax was in existence. The property-tax was the cause of sending a lot of money out of the colony for investment in the other colonies and elsewhere. I say if there had been New Zealand Consols at that time that money would have been invested in New Zealand; and if our present system of taxation had been in existence that money would never have been sent out. But it has been sent away, and we believe that with this form of investment in existence we shall get that money back to the country. That is my opinion.

Mr. G. HUTCHISON.—Then, it is to come from without, after all.

Mr. SEDDON.—As I have said, it has been sent away from the country, and there is the means here of bringing it back to our people in New Zealand: and they are New-Zealanders. That is what I wish to impress upon the House—they are New-Zealanders; and I say it is almost discreditable to us to think that, in a country like this, with the advantages we offer, money should be sent from the colony to be invested elsewhere, where the security is not so good, and where there are not the same chances. Then, the honourable gentleman required an answer as to the moneys that are in the country and not invested. Has the honourable gentleman never posted himself up in the position of the Post Office at the present time? In the Post-Office Savings-Bank at the present time there is something like £40,000 lodged over the £500 limit, and bringing in no interest at all. The honourable member must know that this is a loss already—

Sir R. STOUT.—To whom?

Mr. Seddon

Mr. SEDDON.—I say this is a loss. The main loss is to the depositor. Take the moneys which are lying there, and I say they are dead to the investor, and it is a loss to him; and not only that, but there have been no opportunities for the investment of this money. I do not think for a moment that this proposal will have the effect the honourable member contended it will have, of crippling commerce. How can it in any way cripple commerce? Is it not a fact that in some of our institutions here the moneys were dead, and were locked up for much greater security than was required as a safeguard for the people's moneys? They were locked up absolutely, and were dormant, especially when commerce wanted them, and when the farmers wanted them; and when we wanted them for the good of the country they were not obtainable.

Sir R. STOUT.—Where was it?

Mr. SEDDON.—Looked up in foreign banking institutions: that is where it was. And I say, if the Government had had the power to issue these Consols, with the management left in the hands of the people, that the money would have been usable, and been used, in the interests of the colony. The honourable gentleman says that we are going to lock it up for forty years: and again the Colonial Treasurer has been misrepresented. That is the full extent which it can, of course, be available for—that is the maximum limit, and it does appear to me that this is another occasion showing how eagerly advantage is taken of any pretext for attacking any measure of Government policy. I am not allowed to refer to a previous debate, but whenever a maximum is named in a Bill, it is eagerly seized upon by those who oppose the measure, and is used for the purpose of argument. It has been stated all along that this is what can be done with the money. But I say it is not fair argument or criticism. There is a discretion given in the Bill to the Colonial Treasurer, and it is not to be said that we are going, or that the Colonial Treasurer is going, to exercise this power to the utmost. I say we must give him discretion, and he has asked for this discretion, and I think the House will, very properly, grant it to him. It resolves itself into this: that in dealing with these moneys it is necessary that there should be a safeguard. This is purely a Committee objection, which can be met in Committee. These large investments in the Consols should be safeguarded; they would not be negotiable—I say, myself, they would be unsafe—unless they are kept in a semi-liquid state. It is not possible that the money could be tied up as the honourable member would suggest—not for a moment.

Sir R. STOUT.—How can it be kept in a liquid state?

Mr. SEDDON.—I have received a paper here, and I wish to refer to what I have already said as to the amount of moneys that are at present put away, which people will not invest. We have had cases where persons have suddenly met with death, and large sums of

money have been found on their persons. It is a fact that the moneys of some of these people are not invested. I say there are safes, and that there are moneys put away as I have stated. As I said before I say so now again, that there are moneys locked up in safes, and that there are a number of people of the middle-classes and the working-classes whose savings for years have been locked up, and it is only to be expected that it should be so. All the financial institutions, the banks of the colony and the bankers, must admit that these people, of course, necessarily are very cautious in what they do. But I say there was no necessity and no reason why they should put their savings for years in safes. They know that the Government is safe, and that the country is safe, and that the guarantee of the country is their safety; and I say that, if this measure is passed, investments of this kind can be obtained, and we shall find these investors coming forward: and I will also undertake to say that it will not at all injure the banks. There is no desire on the part of the Government to injure those institutions, but we desire to strengthen their position. In regard to what has been said respecting the borrowing of five millions and three-quarters, I say such a remark is unfair. There is nothing of the kind, and there is no necessity for the honourable member to make this misrepresentation. This country has suffered by misrepresentation being made—by misrepresentations sent Home on purpose to injure the credit of the colony—and I see the gravest objection to that. The Liberal party at the time of the Grey Government, in 1879, suffered owing to continued misrepresentation. The honourable gentleman knows what occurred then; yet what is he doing now? He is exactly following out those steps. He states that we are proposing to borrow five millions and three-quarters; but I say no such borrowing proposals at all have been submitted by the Government. Does the honourable gentleman forget this, when talking of the million and a half for advances against freehold lands to the settlers of the country: that the Government simply take the security on the one hand and make the advances on the other, and the country gets the benefit? Again, in regard to the £750,000, the value of the land taken in security is greater than the amount advanced for purchase and roading; and, as regards the advances to settlers, — say, three millions, — the land advanced against would be worth at least five millions. It is not at all like moneys borrowed in the past, for the construction of political railways, seeing that we are not asking for any money which will not be spent in reproduction and in the interests of the country. Does the honourable gentleman forget what the moneys were borrowed for in those days, and the conditions under which moneys in the past have been borrowed? I say we can show to the merchants at Home that the money proposed to be raised is required for advances to settlers, and that will be capital security even up to the utmost limit—that is, the two-thirds

value—and any security can be given for the additional one-third. Undoubtedly, I say that the conditions are different. Then, we come to the question of the three-quarters of a million. That is a quarter of a million for the purchase of Native lands. Why, in that case we are getting freehold lands. Why are the Natives complaining? Why is the honourable member complaining that we are not paying the Natives fair value for their land, and only paying, in some instances, about half-value?

Mr. BUCHANAN.—I rise to a point of order. The honourable gentleman is travelling outside the Bill altogether, and is not dealing with the subject under consideration.

Mr. SPEAKER.—This is a monetary Bill that is under consideration, and I think members should have the opportunity of discussing the financial condition of the colony upon a measure like this.

Mr. SEDDON.—I do not complain. They have a bad case on that side. I was simply meeting the remarks made by the senior member for Wellington City in regard to the question of borrowing. He said we were unfortunate in the policy the Government have brought down this year; and I was going to say that the quarter of a million proposed for the purchase of Native land and for the roading of Native land is really the amount we are paying for the land; but we are getting double its value. If we were to believe what the honourable gentleman told the House, and what the Native members and the North Island members have also said,—they have repeatedly stated that the Government are not paying sufficient for the Native land; and I tell the House that for this quarter of a million we are asking power to expend we shall get a quarter of a million in return. That is, I think, a complete answer to the honourable gentleman. With regard to the quarter of a million for the roading of Crown lands and Native lands already purchased, I say that by doing this we are increasing the national wealth of the country, because we are increasing our population by attracting settlers to it with capital; we are also putting our own people upon the land; and I say, where moneys are expended for such a purpose, that it is fallacious, and wrong in fact, to say that we are going in for an habitual system of borrowing to such an extent that we shall be unable to pay our interest. I say the honourable gentleman ought to have been the last man to say that, and I am very sorry that he could have arrived at that stage when he could mention the word "repudiation" on the floor of this House. No man who loves our colony, who is true to his country—who is a true New-Zealander—should use that word on the floor of this House. Away with it! I scout the idea. I say that these moneys belonging to the people will be invested in assisting the production of the country, in increasing the population and assisting our various productions, and in giving heart to the people: and, Sir, to say this means ultimate "repudiation"—I scout the idea. And I have every reason to do so. With a season, I suppose,

Mr. Seddon

unparalleled in the history of this colony in regard to the low prices, with the bad harvests we have had for the past two years, we still find that we are able to show a gross surplus of nearly half a million, and a net surplus of £293,000, £250,000 of which we can pay over to the Public Works Fund out of our consolidated revenue. And then, with these facts before him, the honourable member for Wellington City (Sir R. Stout) talks about "repudiation" under such circumstances! Let us away with it. With the prospect we have before us, with our people in good heart and hope implanted in their breasts, let us not discourage them with any such pessimistic forecast. We propose to give them cheap money, and to keep most of the interest on that money amongst ourselves. We are going in the right direction, and probably the honourable member knows this is an absolute fact. It has been said, in regard to this proposal, that we are departing from the lines laid down—from the self-reliant policy of this party during the last three years. I tell the honourable member that this proposal, the policy of helping the people, and of providing in the colony the moneys required by the Government, was proposed in 1892, when circumstances arose which are familiar to the House; and we are now going on the lines then laid down. Those lines are absolutely safe, they have been tried in other countries, and the sooner we encourage this system here in New Zealand the better it will be for New Zealand. I am very sorry, myself, that there should have been anything said antagonistic to this Bill, and as indicated in the remarks made to-night, as I look upon it as being really one of the most beneficial proposals which the Government have brought before the House this session.

11.0. Captain RUSSELL.—Mr. Speaker, it was very amusing to me just now to hear the Premier charge my honourable friend the senior member for Wellington City with being an apologist for lending companies and for banks.

Sir R. STOUT.—"And syndicates," he said. Captain RUSSELL.—Yes. It was a most amusing thing to hear the Premier, who has been perpetually denouncing loan-companies and syndicates and every financial institution; and yet, by the queer irony of fate, he is the leader of a Government who have done more to bolster up banking institutions and monster syndicates, and in bringing about amalgamation of banks, than any honourable gentleman who has ever sat in the Parliament of New Zealand. What was the speech from first to last? It was really no defence of his policy, it was no defence of the Bill we are now discussing, but it was a long tirade of abuse against an honourable gentleman whom he was only too proud to follow some years ago. He taunted the honourable gentleman with buying political support in the days of district railways; and that was a most unjust charge, I have not a shadow of doubt. But I would ask, who was the most faithful henchman of the Government at that time? Who was the great fighting-man for the Stout-Vogel Government, except the

Premier himself? There is an old proverb as to there being honour among thieves. I make no imputation whatsoever, but it is a saying which we ought all to remember. It is an inadvisable thing to talk against those with whom we have acted cordially and sympathetically in days gone by. In reply to the remark from the honourable gentleman opposite, I may say that there was a man in the House of Commons known as "Single-speech Hamilton," and I am afraid lest I should be known as "Single-speech Russell," because I am continually being told about one speech which I made some ten years ago. It was a very remarkable speech, or else it contained the only injudicious thing which I have ever said in Parliament, for it is the only speech of mine which the Premier ever brings up against me. I am, in this respect, quite unlike the honourable gentlemen opposite, who are perpetually retreating from the positions which they took up in former days. Every word which I said then I was perfectly justified in saying, and should say again if circumstances arose. This Bill, to my mind, is a perfect monstrosity; and I am determined that, so far as lies in my power, the House shall have an opportunity of saying more than either Aye or Nay in regard to this Bill, and I shall propose, before I resume my seat, an amendment traversing the policy of the Bill. What is the policy of the Bill?—for upon my word it is difficult to know. The Colonial Treasurer in introducing it told us that it was a very simple Bill; and it is a precious simple Bill, and we shall be precious simpletons if we allow the Bill to go through. It is a borrowing Bill in the very worst form. There is no attempt to conceal that it is a borrowing Bill, a Bill by which the Colonial Treasurer is to be allowed to get half a million of money as soon as he possibly can, and to squander it in any way he may possibly choose. The Colonial Treasurer told us that he would state what the money was wanted for, but he did not do so—or, if he did so, it is a worse Bill than I thought it was. He told us, in so many words, that it was a Bill to redeem Treasury bills—it was to be a permanent loan of a million of money to redeem Treasury bills. It may be said by some of his enthusiastic supporters that that is not the only purpose for which this money is to be used, but I have my reason for believing that it is the only purpose for which the money is to be used, for this reason: that the Colonial Treasurer told us, in reply to a question, that he would inform this House how the money was to be spent, and two or three of my honourable friends behind me laughingly interjected remarks in order to get an answer out of the Treasurer, but he told them that he was going to give an answer, and the only answer they got was that the money was to be used to take up Treasury bills; but not for an instant did he tell us that the power which he now possesses in regard to Treasury bills under the Public Revenues Act was to be restricted. He did not tell us that the Public Revenues Act was to be repealed or altered at all. The power which he now possesses under the Public Revenues Act he still intends to retain, in

addition to borrowing this million of money. The Premier told us that the reason for this Consols proposal is this: that we have been sending money out of this colony, that we have been crippling our resources and impoverishing our people under the former system of borrowing in the English and cheapest market, but that under this system, by which Consols are to be floated, prosperity is to be brought to the colony. He said that the money is going to be raised in the colony, but I am as certain as we are all in this chamber at the present moment that scarcely any of the money raised by these Consols will be New Zealand money. The clauses of the Bill are absolutely useless for the purpose of providing against the investment of English capital in these Consols; and, whatever clauses may be introduced in Committee, I venture to assert that they will be absolutely inoperative, and that by no possible human ingenuity can you devise provisions which will prevent English capital flowing in to take up these Consols, if they are taken up at all. You may tell me that a clause can be drawn to prevent that, but how are you to prove that money which has come into this colony and is in the possession of any person for investment is not money belonging to some person in England but is the *bona fide* property of some person in New Zealand? It is absolutely impossible to distinguish it; and, for that reason, I say the money will as certainly be English money as any other loan which has ever been raised. The only difference will be this: that this money is to be raised at 4 per cent., while the other loans are to be raised, nominally, at 3½ per cent. The Colonial Treasurer went on to draw a comparison between the £535,000,000 of Consols in England and this wretched Consols Bill, or our colonial debt, as the case may be. As a matter of fact, there is no comparison at all, or, if there is a comparison, it is against this proposal. What is the true position? In England, under Mr. Goschen's scheme, they reduce the amount of interest paid to 2½ per cent. on the national debt of England, which is being persistently and steadily reduced; whilst under this precious scheme, if you please, we are now invited to pay ½ per cent. more than is paid for the consolidated stock of the colony, and our debt is certain to be materially increased; so that, as a matter of fact, there is no analogy whatsoever. Of course, there could be no analogy under any circumstances; but, even taking the honourable gentleman's own argument, there is no analogy whatsoever between the position of the Consols in England and those proposed to be created under this Bill. The Premier went on to tell us that large sums are lying dormant, and that in some cases money is being sent out of New Zealand for investment. We are perpetually being told in this House that it is quite impossible for any person to borrow money at a moderate rate of interest; that persons with first-class securities are crying out for investments, and that they cannot borrow money under 7, 8, and 10 per cent.; and, on the other hand, the honourable gentlemen

opposite tell us in so many words that money is lying dormant, and that there will be a great rush to lend money at 4 per cent.; whereas hitherto it has been impossible, on first-class security, to borrow at anything under 7 per cent. And I admit that I should now sooner take a good investment in land of first-class quality than I should in securities with the colonial guarantee. We are told continually that if any person says a word affecting the credit of the colony it is unpatriotic. That is all nonsense, and the sooner we put that aside the better. If any person has a firm conviction that the policy which is being pursued is detrimental to the interests of the colony, it is his duty to say so fearlessly, whatever taunts may be thrown at him for doing so. To my mind, at any rate, the system of borrowing we are now pursuing is absolutely destructive to the interests of the colony, and I can see nothing before us but this: that we shall go on borrowing, squandering, and scattering money until the credit of this colony is absolutely damned and "reputation" is a word which will be not unfrequently heard in this House. I have thought for the past three years, and believe so now, that unless we are very careful indeed we shall be plunged by the Government, with its reckless proposals, into financial disaster the outcome of which we cannot see at the present moment. I have felt that ever since the Government came into office, and I can see no reason why I should not express that opinion, as I hold it so strongly. Then, the Treasurer went on to tell us that it was not fair to fix on the maximum figures in the Bill as the sum which is to be raised. What is the object of putting figures into a Bill if we are not to argue on those figures? So far from being improper to argue upon the maximum figures in a borrowing Bill, experience tells us that the maximum figures in such Bills are always reached.

Mr. SEDDON.—You did not do it yourself. You had power to borrow three millions, and you only borrowed two.

Captain RUSSELL.—Any borrowing done by the Government of which I was a member was to repair the damage produced by previous Governments. But the wretched past is a subject which the Premier is always bringing up. He knows that his own policy will not stand examination, and so he constantly endeavours to draw the hounds off the scent and run them on the proverbial red-herring. I have no intention of being very long, because this is a subject really upon which there need be no debate if members are only true to the promises which they made from the hustings, and are true to the real feeling of the country. I propose to move this amendment, so as to test the feeling of the House with respect to this Bill. I shall move to leave out all the words after "That," in order to insert these words: "it is not desirable, by the New Zealand Consols Bill, to still further extend the policy of borrowing, in direct contravention of the will of the country as declared at the late general election." Sir, when I look around the House, and think of the

speeches of honourable members which I read before they became members,—that is to say, when they were last before their constituents when they really realised what the feeling of the country was,—I feel sure that there are very few indeed who can say that this does not voice the principle which they enunciated when they went on the hustings; and, however strong party ties may be, let us hold this in mind: that party ties should have no weight when men are pledged to a particular and well-defined line of action. If they showed a true devotion to the principles which they enunciated to the people, and which they believe to be true—if only honourable members would adhere to those principles, I should not have the shadow of a doubt but that this amendment would be carried by a large majority of the House. Sir, the Treasurer, in speaking to-night, talked about limiting the use of Consols to the people in this country; but, as I said just now, it is perfectly impossible to do so, inasmuch as it is impossible to trace the money as it comes out from Home. But, even supposing that such a thing could be—supposing that all the assertions about this scheme being a system of investment for the people of New Zealand are reliable, I would ask, what is the meaning of the 35th clause? Under it the Treasurer has power to convert the whole of the Consols into consolidated stock of New Zealand. It is of no use telling us that this scheme is for New Zealand, for here is the power to convert the New Zealand Consols into an English loan, which, I can see, will be availed of at the first emergency by the Treasurer, and this vaunted policy of investment simply in Consols for the people of New Zealand will vanish into thin air, and they will be converted into inscribed stock. This loan is different from any other loan, I believe, which has ever been before the people of New Zealand. It was introduced in a speech quite unworthy of the occasion. It was a speech which, cut down to its narrowest limits, meant this: "Gentlemen of the House of Representatives, you will be good enough to give me a million pounds, to do exactly what I like with." It took longer to make the speech, but when we analysed everything he said it amounted just to that: "Give me a million pounds, with which to play 'ducks and drakes' if I think fit." There is no proposal—to use a horrid word—to "ear-mark" the loan, or to allocate it to any particular purpose. It is simply to be paid into the hands of the Colonial Treasurer to spend in any way he thinks fit. Do honourable members—does any person—believe that such a procedure would be wise? No, Sir. I believe the country is antagonistic to the last degree to any such scheme as this; and I believe the House, if it ventured to express its opinion, would be as hostile as the country is. The idea that the country can ever prosper by perpetual borrowings of money, and the scattering of it about broadcast, in a manner irrespective of any scheme,—in a manner which can conduce to no particular line of policy,—in a manner which is more calcu-

Captain Russell

lated to buy support than anything else—surely must be bad for this country. When an honourable gentleman said this evening that the Colonial Treasurer seemed to look upon himself as the coming Messiah, the Colonial Treasurer said “Hear, hear” to that. I do not believe the honourable gentleman will ever be the coming Messiah; the day will come—and probably that day is not far off—when the people will cry, “Crucify him!” The trouble, misery, and misfortune which are being brought on the colony by the borrowing policy of the Government will lead to such a state of distress that the people will cry out for some great retribution upon those honourable gentlemen, and I hope they will not go so far as to cry out for their blood, but undoubtedly they will call out for their ejection from office. Do not let the House think for one instant we can advance the true interests of the country by any such scheme as this. Let us all realise that it is only by energy, industry, and self-denial that a country can progress. So long as we borrow, in my opinion so long will the country be the reverse of prosperous. And, so that the House may have an opportunity of expressing its opinion on the subject, I now beg to move, That all the words after “That” be struck out of the motion, with a view of inserting in lieu thereof: “it is not desirable, by the New Zealand Consols Bill, to still further extend the policy of borrowing, in direct contravention of the will of the country as declared at the late general election.”

Mr. G. HUTCHISON.—In seconding the amendment I desire to say a few words on the subject of the Bill the second reading of which has been moved to-night. It has been the occasion of a most extraordinary spectacle—that of the two leading members of the Government being at variance with one another as to the objects of the measure, and each in contradiction of previous expressions of opinion by himself as to the objects for which this million of Consols is to be raised. The Premier indulged us by appearing in a new rôle: I give him credit for not usually being guilty of discussing the financial aspects of a measure. Certainly, if he desired to make himself ridiculous he has every reason to be satisfied with the result. The way he floundered about in endeavouring to explain the Bill would suggest that he has not read the Bill; and the way he contradicted his honourable friend on the left in attempting to help him was distinctly amusing. The Premier said there was a necessity for the Bill. I quite agree with him. There is a necessity for the Bill from the point of view of the Government; but it is not the necessity which he indicated. He said the necessity arose from the fact that there was a large amount of money in the colony seeking safe and easy investment. That may be, to a certain extent, true; but, if it be true, it is here in the shape of money which is either invested in other enterprises, or is awaiting investment—lying, as he has indicated, in the Post-Office Savings-Bank in deposits over £500—aggregating £40,000—which, by the rule of the department, do not

bear interest. Is he anxious that the taxpayers of the colony should pay interest upon that £40,000, the use of which the colony is getting at present, in the shape of Treasury bills? The Premier went on to say that, besides money in the colony desiring investment, there is a large amount of money which has been withdrawn from the colony, and might be brought back by this inducement; but if that money comes in the interest will certainly go out. If it comes back under this proposal, it will be capital from outside the colony, sent here for investment: and, no doubt, it would obtain perfectly safe investment at what in England would be considered a high rate of interest, as sure of payment as the best English stocks, for the honour and solvency of the colony are pledged to every one of these proposals—however undesirable from our point of view—that may be carried; every contract that the colony makes will no doubt be strictly performed, whatever sacrifice we may have to make to keep faith. These Consols would be perfectly good securities—gilt-edged securities—which investors in England will be glad to take advantage of, having the promise of 4 per cent. for a considerable number of years,—the period being indicated here as forty. The proposal is such, however, that no Government would dare to make except in the last emergency. I quite agree with the honourable member for Wellington City (Sir R. Stout) that if such schemes as these are adopted there is a crisis approaching in the affairs of the colony such as we have not known as yet. The Treasurer in his speech gave his explanation as to the objects to which the money to be raised under this Bill would be applied. He said it might be applied to the redemption of Treasury bills—that is to say, promissory notes which have a short currency beyond the financial year in which they are issued, but only issued in anticipation of revenue which is expected to come in to redeem them in due course. The present proposal, therefore, is that, instead of issuing Treasury bills at short dates, money is to be raised for present requirement, but not to be repayable till the end of a long period of years. The honourable gentleman referred to the large amount of money in England raised by Consols. That is perfectly right; but what does the money represent? It represents a great part of the national debt of England, raised in times of emergency; most of it in times of war.

Mr. WARD.—Not the national debt.

Mr. G. HUTCHISON.—The greater part of it represents crises in the history of England, and, most of all, the expenses of disastrous wars. I take the Treasurer at his word; I accept his statement that the money to be raised by these Consols is intended to supply a want such as was supplied in England through the floating of Consols there. The Consols of England represent deficiencies from time to time in the ordinary revenue of the country. They were raised for the purpose of supplying deficits, and that is exactly what the Treasurer is forced to do in this year of grace 1894.

That I may not be supposed to be speaking without justification on the subject, I would ask the attention of the House to the fact that on the transactions of the last financial year there was absolutely no surplus at all, but a deficiency. The surplus is stated in the Budget to have been £290,288 on the 31st March. But, Sir, the credit balance carried forward from the previous year amounted to £283,779. The difference between these two sums, being £6,459, represents, by the book-keeping the Treasurer himself has set out in his Financial Statement, an apparent surplus of only £6,459. But that disappears when we consider that the balances held by the Government on the 31st March last were considerably larger than the balances on the 31st March of the preceding year. I can give the Treasurer the very items. On the State Forests Account the balance was greater by £1,916; on the Local Bodies' Account by £2,047; upon the Deposit Account by £4,833; and on general liabilities by £3,200: amounting in all four items to £11,996. Thus it appears upon last year's transactions, as evidenced by the Financial Statement itself, that there was a deficit of over £5,000. The senior member for Wellington City has already pointed out that, if we eliminate from the annual balance-sheet as brought down by the Treasurer those questionable transactions in the nature of borrowing on debentures for sinking-fund increases, there was a deficiency of over £17,000. Sir, the outlook is not promising. The June quarter of this year shows a falling-off in revenue, as compared with the corresponding quarter of last year, of £38,000; while the expenditure for the same quarter, as also compared with the corresponding quarter of last year, has increased by over £23,000. And if we look at that weather-gauge, the Customs revenue, we have indications which should fill us with the greatest concern. The Customs revenue is undoubtedly falling; and I hope it will not be imputed to us here as an offence or crime if we point out the real facts that ought to be in the mind of every member in this House who is desirous of legislating for the good of the colony. Here are the figures for the four months of the year as to which we have been vouchsafed information: For April, the Customs revenue was £129,213, for May it was £118,458, for June it was £115,758, and for July it was £130,343; in each instance, during the last three of these months, being less than the amount collected in the corresponding month of the preceding year. The total of these four months—one-third of the year—is £493,773, which will show a deficiency upon the ratio for twelve months when compared with the estimate of the Colonial Treasurer for the current year—an estimate written down by some £55,000 from the previous year. It will show a deficiency of a considerable sum.

Mr. WARD.—What sum?

Mr. G. HUTCHISON.—The figures are these: £493,773 is the total Customs revenue for the four months; multiplied by three, it gives £1,481,319, as against £1,600,000, the estimate of the Treasurer for the current year.

Mr. G. Hutchison

Mr. WARD.—What is the difference?

Mr. G. HUTCHISON.—If my honourable friend puts down the £1,600,000—and he will, I hope, be careful of his oughts—and then deducts the amount I have given,—namely, £1,481,319 as the ratio for twelve months,—he will find the difference; and, as this House supplies the Treasurer at a cost of between £6,000 and £7,000 a year with an expert staff, he will probably get the sum worked out without troubling honourable members. These are the figures, and they do show a marked deficiency, which it may well be wished by every one here will be made up in the months yet to come. But the indications, unfortunately, do not point in that direction. My honourable friend the Premier referred to the opinions that were expressed from time to time as to the policy of the Government—the borrowing policy of the Government, which he will insist should not be described as borrowing—as to which he and his colleague the Treasurer are anxious to quote the favourable opinions from abroad. But the opinions of journals at a distance upon our proceedings here are not of much value. Most of the commendations that have been quoted turn out to be based on incorrect information: for instance, the latest opinions expressed in England are on the supposition that the financial-aid-to-settlers borrowing scheme is only intended to extend to one and a half millions—not for a series of years; and it is also supposed that this scheme of Consols is intended to take the place of the authority for an unlimited issue of postal notes passed last year. It is on such erroneous suppositions that we find very qualified commendation of the proposals of the Government, and this commendation only in papers which have not the position or the authority of such journals as the *Economist*. Here is the paper which the Treasurer quotes with effusion, the *British Australasian*; and although, on the incorrect basis mentioned, there is a sort of approval expressed in one part of the paper, we have only to look to another part to judge of the quality of the matter contained in this hitherto unquoted authority. For instance, I find a letter from a correspondent, in which reference is made to an interesting development that may be news to honourable members. There is a paragraph reproduced in this valuable paper to this effect: "A rebellion has broken out in New Zealand. Mr. Stout is leading the Government forces, and a man named Seddon is in charge of the rebels." Comical as this sounds, there is, after all, a grain of truth in the statement that "a man named Seddon is leading the rebels." He is at the present time leading rebels against the policy affirmed by the majority at the general election. The question is, What did you profess at the general elections, and what are you going to vote for now? Was such a scheme as this propounded to the electors? No, most certainly not; not a word of it. If it had been, the rebels would not be in the force they are on this occasion. This is the most wanton and profligate scheme of borrowing. The politi-

cians of easy virtue, who are now reclining on the Treasury benches, have cast off all shame, and now parade their painted vice in the eyes of the colony. Unfortunately, they have succeeded in depraving others—a majority of this House—who are now as abandoned as themselves. No words can be too strong to denounce the depravity evidenced by the policy measures of this session. They are a complete reversal and renunciation of the principles of true liberalism and self-reliance—a change not to the credit of the colony, but in repudiation of the profession made only a few months ago to the electors of the colony, upon the faith of which the present Ministry were confirmed in power. Had it been foreseen that schemes such as this would be introduced this session so lightly, so airily, and so flippantly by the Colonial Treasurer, there would have been a howl of reprobation instead of the chorus of applause which is claimed to have arisen at the development of the policy of the Ministry. However, I trust, whatever the result of the division will be on the motion of the honourable member for Hawke's Bay, that the electors of the colony will take note of the great and serious departure which marks the professions of the Government a few months ago from their performance now.

Mr. REEVES.—There is, of course, only one way of accepting such a motion as this, and the Premier, of course, wishes it to be understood that the Government takes up the gauntlet as promptly as the leader of the Opposition has thrown it down. This is a fair time for that attack, and we take it as such, and, if we did not accept it in that way, no Government would be fit to sit here for half an hour. It is a fair attack upon our financial policy, coming, of course, from the proper quarter from which an attack should come. And the attack represents the Opposition in this House, and it represents something more than the Opposition, because it represents that financial spirit outside the House which has always been hostile to this Government, hostile to this party, and, we believe, not in the interests of the colony as a whole. Here in this amendment speak the foreign banks, the foreign capitalists, that large class which has locked up the lands of this colony for so many years and held it against settlement, and that large class which has made use of the working settlers of this colony as a means of investing money at high rates, and, as a milch cow, to find excessive returns for the investment of their money in that way—the class which has lent money to settlers in years past at rates falling, perhaps, gradually from 15 to 6½ per cent., but always high. And at the present time, though lower than they once were, they are still high relatively to what they should be. That is the class, Sir, which dislikes our financial policy, and which attacks it to-night. Let there be no mistake about that. We expected that our financial policy would be attacked. Any policy which treads on the toes of the money-lender and the financial institution must be hated and attacked. We have

waited for the attack, we have wondered in what way it would come, and because it has come in this way we are neither astonished nor are we dismayed. We are prepared to meet it. Now with regard to the honourable member for Waitotara. I have once had occasion, Sir, to sum up the honourable gentleman's method when he desired to be unusually dramatic. I once had occasion to sum up a speech of his in the words "tragic humbug," and, if I wanted some expression to describe his speech to-night, I do not think I could possibly improve on the words I then used. Nothing could well be more tragic or more magnificently insincere than the speech of the honourable gentleman: the solemn tones in which he warned us of a terrible and awful fate which is in store for the colony: the warnings he drew from the four months of the financial year which have already expired; the way in which he pointed out, basing his calculations upon these months, that we must reasonably expect the remaining months of the year to lead us to a deficit. All this reminded me of his manner in the days when he indulged in the same gloomy forebodings concerning the policy of the Ballance Administration. Because we adhered to that policy we were blamed by those honourable gentlemen opposite. Now, because we depart, as they say, from that policy we are blamed. It is said we are false to the policy of the late Mr. Ballance, and to the policy of the Liberal party in past years. Why is it that those gentlemen who are attacking us for departing from that policy attacked us in just the same language for sticking to the same policy in years gone by? Every word they said against our present policy they said against the Ballance policy in 1892 and 1893, and the honourable member for Waitotara was amongst them. He stood in the front rank and said the bitterest things. The honourable gentlemen themselves, unable to say anything effectual against us, borrowed the honourable gentleman from us and get him to lead the attack always. That party has to come to the Liberal party for brains and talents. It is some consolation to us to know that the ablest of our antagonists are borrowed from our ranks. It is a poor consolation, but still it is something. When they want instruments for attack they find them on this side of the House.

Mr. BELL.—Real talent comes over.

Mr. REEVES.—Fidelity never goes over. And why do the honourable gentlemen not regret that they should come? Have the honourable gentlemen no talent of their own, that they are obliged to borrow it from this side of the House? They had better develop a little native talent on that side, instead of always having to come to us for it. These opponents of a colonial borrowing policy—why should they set about a parliamentary borrowing policy? Why should they take the debating-power, financial knowledge, and parliamentary ability from this side of the House? It is a terrible confession of their

weakness. Now for my honourable friend, if I may be permitted to note one or two of his remarks. Sir, he pointed out, as I say, that the revenue during the preceding months of the financial year had not been elastic—that it had been less than the revenue of the corresponding months of the preceding year; and therefore he said it is only reasonable to assume that we are going straight to a deficit. Now, it is a most unfortunate thing that we have had to meet exactly this argument before, and the result of the use of this argument has been terribly destructive to honourable gentlemen who accused us of going straight to a deficit. Does the honourable gentleman remember a speech made in 1892 by the Hon. Mr. George Richardson—how he gave us the revenue month after month, and how he prognosticated what the result would be? Does he remember the words which Mr. Richardson used then—words which became proverbial for years afterwards—namely, that we were “galloping to a deficit”?

An Hon. MEMBER.—No; Rolleston.

Mr. REEVES.—No; pardon me, it was Mr. Richardson. Mr. Rolleston never used those words: and thereby hangs a tale. They were used in the Press Association's summary of Mr. Rolleston's Halswell speech, but Mr. Rolleston never did use them. He forgot to use them. He meant to use them, and they were put into the Press Association's summary of his speech. Unhappily he forgot to use them, but they went through the colony all the same. The man who really did use them, and from whom Mr. Rolleston did borrow them—for those honourable gentlemen on that side are always borrowing—the man from whom Mr. Rolleston meant to borrow them was the then member for Mataura, the Hon. Mr. Richardson; and he based his remarks on this: that, because the revenue for the first four months had fallen, Mr. Ballance's Government were galloping to a deficit. We accepted the challenge, and said if he was right and we were wrong he and his party were entitled to the confidence of the country as its financiers, and that we should be no longer entitled to it. What was the result? Instead of galloping to a deficit we were able to come down next year with a surplus unprecedented in New Zealand. I should think that the honourable member for Patea, who was a member of the House at the time, would have been warned by the deplorable disaster—the awful cropper come by the honourable member for Mataura, and that he would not have made the same mistake.

Mr. G. HUTCHISON.—Time will show.

Mr. REEVES.—Sir, I accept that. Time will show, as time has shown. If time shows that the honourable gentleman is right and the Treasurer is wrong, of course he will be entitled to the confidence of the country, and we shall not; but again and again time has shown that their prophecies are wrong, and that we have turned out right. I think we are entitled to say to our friends and our supporters outside that time is on our side, and that time will again show that we are right.

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Then the honourable gentleman went on. Passing from melodrama, he indulged in a little argument. He said that certain money was placed in the savings-banks to a considerable amount by investors, and that we were getting the use of that money for nothing, since it was there without interest; and what did our proposal amount to but simply this: that we were going to take that money out of the Savings-Bank, use it, and pay 4 per cent. interest upon the very money which was in the Savings-Bank, and which we were now getting the use of for no interest at all? He asked whether that was fair to the taxpayer. No; I do not think it would be fair to the taxpayer if we were getting the use of that money without paying interest. But it unfortunately happens that, though it is in the Savings-Bank at call, it is there in such a way that we cannot make use of it in a profitable manner. Therefore we are not getting the use of it without paying interest. But, if we get it, and pay 4 per cent. interest on it, we shall not be making a bad bargain by the transfer. That disproves the honourable gentleman's argument in that particular.

An Hon. MEMBER.—That is poor.

Mr. REEVES.—Well, it may be poor, but it is true; and the honourable member for Patea may be dramatic, but he is not correct. Therefore I take it that my argument is more useful than his. But the honourable gentleman went on to lecture the Treasurer about having referred to the English Consols, and spoke of the English debt as though it was something superior to anything that we borrow. Why? Because it was a war debt raised at times of emergency and panic? Does that make it better? On the contrary, it makes it very much worse. That money was raised by the million, the score of millions, the hundreds of millions to waste, to throw it into the sea, to use it in subsidising German princes and Continental emperors to lose battles against the Great Napoleon. Just because we wish to raise a certain small sum of money in the same way to spend in a useful and productive manner, is that method in any way inferior to the English method? That is a line of argument I am totally unable to follow. Raising money by Consols is financing—a sound method of raising money. Raising money by Consols to spend in war is a bad method of wasting money. Raising money by Consols to use as we intend to use it is a good method of using money, and is in no way comparable to the hideous waste of money in war.

Mr. BELL.—You call it raising money?

Mr. REEVES.—I call it raising money.

Mr. BELL.—It is raising money.

Mr. REEVES.—Yes, it is. And now let us come to that very point about raising money. What is all this fuss about? Why is all this unmeasured language used with regard to a fresh borrowing policy, loading the backs of the taxpayers with debt, plunging the colony into fresh millions, adding burdens to the shoulders of posterity, and so on, and so on? What does all this mean? What does it amount to? It

is quite true we are going to raise money in this way; but we are not, by raising this money, going to increase the indebtedness of the country. If this Consols Bill is not passed, it will not make the very least difference in the amount of money we raise, and the honourable gentlemen on that side and on this side must recognise that. This is merely a question of how we are going to raise the money. The money has to be raised, and other Bills are to be passed by this House to enable us to spend it. The expenditure is to be limited, and to be regulated by those other Bills, as honourable gentlemen are aware. It is simply a question of how the money is to be raised.

An Hon. MEMBER.—It is additional.

Mr. REEVES.—No. On the contrary, it is not power to raise additional money at all, but merely a power to vary the method by which we shall raise money. I have not, Sir, been allowed to get out three sentences without at least half a dozen interruptions, and, though I do not mind one interruption at a time, it is really difficult to get on when there are six or seven voices interrupting at once. But to continue. I say again it is not a question under this Bill of raising one additional sixpence. If this Bill is not passed we shall still raise exactly as many thousands of pounds as we propose to raise by it, but it will be raised in a different way. It is ridiculous and idle to pretend that, for example, if, instead of raising money by Consols and redeeming the Treasury bills, we go on raising money by Treasury bills, that will make a difference in the total indebtedness. You will have Treasury bills instead of Consols—that is all. Or, again, it is equally ridiculous to say that if it is raised by debentures instead of by Consols the indebtedness of the colony will be altered. It will not be altered. As a matter of fact, it will simply be debentures instead of Consols. The question is, whether you are prepared to have a certain number of Consols or Treasury bills or a certain number of debentures, and, argue as those honourable gentlemen will, they cannot alter it or change it from that. The indebtedness of the colony will be the same, but the method of raising some of the money may be different. Now, the House can make its choice; what we have now to do is to consider the method of raising the money by Consols. If that is a bad method, and not equal to raising money by Treasury bills or debentures, then throw this Bill out. But if raising the money by Consols is in itself a sound accepted financial method of getting money, then I see no reason why this Bill should not pass. Very well. Now I come to the argument which has been brought to bear against the raising of money by Consols. That, I say, is fair argument. If what the honourable member for Hawke's Bay said is correct, then I say that is a fair reason for throwing the Bill out; because he argued that the mere raising of money in this way by Consols is a bad thing. He says it will deplete the banks; it will interfere with enterprise; it will interfere with industry; it is

locking up the savings of the people, and diverting them from ordinary commercial and industrial channels.

Captain RUSSELL.—That was not my argument.

Sir R. STOUT.—That was what I said.

Mr. REEVES.—I am quite aware that the senior member for Wellington City said that, but I was under the impression that the honourable member for Hawke's Bay took up the same line.

Captain RUSSELL.—No.

Mr. REEVES.—Very well; the argument was used by the senior member for Wellington City, and it is a fair argument to bring against the Bill. It was something like argument, not mere melodrama or humbug. If it is correct, I say it is strong reason why the Bill should not be passed. But I see no reason for supposing that it will prove correct. In the first place, it is totally wrong to say that, if money is put into Consols, it will be taken away from the Bank of New Zealand. Every ten-pound note put into Consols will not be drawn out of the Bank of New Zealand necessarily, or out of any other bank. The chances are that a good deal would not come out of the banks at all. The chances are that some of it is not invested in any way. I have it as the opinion of experienced people connected with financial institutions that there is a considerable sum of money in New Zealand which is not in any financial institutions; which is not being invested or made use of at all; which is simply being hoarded up through lack of confidence in financial institutions—lack of confidence caused by the great disasters and panics in Australia. That money will come into the Government coffers; and there is other money, no doubt, that will do so. Some of the money lying at the Post-Office Savings-Bank at call will come in, and no doubt sums invested in other ways will come in, and I do not see why they should not. If the people want safe investments, why should not the State find the safest investments for them? Why should we not take care of our people? Why, if people want a safe investment for thrift, should we not find it for them? I say, undoubtedly, it is the duty of the State to do that, and that there is no duty which the State can more wisely or fairly undertake than that. The State can do it better than any private institution can do it, and there is no reason why we should not do it, or why the House should not support us in doing it. But about the question of the banks, so far from this scheme taking something out of the Bank of New Zealand it will put something in its way. The money that comes into the pocket of the State by way of Consols, every sovereign of it, will find its way into the Bank of New Zealand, for the Bank of New Zealand is the institution with which we do business and into which our money is paid. It is also the institution with which our financial offices do business—the financial offices which hold Treasury bills; and therefore if we redeem those Treasury bills a good deal of that money will indirectly find its

way to the bank. There is no reason to think for a moment that this scheme will in any way weaken or deplete the Bank of New Zealand. As regards the other banks—ah! that is another story. But do these foreign banks always use all the New Zealand money deposited in them for the purpose of promoting industry and enterprise in New Zealand? What do the figures show? That there is a drain—an old drain, and a considerable drain—of New Zealand money out of this country through these same foreign banks. There may be a difference of opinion as to the amount of the drain. It may be exaggerated. I think there have been occasions on which and newspapers in which it has been exaggerated, but that the drain has existed, and has been a real one, is undoubted, and figures prove it.

Mr. BELL.—No.

Mr. REEVES.—I have the opinion of men, Sir, who have taken an attitude almost as friendly as that of the second member for Wellington City towards these foreign banks.

Mr. BELL.—They were wrong.

Mr. REEVES.—That, of course, is a matter of opinion. I say, therefore, that there is no

reason to suppose that this system of 12.0. Consols is either unsound in itself or likely to be injurious to the State bank of New Zealand—by State bank I mean the Bank of New Zealand; and, as to foreign banks, I am inclined to think that on the whole they can take care of themselves. They are not weak institutions, and a question of £50,000 or £100,000 will not ruin them. The suggestion that a whole million is to come out of them, and to come in a hurry, will not hold water. It is exceedingly doubtful whether a million of capital will be taken up, at any rate, in a hurry. The taking-up of a million by New Zealand investors will be a matter of many months, and, as I said before, the greater part will not come out of the banks at all, and, of that which does, only a portion will come out of foreign banks. As to what may come out of the Bank of New Zealand, that and a great deal more will go back into that bank. For that reason there is no cause for thinking that the system will interfere with enterprise, or with the financial institutions of the colony. This in itself is a safe and accepted method of raising money; we have the English example for this, and therefore I do not see any reason why on this account the Bill should be rejected. I have already dealt with the point of whether this means additional borrowing or an additional burden on the shoulders of the taxpayers. It is merely a question of the method by which money is to be raised, the authority for using which will be given by the House in other Bills. Before I sit down let me say a word or two about the attacks made on the general principle. A great deal has been said about the platform pledges of those on this side of the House. The honourable member for Hawke's Bay undertook to tell us what our pledges to our constituents have been, and what our duty is to those who sent us here. It is quite true we ought to keep our

pledges, and that we ought to remember our duty to our constituents; but I am inclined to think the Liberal electors of New Zealand will not go to the honourable member for Hawke's Bay as an authority on the conduct of their representatives, and I am inclined to think they will not look to that honourable gentleman as precisely the person to teach us what is our duty towards our constituents. He and his friends have done nothing during the last three years except to reproach us with having broken our pledges and forgotten our duty to our constituents. They have constantly told us what our duty was.

Captain RUSSELL.—Why did you not take our advice?

Mr. REEVES.—Because if we had we should have forgotten what our duty was, and we should certainly not have got that renewal of confidence from the constituencies last year which they were good enough to give us. Remember that we went back to our constituents last November after having done for three years everything the honourable gentleman and his friends said we ought not to do, and having refused to do everything they said we ought to do; and, in face of this deplorable obstinacy on our part, they sent us back with renewed and fresh expressions of confidence. Then they declined to send back about half of the honourable gentlemen's friends. They rent his party to ribands, and sent back our party stronger than ever. Therefore we ourselves are likely to be much better judges of our duty to our constituents than the honourable gentleman, and we are not likely to take his dictum on the point. What we were pledged to our constituents in is that we were not to have a renewal of the borrowing of the past. Did we pledge ourselves to our constituents not to raise money by debentures in the colony for the purpose of buying land? Do our constituents say that what we have done in this way was wrong? On the contrary, they returned us here because we had done that; because we had not hesitated to raise a very large lump sum of money to add to the debt of the colony: I mean the £300,000 which we spent on the purchase of the Cheviot Estate. Now, if you like, borrowing of that kind was an addition to the debt of the colony. We did that, Sir, and we went back to our constituents, knowing that it was perfectly consistent with our professions against borrowing in England in the old-fashioned way. And our constituents said that we were right, and they sent us back to go on doing what we had been doing in the past. Sir, our whole policy turns on that. We are going on raising money in various forms in this colony for the purpose of carrying on necessary works, and buying lands for settlement, and for roading and bridging in connection with those lands for settlement. That is the whole gist of our so-called borrowing policy. As to the cheap-money scheme, the principle of that was laid before the electors at the general election, and I say there is no part of our policy that was so universally indorsed throughout the length and breadth of New

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Zealand. Scarcely any one had a word to say against that. As to the details of the measure, we never professed to lay them before the people. We said we would use the credit of the colony to raise money to let out cheaply to the settlers of the country. The cheap-money scheme means simply that we should use the credit of the colony for the purpose of reducing the burdens of our settlers. Is there no difference between that and the borrowing of the past? Is there no difference between borrowing money to lend and raising it to spend? There is every difference in the world. People who borrow money to spend generally end in the Insolvency Court, but people who borrow money to lend, if they do it prudently, may make a fortune.

Mr. G. W. RUSSELL.—May I ask a question, Sir, in reference to the time-limit? The Minister of Education, in commencing his speech, stated that the Government accepted the motion before the House as equal to one of no confidence. I should like to ask your ruling, Sir, as to whether, under the time-limit, on a subject such as this, members are not allowed an hour. I would refer you to Standing Order 103.

Mr. SPEAKER.—I am aware of the Standing Order; but honourable members will bear this in mind: that when the amendment was proposed it was not intimated to the House that it was brought forward as a no-confidence motion, and the mover and seconder, when speaking, both limited themselves to half an hour. That being so, and as neither the word "confidence" nor the words "no confidence" appear in the amendment, it is not, in my opinion, competent for one side of the House to say that it so comes within the meaning of the Standing Order as to open the door to speeches extending from half an hour to a full hour. Of course, Ministers may regard the effect upon their position as they think proper, but I do not think it is clearly expressed in the amendment that it is intended as a want-of-confidence motion. I do not think it will affect one side of the House more than another if the rule is strictly enforced as regards the half-hour being the limit of speeches on both sides.

Mr. SEDDON.—It would, of course, be out of place, Sir, for me to question your ruling, but I may say that my colleague, at my wish and on behalf of the Government, has stated that the Government are bound to treat the motion as a want-of-confidence motion.

Mr. SPEAKER.—I quite understand that; but in the amendment as moved and seconded in speeches not exceeding half-hours it was not conveyed to my mind that a want-of-confidence motion was intended.

Mr. G. W. RUSSELL.—I only wish to point out that I understood the Premier rose up to intimate that the Government would treat the amendment, when it was moved by the honourable member for Hawke's Bay, as a vote of no confidence. The honourable member for Patea asked the Premier whether he intended to second the amendment. The Premier therefore sat down; and, on the first opportunity that was

given, I understood it was met by the Minister of Education with a declaration that the Government would regard it as a no-confidence motion.

Mr. SEDDON.—That is so. I think the proper course is to accept the Speaker's ruling, and, as the first two speakers on the other side have only taken half an hour each for their speeches, I therefore accept that as a fair ruling, and I shall not challenge it.

Mr. BUCHANAN.—I am quite willing to accept the Speaker's ruling, but I regret that the Hon. the Minister of Education was cut short in a speech which was one of the weakest and most ineffective I have ever heard him deliver in this House; and the same criticism is applicable to the other two members of the Government who supported this Bill to-night. It has been a continual floundering from beginning to end,—one member of the Ministry contradicting the other in the most ludicrous way. The Minister of Education used the words "tragic humbug," as applied to a speech delivered from this side of the House a year or two ago. Why, Sir, this attack upon foreign banks is nothing but drawing a red-herring across the scent. We had the Government assisting the Bank of New Zealand a short time ago to obtain foreign capital. Why, then, should he call the other banks "foreign institutions"? The only difference between the Bank of New Zealand and these so-called foreign banks is that they do rather more business in the Australian Colonies than in New Zealand. "Tragic humbug"! what could be more worthy of such a term than the speech of the honourable gentleman, from beginning to end? He went on to speak of the motives which, he said, instigated the attack to-night. Why, Sir, there is no stronger opposition to the borrowing policy than I am giving it; and can it be said that I have any business connection with the so-called foreign banks? His remarks are nothing but humbug of the most transparent character. The honourable gentleman could not defend the policy of this Bill upon the election speeches of members on that side, or by any statement of the Government throughout the country during the elections, and he has had to resort to side-winds of this sort, in order to cast reproaches upon honourable gentlemen on this side of the House. I regret very much to say this is not the only occasion on which we have heard similar imputations, simply because honourable gentlemen on this side of the House feel it their duty to condemn the policy of the Government.

An Hon. MEMBER.—Why did you not do it on the Financial Statement?

Mr. BUCHANAN.—Because we wanted to do the honourable gentleman and ourselves justice, by having the actual policy Bills before we put our views before the country; and that is the policy we are following up now. Sir, the Minister of Labour told us that we attacked the policy of Mr. Ballance's Government while he was in office, and that now, when we accuse members of the present Government of depart-

ing from that policy, we still continue to attack them. Now, will the honourable gentleman state that we ever attacked the Ballance Government for refraining from borrowing? Who brought in the policy of economy and self-reliance but the late Atkinson Government?

An Hon. MEMBER.—You admit the Ballance Government did borrow?

Mr. BUCHANAN.—They borrowed on the sly, and the honourable gentleman knows it. Then, the honourable gentleman twits us as to the phrase of "galloping to a deficit." The honourable gentleman's Government and honourable members on that side of the House do not scorn to impute these words to Mr. Rolleston long after they know he never used them. These words happened to be on some notes of Mr. Rolleston's which were obtained by the Press Agency, but they were never used by him. Then, what a spectacle the Minister of Labour made of himself in trying to make the House believe that we were actually paying interest for the £40,000 deposited in the Post-Office Savings-Bank! The honourable gentleman said we were actually paying interest equal to what we should be paying if this £40,000 now lying idle were taken up under the present Bill.

Mr. REEVES.—Exactly the reverse.

Mr. BUCHANAN.—Then, we had some unintelligible nonsense about the difference between raising money under this Bill and raising it in England for general purposes. What had that to do with the question now before the House? We have been trying to find out what the Government propose to do with the money raised under this Bill. We first got one story from the Colonial Treasurer, who should be an authority on this matter; then we had another version from the Premier; and we had a third version from the Minister of Education. Which version are we to take to be the true one? What are they going to do with the money? They wish to have it without any control whatever by this House. Then, we were told that raising money by this Bill was not increasing the indebtedness of the colony. To begin with, can it be said that England is not in debt by the amount of the Consols which form a part of her debt? And is it to be said that under this Bill we shall not be running the colony further into debt because some of the money—although not a large part of it—may be advanced by settlers in the colony? If this Bill passes, and if the money is raised, most of it will come from England, just as happened under similar circumstances in Victoria and New South Wales. About five years ago I happened to be in Sydney when the Victorian Government pretended to be raising certain sums of money locally. They were going to be self-reliant; they were going to borrow money in the colony, just as the present Government are going to do; but a well-known financial agent there told me that he himself,—and he also mentioned several other firms,—was putting in an application to invest large sums of English money in those Government securities,

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—and yet it was supposed to be all borrowed locally; and what he said was this: "I should be glad to find money for the Victorian Government at 1 per cent. less in England if it were proposed to raise the loan there, but I am still more so to provide it for them here and to receive 1 per cent. more interest." So will it be here under the proposal to raise money locally at 4 per cent. while we could easily borrow in England at $3\frac{1}{2}$ per cent. Why, in ten or twenty years what will be the position? We shall be able—and it is not a wild expectation—to borrow our money then at $2\frac{1}{2}$ per cent., and at the same time we shall be paying 4 per cent. on the debentures under this Bill, with the prospect of doing it for a good many years afterwards. If the Government really require money for the purposes mentioned to-night, why do they not go in an honest and manly way to London and borrow at the lowest rate of interest? That is what the taxpayers of the colony have a right to expect, and that is what they ought to do, instead of following out their old policy of sly borrowing. Then, we have been told of money lying unused in old women's stockings, and I do not know how many other absurd hiding-places. Why, Sir, were ever such ridiculous stories told by men occupying the important positions those honourable gentlemen do! And if it be true that we have large amounts of money lying idle, who is to blame for it? Who is responsible for the want of enterprise but the present Government? Then, we had the statement made over and over again that money has been leaving the colony and going to the Australian Colonies. The Treasurer, the Premier, and the Minister of Education all harped upon this string. I have got an authoritative statement here, derived from a well-known financial paper published in this city, in which the imports of specie for the last four years are given at £1,007,099, and the exports at £596,896, leaving a balance in favour of imports of not less than £410,203. And, after all, these figures show nothing but what we have a right to expect, because the Bank of New Zealand is giving $4\frac{1}{2}$ per cent. for twelve-months deposits, while the banks over in Australia are only giving $3\frac{1}{2}$ for twelve-months deposits: yet the Government wish us to believe that money is leaving this colony for Australia, where the rate of interest is 1 per cent. less. But if it be true, despite what I have stated, what a damaging statement it must be to the Government—that money, owing to the alarm produced by their legislation, is going over to the Australian Colonies to accept something like 1 per cent. less of interest! The members of the Government could not have realised the effect of their own statement or they would not have made such a damaging confession as that. Then, we have the statement that the Government is borrowing money to assist small farmers, who have hitherto been paying something like 8 and 10 per cent. And yet we are in the same breath told that the owners of small sums of money have no means of investment, and that this system of Consols

should therefore be instituted to provide them with an investment providing interest at 3½ per cent. How is it that these owners of small sums of money cannot find investments with the farmers who are stated to be so badly in want of money? Is it to be said that these two classes are unable to do business without Government assistance? The fact of the matter is that the Colonial Treasurer does not understand the financial position, and that he and other members of the Government have floundered through all these financial Bills, until they have landed themselves in all sorts of contradictions. The Treasurer commenced his speech by saying that he wished to enlighten the honourable member for Wairarapa. It may be owing to the density of the honourable member for Wairarapa, but when the honourable gentleman left off I regret to say that I was pretty much where I was when he started. The honourable gentleman has been bringing in Bills on all sorts of subjects, and in nine cases out of ten he knows little about them, and is quite unable to explain their contents. I, like other honourable members in this House, was pledged at the last election to a non-borrowing policy, and I have therefore steadily voted against the financial proposals of the Government since they introduced their Financial Statement. Other members pledged to a similar policy, notably members on the Government side, have forgotten their pledges; but I warn them and other members of the House that a day of reckoning will come when they will have to meet their constituents.

An Hon. MEMBER.—Hear, hear.

Mr. BUCHANAN.—The honourable member says "Hear, hear." I am glad indeed that the honourable gentleman recognises what he has to face, and I wish the honourable gentleman joy of the explanation he will then be able to make. The honourable gentleman has always been harping about the wickedness of borrowing and squandering borrowed money. He condemned the Stout-Vogel Government for continued borrowing when in office, and now he acts contrary to his election pledges, and is supporting the Government, who have departed from the policy laid down by the late Mr. Ballance, and are now entering on a plunging policy which will land the colony in the same disasters as when the Stout-Vogel Government were kicked out of office in 1897. I have nothing

12.30. further to say upon the Bill. I am very glad indeed the honourable member for Hawke's Bay has moved his amendment, because the country will now see which is the borrowing and squandering side of the House—which party are adhering to their election pledges. I hope honourable members will realise that we are, by the policy of the present Government, plunging the colony back into the same financial abyss out of which we were dragged by the heroic action of the Atkinson Government when they came into office in 1887.

An Hon. MEMBER.—Which you opposed.

Mr. BUCHANAN.—No.

Mr. G. W. RUSSELL.—The honourable gentleman who has just sat down has taken upon himself the duty of warning members on this side of the House of the great responsibility that attaches to them, in view of the policy of the Government. It is not the first time this side of the House has this session been warned in this way by the other side, but I beg to repeat the remark I made at an earlier stage of the session, that we may be ourselves trusted to be the guardians of our own consciences, and left to face our own constituencies. It is a well-known fact that drowning men will catch at straws, and to-night we have a sample of that kind of thing in the amendment to this one of the policy Bills of the Government. The effort that has been made time after time during the present session on the part of the Opposition to detach a section of the Liberal party is again repeated, and will result in an exactly similar way to the previous attempts.

Mr. BELL.—We do not want them. The honourable gentleman is quite wrong.

Mr. G. W. RUSSELL.—I am perfectly sure of this: the honourable gentleman does not want me in particular. I thank him very much for the compliment, and can assure him he is not going to get me.

Mr. BELL.—I did not mean the honourable gentleman in particular.

Mr. G. W. RUSSELL.—Then, as I understand the position, the honourable gentlemen who constitute the Opposition are going solemnly to file into the lobby with the seventeen or eighteen of their party, and all the warnings that have been given to this side of the House by the honourable member for Wairarapa and other members on that side are not going to have the slightest effect as far as the votes on this side of the House are concerned. If that is the position, the members of the Opposition will be able to curtail their speeches throughout the remainder of the debate, for up to the present at least half the speeches on that side have been warnings to us as to what course we should follow in dealing with this measure. In connection with this matter a great deal has been said as to what the policy of the Liberal party was three years ago. I hold in my hand the Financial Statement of 1891, and in that Statement the policy which is in this Bill is clearly shadowed forth. Mr. Ballance said, in the Statement of 1891,—

"When the nature of our obligations will permit it, we are of opinion that relief should be given on the necessities of life now paying duties through the Customs; but we must be certain, while the great object is being reached, that we shall have sufficient revenue to meet the growing demands on the Consolidated Fund, arising through the cessation of borrowing large amounts of money in the English market. For, if we are to maintain our credit and financial independence, borrowing in that market must cease; while any local borrowing is likely to be confined to the absolute necessity of carrying on those essential works of colonisation, such as the settlement of the people on

the land, on which depends so directly the prosperity of the community."

And again, on page 11 of that Statement, he said, "If borrowing in the English market is to be discontinued, the means will have to be provided for carrying off the work of settling the waste lands of the colony." Therefore I say that when honourable gentlemen on that side charge the Liberal party, as has been done to-night, with departing from the policy Mr. Ballance laid down, they are talking beside the mark, and seem entirely unaware of what the policy of the Liberal party was in 1891. I venture to say that the policy incorporated in the Bill, the policy of borrowing locally—for it is just as well to admit that it is borrowing—the policy of borrowing locally for the purpose of carrying on the great work of colonisation throughout the country is one that has been the main policy of the Liberal party since it came into power—that is, the policy of extending settlement, making roads and bridges, purchasing land for settlement; and as funds have to be provided for these works, so the Government have in this Bill provided machinery by which the money can be obtained locally, as well as by debentures on the English market if occasion should arise. The policy of the Liberal party has been one of progress and of development, and this is a portion of that policy which is now being brought before the country for the first time. The policy for years past has been to try to create a local fund, and to endeavour to wean the colony from what the late Mr. Ballance described as a servile dependence upon the London money-market. Honourable gentlemen on the other side desire that the Government should bring down a proposal for a two- or three-million loan, for they know that if the Government were to do that the effect would be disastrous so far as the present Administration is concerned. But they are not likely to be satisfied in that direction. The Government are determined cautiously and prudently to formulate their measures in connection with the finances of the country, feeling their way gradually, and moving step by step in the manner which prudence and statesmanship would dictate, always bearing in mind that the finance of a young country like this must be such that settlement is not retarded, and that funds are provided by which the great work of colonisation can be continued and carried on with success. Therefore we have in this Bill a policy under which the funds that are received are to be placed in the Consolidated Fund, and from that fund drawn out for the purpose of providing employment on co-operative works and on railways, for the purchase of lands for settlement and of Native lands, and for such other purposes as the general exigencies of finance may require. The Minister of Education clearly and forcibly stated the position when he put it in this way: If this Bill is not passed, will the general position of the finance of the colony be affected? And he pointed out clearly that, as this is merely a change of the channel through which the money was to come

into the Consolidated Fund, whether the Bill was passed or rejected does not affect the general position so far as the finances of the colony are concerned. Some remarks have been made as to the interest being 4 per cent. The position in this case is this: that by borrowing money in the colony we should save the cost of brokerage, stamp duty, exchange, and commission. The whole of these costs and expenses are saved, as well as the cost of bringing the money out from London. The Bill before us will also provide another investment guaranteed by the State. I say decidedly that the Government finance does not depend upon the passing of this measure. Therefore, when the leader of the Opposition brings down an amendment which traverses the policy of the measure, the Government are justified in asking their party to stand by them; and, though there may be from time to time differences of opinion in the Liberal party as to the details of measures, yet I can assure honourable gentlemen on the other side of the House that, when it comes to a fair issue, such an issue as is now before us,—when an amendment is moved by the leader of the Opposition which traverses one of the policy Bills of our party,—we all know how to close our ranks and to present an unbroken front to the foe. That is the position; and therefore I should like to say this: that, while the Liberal party have been pledged, as I have just read from Mr. Ballance's Financial Statement of 1891, to abstain from wholesale borrowing in the London money-market, yet what the Opposition would like the Liberal party to do is to undertake such a policy as that. What they want is a policy of stagnation on the one hand, or of borrowing on the London market; and I think they are not likely to be satisfied on either hand. The Government, by measures such as this, are going to give the colony a policy of progress—the means of developing our lands, and the continuation of works to provide employment for the labourers of the colony. That policy will undoubtedly lead to the general progress of the country, and the Government are going to do this without doing what the honourable gentlemen on the other side of the House would wish—that is, being forced to go to the London market for the money. I say that the Bill now before the House is one which should command the support of the whole of the members of the Liberal party, because it is one which is carrying out the policy that was formulated by the party in 1891, and it is a policy which will result in general progress without going to the London market for the money.

Mr. BELL.—Sir, what is the use of the honourable gentleman and his friends trying to mislead the House in this way? He talks as if we were all children. This million is not to be used in substitution for the moneys mentioned in the other Bills before the House. The Minister of Education tried to mislead us in the same way. This is an additional million: what is the use of pretending that it is not? The honourable gentleman talks as if the

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Treasury bills were raised in London, with brokerage, and exchange, and so on. That is not the case. The honourable gentleman either does not understand it, or else he is trying to mislead us upon the question, which is really as simple as A B C. This Bill says—and the Minister of Education had to admit it—that they are to raise a million or to borrow a million. There is no difference in meaning between “raise” and “borrow,” and if honourable gentlemen will look at clause 7 of this Bill they will see that the money so raised is to go into the Consolidated Fund, and to be dealt with as the Treasurer may think fit. That is, it is loan-money to be treated as revenue, instead of passing as capital into the Public Works Fund. It is a means of borrowing money and using it, not for a specified purpose, but merely for the purpose of supplementing the ordinary revenue of the year. And the honourable gentleman tried to persuade us that it was not borrowing! As to this creation of Consols, the Minister of Education has told the House that the British Government provided Consols for investments for the people. Why, it makes one's hair stand on end to hear such things stated. Sir, do not Ministers know that the British Government is paying off Consols every year, by means of sinking fund, to the extent of seven millions? That process may have been stopped for a year or two, on account of provision being made for the navy. Do not the Government know that the debt of England is going down as fast as the English Government can manage to bring it down, and that there is a specified sum provided by permanent statute annually out of revenue for the gradual extinction of the debt?

Mr. WARD.—How much?

Mr. BELL.—Seven millions; but the honourable gentleman probably knows better than I do.

Mr. G. W. RUSSELL.—The unfunded debt of 1892 was thirty-five millions.

Mr. BELL.—I am speaking of the gradual reduction of Consols, and the process by which the Mother-country reduces the public debt which consists of Consols. Does the honourable gentleman suppose that the Consols of England have a term of forty years? Does he suppose that that is the system of English Consols?

Mr. WARD.—I did not say so.

Mr. BELL.—No; but the Consols here have a deposit-period of forty years. That is not really a form of Consol. A Consol is a form under which the Government can pay off at any time, while the public creditor is not entitled to demand payment.

Mr. G. W. RUSSELL.—It might be four hundred years.

Mr. BELL.—It is the period of time that the country chooses to pay it. Here you take the money and tie it up, and whatever the fall in interest may be the country is unable to take advantage of it. Call this Consols! The Colonial Treasurer knows better, and is only calling it Consols for the purpose of misleading

the country. The honourable member for Riccarton does not understand it, nor did the Minister of Education. The Premier said that the foreign banks had got the money and were sending it away. Is it that the money has been sent away, or is it that the foreign banks have got the money and are not sending it away?

Mr. SEDDON.—I said some time ago they had large sums of money locked up.

Mr. BELL.—Then, if they have sent it away, it will not be here to invest in these Consols; and, if they have not sent it away, the country has it here available for use in ordinary business. But, as a matter of fact, the honourable gentleman is quite wrong, and is making a statement that he very soon will have to withdraw. The figures quoted by the honourable member for Wairarapa are quite correct.

Mr. SEDDON.—I can show from the banks' own statement that the sum of £364,000 has been withdrawn.

Mr. BELL.—The honourable gentleman will find that he is quite wrong, and I will only wait for him to make a specific statement. He has got into the wrong box, but I shall have my opportunity, no doubt, and I will then prove that he is wrong. The Minister expects to get the moneys which are in the old women's tea-pots; but I do not believe he will get the old women to invest, as I do not think this form of investment will be attractive, and I will tell the House why. The honourable gentleman talks of “repudiation”; he says such a word ought never to be used in this House. I agree with him, but I regret to say that he and his Government have been engaged in repudiation of the very worst kind, a repudiation of their liabilities to the poor class of investors—repudiation as gross as it is possible to be. I cannot use any language that will characterize it properly. I say he has been guilty of repudiation to this very class of investor, and I say that when the honourable gentleman comes to view the course of this legislation he will be heartily ashamed of what he has done in the Public Trust Office. Let me tell the honourable gentleman what has been done. There has been a Public Trust Office in this colony since 1872, when the office was created, and it was then provided that moneys should be received by the Government, bearing interest, which was payable to the persons who put their money there. The colony promised these persons, if they would invest their money in the Public Trust Office,—they were mostly people with small means,—that they would invest it for them, and give them the whole interest earned, less commission; but in the year 1891 the Government introduced as a policy measure and persuaded Parliament to pass an Act called “The Public Trust Office Act Amendment Act, 1891,” and in that Act they provided that, in lieu of paying the income to these people on their own money—first, they should not be allowed to take their money out of the office; and, secondly, the Government, instead of pay-

ing them the interest which their money was earning, would pay them on sums less than £3,000 5 per cent., and on sums over that amount 4 per cent., and they would seize the difference. This was nothing else but theft. I should have added that that Act gave the guarantee of the colony. It was inserted in that Act as if it were a new provision, but any honourable gentleman who will read the Act of 1872 will find that the guarantee was apparently given under that Act, though it is now pretended that it was not so given. They said, "We will give the guarantee of the colony, and in exchange we will seize the difference in the interest." But they would not allow the money to be taken out. The Government solicitors opposed the taking of the money out of the Public Trust Office, and they have opposed it successfully. These poor people have got their money there, and the Government have the use of their funds, and are paying them 5 per cent. and 4 per cent. But that is not all. Power was given to the Governor in Council to further reduce the rate of interest at any time to any amount he thinks fit.

Mr. SEDDON said the Treasury had not got money for the last twelve months from those funds.

Mr. BELL.—The honourable gentlemen are, apparently, ashamed of it themselves. I know the Colonial Treasurer too well not to know that he will be thoroughly ashamed of this transaction when he comes to review the legislation, when he leaves those benches. These are the honourable gentlemen whom I have previously described in this matter as being upon the highway with masks upon their faces before; but the masks have been removed this year. These people whom they have robbed of their full interest are of the very class who are supposed to be likely to invest their money in these Consols. There is not the slightest chance of it, however, if their friends know from them, as they are fast knowing, how they have been inveigled and entrapped, and then been deprived of the proper earnings of their money. The honourable member for Hawke's Bay was quite right when he said that the money which will find its way here for investment at 4 per cent. is not the money of the people of this colony. The honourable gentleman will get his money, I believe, but he will get no money from the people of the colony at 4 per cent.; he will get foreign money, and the interest will have to be remitted abroad. The money will not be "ear-marked" as in the other Acts; it will go into the Consolidated Fund, and the honourable gentleman will do what he likes with it. He will get forty-years money instead of Treasury bills. That is the difference. The honourable gentleman says, "If I do not get it in this way I shall have to raise it in Treasury bills." Does he mean to tell the House that this million, to be paid in in forty-years deposits, can be used as Treasury bills in anticipation of revenue? He knows better than that. These are not short-dated bills in anticipation of revenue. He cannot pay this back; he cannot redeem this money. He is

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to get this money on a forty-years deposit as a permanent loan to the colony, and it is nonsense to say there is any relation between this money and Treasury bills. And it is of no use attempting to deny that, nor, in fact, did the honourable gentleman attempt to deny it. A further sum of £1,000,000 is to be added to the permanent debt of the colony, and added in a way which makes it a far more permanent debt than our inscribed stock. It is to be added to the permanent debt of the colony to provide a million pounds more revenue for the Colonial Treasurer next year; it is in addition to and not in substitution for the £1,500,000 to be advanced to settlers; it is to be in addition to and not in substitution for the £1,250,000 for land-settlement; it is in addition to and not in substitution of the other £500,000 to be borrowed. It is not money to be raised in the colony for any one of these purposes, but it is money to be applied in aid of the revenue, and not for the purposes of capital. Now, is the House prepared for this? Of course the Government majority will defeat the present amendment; but is the House prepared to affirm the principle that we are to take capital in this way—to take the capital debt of the colony and apply it to the purposes of the year? Occasionally it has been found necessary to fund Treasury bills which have been raised in excess of the necessities of the year. But it is very bad finance to borrow for such a purpose. It is a wrong and improper thing, and only to be done in cases of great emergency. It has been done once or twice, and the House practically apologized to the country for doing it; but nothing of this magnitude has been proposed before—to deliberately raise a million and add it to the capital debt, and apply the money in aid of the revenue of the year. The Prodigal Son was not in the same country with us.

Mr. REEVES.—That is quite true.

Mr. BELL.—The Minister of Education says that what I say is quite true. Indeed, the honourable gentleman might have made that observation at the end of every sentence of my speech, because every sentence has been as true as that. I have confined myself to demonstrable facts. I have only to satisfy my own conscience; the consciences of honourable gentlemen on the other side of the House do not trouble me in the least. I have not said a single word of the kind referred to by the honourable member for Riccarton. I do not know what he said to his constituents, and I do not care. I know what pledges I gave to my constituents, and I do care for that; and I know, too, what those honourable gentlemen on the Government benches said. I know that they went to the country under false pretences. The money raised to purchase land will not

1.0. be of any use to the Treasurer; the money raised to road and purchase Native land will not be of any use to him; and the Colonial Treasurer was being left out of this scramble amongst members of the Government for borrowed money. The Minister of Education is to have his share, and every

other member of the Government is to be provided with quantities of borrowed money, but the Colonial Treasurer was at first left out. This is an invention by which foreign money—not colonial money—is to be brought in for his use: and we are told we are following in the footsteps of the Mother-country in providing Consols for the investments of the people! The Mother-country has done nothing of the kind. If it provided Consols for this purpose it would increase, not decrease, the Consols. It has persistently regarded Consols, not as a method of investment for its people, but as a public debt hanging on the shoulders of the country, the weight of which was to be gradually diminished. We are day by day adding to the burdens of the people.

Mr. CROWTHER.—Sir, I cannot rise on the floor of the House at this time of the morning and say, as the last speaker has said, that I do not care. I think we owe a responsibility to one another as members of this House, and that we should care for our promises and our pledges to those who sent us here, and for our relation to one another. I feel to-night in a very serious mood. I, somehow, have got it into my mind that we are proposing to go too far. I cannot get that out of my mind. It seems to me to be only a few hours ago since we became security for two millions to a bank. Since then we have entered into a further engagement for the expenditure under the Land for Settlements Bill. We are now entering into another engagement; and, really, we are talking millions just the same as if we were a young country out of debt. When we consider unitedly our total indebtedness, and when we also consider the amount we are proposing to add this session, it seems to me that there is extreme necessity for being extremely careful and cautious. The Minister of Education was very jubilant about his debatable ability, but I am very desirous to see some one to follow who is possessed of extreme caution, who will look before he leaps, and that we should not enter into this very big project before we know exactly what the consequences will be. It seems to me, as far as I am able to follow this business, the matter is altogether too serious to talk about in this way. We hear statements about melodramatic habits and humbug. Gentlemen, this is not the time to talk in this strain. If we had treated this business on somewhat more cautious lines, as is done in connection with other businesses, and said that we would start the first year with a quarter of a million instead of a whole million, then we could have gone back to our constituents and said, "This is a start we are making, in a most cautious manner; we are desirous to feel our way as carefully as we can; if the first year we make a success, we can come to you with a full understanding that, having made a first quarter of a million a success, you are prepared to further trust us in our future parliamentary life." Some of the statements made in the House to-night are to a very great extent true. That we are adding extra burdens to the future generations is

beyond all doubt; and, when it is very problematical how the money is to be spent, when we have no idea how it is to be spent, I think it is saying too much to say they have reason to believe the House will vote one million without any knowledge as to what purpose it is to be devoted to. I cannot help thinking, in all the circumstances, we are taking a responsibility that needs further consideration and more time to think out. The Treasurer was very short. He seemed to think it was not even necessary to explain what he proposed to do with the money. He seemed to me to say, "Throw it into our pockets; we will administer it according as circumstances may arise; you have no need to doubt but what we shall be successful." Those of us who have had any experience in this sort of business know very well that it is very much easier to spend money and to lend money than to find a profit on it at the end. There is no doubt whatever that lending money is very risky business, and especially when the money is lent upon the very uncertain lines indicated in this measure. If we could acquire any knowledge as to how this money was going to be spent with a view to its being reproductive, then we might explain it away to ourselves that there was every justification for entering into this very serious undertaking. So far as I am able to follow it, I am not able to satisfy myself that the whole of the surroundings justify us in undertaking such a large measure as this at one meal. As I have said before, if it had been half a million it would have shown that we were not going altogether too fast. As it is, it seems to me to be a measure that is brought forward having a large amount of responsibility and a very great amount of risk attached to it. Not knowing, myself, what that may be, or how we may come out of the risk, I again say that I feel the responsibility is more than we ought to be asked to vote upon to-night.

The House divided on the question, "That the word 'now' stand part of the question."

AYES, 38.

Buddo	Larnach	Pinkerton
Buick	Lawry	Reeves
Carncross	Maslin	Russell, G. W.
Carnell	McGowan	Seddon
Carroll	McKenzie, J.	Stevens
Collins	McLachlan	Steward
Flatman	McNab	Tanner
Graham	Meredith	Thompson
Hall	Millar	Ward
Hall-Jones	Mills	Willis.
Hogg	Montgomery	<i>Tellers.</i>
Houston	Morrison	McKenzie, R.
Kelly, W.	Parata	Smith, E. M.

NOES, 16.

Bell	Hutchison, G.	Saunders
Crowther	Lang	Smith, G. J.
Earnshaw	Massey	
Fraser	Mitchelson	<i>Tellers.</i>
Harris	O'Regan	Buchanan
Heke	Russell, W. B.	Wilson.

PAIRS.

For.	Against.
Cadman	Allen
Duncan	Stout
Guinness	Newman
Hutchison, W.	McGuire
Joyce	Duthie
Mackintosh	Green
Pere	Kelly, J. W.
Pirani.	Button.

Majority for, 22.

Amendment negatived.

Debate adjourned.

The House adjourned at twenty minutes to two o'clock a.m.

LEGISLATIVE COUNCIL.

Thursday, 20th September, 1894.

First Reading—Third Reading—Lake Forsyth Drainage Bill—Tramways Bill—Hastings Borough Loan Validation and Empowering Bill—Shops and Shop-assistants Bill.

The Hon. the SPEAKER took the chair at half-past two o'clock.

PRAYERS.

FIRST READING.

Rating Bill.

THIRD READING.

Ngaere and other Blocks Native Claims Adjustment Bill.

LAKE FORSYTH DRAINAGE BILL.

The Hon. Sir P. A. BUCKLEY, in moving, *That this Bill be now read the second time*, said he had promised the day before to obtain information from the Surveyor-General as to the position of the land, and he had received the following memorandum from him:—

"The lands included within the schedule to 'The Lake Forsyth Drainage Act, 1894,' are Crown lands (see section 107, 'Land Act, 1892'), but any proceeds from them were, under the same clause, to be devoted—first, to administration; second, in payment of reclamation works; third, in payment of funds borrowed from the Little River to Lincoln Railway. The lands formed part of the lands set apart under the Second Schedule of 'The Ellesmere and Forsyth Reclamation and Akaroa Railway Trust Act, 1876,' one of the objects of that Act being the reclamation of Lakes Ellesmere and Forsyth, and the present Bill is carrying out that idea as far as Lake Forsyth is concerned. There is a similar Act of last session with respect to Lake Ellesmere—'The Halswell River Drainage District Act, 1893.'"

He might mention that last year, as he had said on the second reading of the Bill, a piece of land, amounting in area to two thousand and odd acres, was given for Lake Ellesmere, and it might be contended that that was for drainage purposes only. But he had explained that the County of Akaroa, which had very little at its

disposal, had expended the sum of £60 last year in keeping this lake open. The very fact of the lake being kept open had saved the road and the railway to a great extent, and, as he understood, there was no other means of dealing with Banks Peninsula than what was intended to give them. The lake was kept open, and the road and railway would be preserved; and, inasmuch as Lake Ellesmere received two thousand acres with the original grant, the people in the neighbourhood of Lake Forsyth thought a thousand acres would not be too much, as the whole of the revenue to be derived from it would only amount to about £40 a year.

The Hon. Mr. STEVENS said the explanation which his honourable friend had obtained exactly bore out the statement which he (Mr. Stevens) had made to the Council on the second reading of the Bill, and as to which statement there was a considerable amount of doubt expressed by honourable members. The fact was now proved that this land was the source, practically, from which the colony was to seek repayment of the over-expenditure of £50,000 on the Akaroa-Lake Forsyth Railway. The sum over-expended was about £50,000, and all the lands within that area were the only means by which the Government could get restitution of the fund. Between 1887 and 1889, he thought, the late Government, in an Act called the Lake Ellesmere Reclamation Act, took power to expend a certain amount of money for the purpose of drying the land, which was quite unavailable; and the works were in the main successful, and a large quantity of land was thereby enabled to be sold. The last account he had seen of the state of the fund showed that there was a liability left to the Public Works Fund of £30,000 on their advance. But what he pointed out on the second reading of the Bill, and what he wished to point out now, was that all these acreages that were taken away formed, practically, an endowment to the railway in question. It was a clear loss to the colony, and it simply meant the giving-up of so much, which was the only means of recovering the money over-expended on this railway for the benefit of a particular locality. He thought it right to call the attention of the Council to these facts, and it was entirely for the Council to say whether it considered it advisable that these Bills should be almost annually brought forward for the purpose of absorbing the remainder of these lands. He did not wish to move any amendment, but he was rather surprised that no reference had been made to these points by the Select Committee. He thought the Council was now, however, in possession of all the facts. Bill read the third time.

TRAMWAYS BILL.

IN COMMITTEE.

Second Schedule.—Paragraph 22: Carriages.

The Hon. Mr. JENKINSON moved the addition of the following words to the paragraph: "All carriages and rolling-stock shall have

attached such guards or cowcatchers as may be considered necessary by the Government Inspector of Machinery."

The Committee divided.

AYES, 8.

Jenkinson	Kenny	Rigg
Jennings	MacGregor	Stewart.
Kelly	McCullough	

NOES, 23.

Acland	Grace	Richardson
Barnicoat	Kerr	Shrimski
Bolt	McLean	Stevens
Bonar	Montgomery	Swanson
Bowen	Oliver	Walker, L.
Buckley	Ormond	Whitmore
Dignan	Pharazyn	Whyte.
Feldwick	Reynolds	

Majority against, 15.

Amendment negatived.

Bill reported.

HASTINGS BOROUGH LOAN VALIDATION AND EMPOWERING BILL.

The Hon. Sir P. A. BUCKLEY, in moving, *That this Bill be now read the third time*, said its object was to validate a loan of the Borough of Hastings made in 1886. It appeared that it was proposed that a loan of £25,000 should be raised for drainage and other purposes, and the poll was in favour of the loan. Shortly after that the Borough Council obtained from the Bank of New South Wales a sum of £18,000 to carry out these works, and in 1892 he supposed they thought it necessary to make application in another quarter, and they applied to the Government Insurance Department for that amount to pay off the advance to the bank. He should have said that in the meantime they issued debentures for the total amount, and the bank advanced them the money on the debentures to the extent of £18,000. Shortly after this, an arrangement was made with the Government Insurance, on the assumption that the rate would extend to 1s. 6d. in the pound on the rateable value, and that that should be the basis on which the advance should be made. This was assumed both by the valuers acting for the Government Insurance and for the Borough of Hastings, under the Municipal Corporations Act of 1880, sections 46 and 189. He had no doubt whatever as to the validity of the loan on the basis of the shilling rate, but the understanding between them was that it should be on the basis of 1s. 6d. in the pound, and he and one or two of the lawyers to whom the matter was referred had grave doubts as to whether under the Municipal Corporations Act there was authority for that, although it looked at first sight as if there was such authority. Now, the Corporation of the Borough of Hastings, having in the first instance proposed a loan of £25,000, for the last twelve months had been pressed very hard to obtain the further loan, to enable them to carry on the works; but it had been held that they could not get further advances without legislation. He need scarcely

say that this was one of the most important inland towns in New Zealand. Probably it would become a Chicago in time to come, and drainage there was essentially necessary.

The Hon. Mr. REYNOLDS would like to know whether the Government Insurance Department had had any valuation of the property of the Borough of Hastings.

The Hon. Sir P. A. BUCKLEY.—Yes.

The Hon. Mr. REYNOLDS thought there ought to be some information placed before the Council. The funds of the Government Insurance Department ought to be most carefully managed, and not squandered as they had been in many instances in the past; because men took out policies for the benefit of their wives and families. He thought it would be as well for the Colonial Secretary to lay some information on the table to show that the loan was *bond fide*.

The Hon. Sir P. A. BUCKLEY would be glad to furnish all information to the Council when the Bill was in Committee.

The Hon. Mr. REYNOLDS had no doubt it was all right. He did not know anything about the matter himself, but he had heard it spoken about by people outside.

The Hon. Mr. BONAR thought it would be more satisfactory if the honourable gentleman told the Council what he did know. So far as he knew, from statements made in another place, the loss in connection with loans by the Government Insurance Department had been merely nominal, if there had been any loss at all. This Bill was, he presumed, merely a validation of title. He did not think they should inquire into the values of properties: that should be left to the Government officials, who he was satisfied would act carefully.

The Hon. Mr. SHRIMSKI thought, if inquiries were made into the statement that the Insurance Department had lost money in connection with their loans, it would be found that the loss had been very small.

The Hon. Sir P. A. BUCKLEY said it was only right that honourable gentlemen should be supplied with information, and he would supply the information required by the Hon. Mr. Reynolds when the Bill was in Committee.

Bill read the second time.

SHOPS AND SHOP-ASSISTANTS BILL.

On the question, *That this Bill be committed*,

The Hon. Mr. REYNOLDS said they had lately heard a great deal about trusting the people for everything. He was one of those who liked to trust the people, and he thought a poll should be taken in each district so as to ascertain whether they really required the one half-holiday a week or not, and, if they did, to decide upon what day the half-holiday should be held. And when the poll had decided the question, he thought the minority would freely give way to the majority. He believed the Bill was not required by a large section of the community. Because a few shopkeepers and assistants wanted a half-holiday, they had no right to grant it in the face of those in whose

interests it was that there should be no half-holiday at all. In San Francisco, where they had adopted a half-holiday, it resulted in the employés being paid by the hour instead of by the day, and the result was that, instead of being a benefit to the shop-assistants, they were the losers. Since then action had been taken to get the Act repealed. However, be that as it might, he thought they had no right to force upon the public any half-holiday—to prevent these people from using their own judgment as to whether they would take a half-holiday or not. He would certainly oppose the Bill right through unless the Colonial Secretary would consent to a poll being taken. There were other parts of the Bill which he objected to, but that was the principal objection which he had to it.

Bill committed.

IN COMMITTEE.

Clause 2.—Interpretation.

The Hon. Mr. REYNOLDS moved, That, after the words "or place," in the third paragraph, the following words be inserted: "where any person works for hire."

The Committee divided.

AYES, 17.

Acland	Oliver	Swanson
Barnicoat	Ormond	Taiaroa
Bonar	Reynolds	Walker, L.
Bowen	Richardson	Whitmore
Dignan	Shrimski	Whyte.
Grace	Stevens	

NOES, 13.

Bolt	Kelly	McLean
Buckley	Kerr	Montgomery
Feldwick	MacGregor	Rigg
Jenkinson	McCullough	Stewart.
Jennings		

Majority for, 4.

Words inserted.

Progress reported.

The Council adjourned at five minutes to five o'clock p.m.

HOUSE OF REPRESENTATIVES.

Thursday, 20th September, 1894.

Electoralates—Mrs. Clements and Another—Waikari Stipendiary Magistrate's Court—Gum Industry—Primary-school Scholarships—Railway Work-shops Employes—Moanese Floods—Fencing Bill—Buller Coal-mines—Waihao and Waitaki Natives—New Zealand Consols Bill—Foreign Insurance Companies' Deposits Bill—Licensing Bill—Inspection of Machinery Bill—School-attendance Bill.

Mr. SPEAKER took the chair at half-past two o'clock.

PRAYERS.

ELECTORATES.

Mr. MILLS asked the Premier, If he will take steps at once, or bring in a measure early next session, to amend the present Representa-

Hon. Mr. Reynolds

tion Act of 1887, so that the absurd and ridiculous boundaries of the present electoralates shall not be perpetuated when new districts are allocated, but due consideration shall be given to community of interests, facilities for communication, and topographical features of such new electoralates? There was a great deal of dissatisfaction existing throughout the colony at the new boundaries last election, and very few people understood in what way they had been arrived at. They were more like a dog's hind-leg or a crooked fence than anything else: neither reason nor common-sense seemed to have been studied; and there were such difficulties in finding out the boundaries of the electoralates that the Commissioners ought to be made to go round and show them.

Mr. SEDDON said it was the intention of the Government to introduce a Representation Act Amendment Bill, and in it they proposed that a special Commission should be formed which should adjust all the electoral boundaries of the colony, and that that adjustment should stand until there was an increase in the population of the electoral districts of a certain percentage which they had not fixed yet. That was the law as it now obtained in other countries. He believed these frequent changes of boundaries after every census—and made by persons who had no local knowledge of the districts, and with little regard to community of interests, and so on, for these questions had not always been taken into consideration—had not been satisfactory. A Bill dealing with the question was necessary, he thought, and the Government would introduce it this session. Though he did not think they would be able to get it through during the present session, he hoped to have it passed before the next census was taken.

MRS. CLEMENTS AND ANOTHER.

Mr. WILSON asked the Native Minister, If he has made inquiry into the claim of Mrs. Clements and another, set forth in Petition No. 200, Session II., and reported on as follows by the Native Affairs Committee: "Petitioners allege that they have been wrongfully excluded from their share of the Ngarara Block. They pray that the law may be amended in order that their claim may be heard, and that compensation or other relief may be afforded them. It appears from the evidence of petitioners and other witnesses that they are left without any land whatever. The Committee is of opinion that the matter should be referred to Government for inquiry.—13th August, 1891"? If inquiry has been made, what was the result of such inquiry in relation to petitioners? This Mrs. Clements was the mother of a family, and resided on and had an interest in the Ngarara Block. He was informed that these people lived on the block, and yet, when it came to be adjudicated upon by the Native Land Court, they were shut out. A petition came before the Native Affairs Committee, and an inquiry was recommended by that Committee. He wanted to know whether an inquiry had been made by the Government.

Mr. SEDDON said the Government had decided that they could not, as a Government, do anything in this matter. There was now a Bill before the House, the Native Land Court Bill, and it was a matter for the House to deal with. The honourable gentleman might move that power should be given under that legislation to meet cases of this kind.

WAIKARI STIPENDIARY MAGISTRATE'S COURT.

Mr. MEREDITH asked the Minister of Justice, if he will make provision for a monthly sitting of the Resident Magistrate's Court at Waikari, as the present arrangements for hearing Court cases are both inconvenient and expensive to settlers in the Waikari and adjoining districts? He had been requested by the residents of Waikari and the neighbouring districts to bring the matter under the notice of the Minister of Justice. The Magistrate's Court sat once a fortnight at Amberley, sixteen miles south of Waikari, and at Culverden occasionally, twenty miles north of Waikari. All the cases from the river Hurunui south were heard at Amberley, and some residents were called upon to go a distance of from twenty to twenty-five miles to attend the Court. This was found to be very inconvenient and expensive. If occasional sittings of the Court could be arranged for at Waikari it would be a great convenience to the residents, and save a great deal of expense. These sittings could be held, he believed, at a very trifling cost.

Mr. REEVES said no application had been received on the subject. It was quite true, as the honourable member said, that Amberley was sixteen miles from Waikari, and that Waikari was twenty miles from Culverden; but there was railway-communication between these places. Inquiries would be made of the Stipendiary Magistrate, and he would see what could be done.

GUM INDUSTRY.

Mr. MASSEY asked the Government, if they have taken any steps to ascertain, through the Agent-General or the colony's representative at the Canadian Conference, the cause that has so disastrously affected the gum industry?

Mr. WARD might inform the honourable member that, so far as the Government had been able to obtain information, it appeared that the cause of the industry being affected was the financial upheaval that had taken place in the United States. The Commissioner sent to England had been requested to inquire into this matter amongst other things, and his report, on its receipt, would be made public.

PRIMARY-SCHOOL SCHOLARSHIPS.

Mr. MILLS asked the Minister of Education, if he will consider the present unsatisfactory system of primary-school scholarships, with a view to increasing the amount voted for that purpose, and to have one uniform system of examination, doing away with the present provincial system and opening all scholarships to all the pupils attending the

elementary schools in New Zealand? A number of people recognised that the number of scholarships was not fairly proportioned throughout the various education districts, and they would like to know if more scholarships could not be offered, so that intelligent lads would be able to win their way in this arena, and prosecute their studies without expense to their parents. He would be very glad to get a favourable reply.

Mr. REEVES was understood to say that he proposed to deal with this question shortly in connection with the secondary schools.

RAILWAY WORKSHOPS EMPLOYÉS.

Mr. LAWRY asked the Minister for Public Works, if there is any immediate prospect of the men in the various railway workshops in the colony being employed full time? He had been induced to put this question in connection with the matter of the rolling-stock. He was informed that there was now work sufficient to give full employment to the men, who at present were only working five days a week.

Mr. SEDDON said the reply of the Commissioners was to the effect that, as already stated, the Commissioners did not expect to place the workshops on full time until the 15th October. That was the earliest date at which it could be done. He regretted that the occasion should have arisen for the Commissioners having to put the men on short time; but it was better to keep the whole staff on short time than to have to retire a number of the workmen. He was sure the Commissioners would be only too glad to put all the men on full work when there was work. They had, however, to deal with a falling revenue, and consequently there was less necessity for rolling-stock and less work. The 15th October was the date the Commissioners had named, and he hoped they would be able to do it then.

MEANEE FLOODS.

Mr. CARNELL asked the Minister of Lands, if he has received any report from the Engineers on the best way to adopt to protect the Meanee district from floods; if so, the nature of their report?

Mr. J. McKENZIE said he had not received any report, but he had received certain information in connection with the matter to the effect that the Engineer was taking levels and preparing a report. It would be ready shortly, and he would be glad to show it to the honourable member.

FENCING BILL.

Mr. WILSON asked the Minister of Lands, when he proposes to go on with the Fencing Bill, now referred to the Stock Committee?

Mr. J. McKENZIE said he hoped to put this Bill before the Committee not later than Monday; but a number of the members of that Committee were also members of another Committee which was sitting at the present time to inquire into another matter, and, of course, they could not be present at the meetings of

both Committees at the one time. He hoped that by Monday he would be able to bring the Bill referred to before the Stock Committee.

BULLER COAL-MINES.

Mr. R. McKENZIE asked the Government, —(1.) Are they aware that 220 men have been dismissed from the Denniston coal-mines within the last few days? (2.) Are they aware that a population of from four to five hundred are on the verge of starvation at Mokihinui, owing to a dispute as to haulage rates on coal in that locality? (3.) Will they take immediate steps to relieve the distress existing amongst these coal-miners and their families by starting relief-works or otherwise? This was a very important matter, not only to the people in the district immediately concerned, but also to the colony generally. During the last few days 220 colliers had been dismissed from Denniston; and he had received information that at a public meeting held at Mokihinui the previous evening 150 men were stated to have been out of work for the past six or seven months in that locality. He hoped the Minister would see his way to make provision for these men to get employment, and that the Government would make some definite statement regarding the dispute that had been before the Select Committee of the House during the past six or eight weeks. It was time that something final and conclusive was done towards a settlement of that vexatious question, which was causing so much distress and misery in the locality concerned.

Mr. SEDDON said, in regard to the first part of the question, he had received the following reply from the Inspector of Mines, Westport:—

"Two hundred and twenty men are under notice to leave at Denniston, but, of these, about a hundred and thirty will be taken on again, leaving about ninety who will be thrown out. The reason for this is want of trade; for instance, last week only two shifts worked. Information from Mr. Jamieson states, regarding Mokihinui, that owing to intermittent work in the past the people are very necessitous, but probably three to four hundred was a more correct estimate."

Mr. R. McKENZIE said that a considerable number of men, he believed, had left the district owing to the dispute under discussion, and that unless it was soon settled it would be the means of depleting the district of its population.

Mr. SEDDON said that was the reply from the Inspector of the district. In regard to the Granity Creek Mine, the Westport Company had applied for some land upon which to put their buildings; but, as the law stood, this could not be granted to them as applied for. There was power given to them to obtain a lease of the land; but the non-erection of the appliances was the reason they gave for stopping work at the time. Now, the lease of that mine had been held for ten or twelve years, but the company had never put out a ton of coal. The question was, whether the State, having imposed conditions as to output upon

coal-mine leases, should for any reason allow those leases to remain unworked. He thought the time had arrived when the Government must insist upon the output conditions being complied with. With the expenditure by the company upon this mine during the past two years they had now got the mine into working-order, and therefore his remarks would only apply to the time that they had had the mine before the last expenditure was made upon it. With regard to the Mokihinui Company, that company had been unfortunate; they had already lost a number of years, and very little coal had been won or put out from that mine. They had spent a large sum of money in constructing a railway, had purchased a steamer and erected a wharf, and all this expenditure was a direct loss to them. The colony had spent £36,000 in making a railway to the mine, and now that that railway was finished no coal was being put out. He believed the real reason was want of capital on the part of the company. But it was a fact that the output conditions under the lease had not been complied with by the company. With regard to the Mokihinui Company, he said the output conditions must be complied with, and notice would be given in terms of the lease to determine the same. The old Cardiff Company had held a lease for over twelve years, and had never put out any coal. They were always wanting communication with the railways, as they had no means of getting their coal away. A new company had been formed, but they had not put the mine in working-order owing to the disputes as to the price to be charged for the carriage of the coal on the section of the railway belonging to the Mokihinui Company. The Mokihinui Company stated that they were prepared to allow coal to be carried over the line, and whatever the final adjustment was as to the price they would be prepared to accept it. The new Cardiff Company had refused to go on putting out coal or to send it over the line, and the Select Committee had reported upon the matter. The Railway Commissioners had made an agreement for a year, and they could not see their way clear to make a new agreement. Therefore a dead-lock had occurred, and in the meantime the men were thrown out of employment, and their families had been reduced to the verge of starvation.

An Hon. MEMBER.—When does the lease expire?

Mr. SEDDON said the agreement between the Railway Commissioners and the Mokihinui Coal Company would expire next June. The question was, Were they to allow the output conditions of the leases to be ignored, or should the Government insist on compliance? It was not the business of the Government to interfere in disputes. The company had undertaken to put out coal, and they had simply adopted a dog-in-the-manger policy, to the detriment of the community. Under these circumstances, he wished it to be clearly understood that notice would be given by the Government to each of these companies that they must comply with the output conditions of the leases, and, if they

Mr. J. McKensie

did not comply with them, then it was the duty of the Government to cancel those leases, and allow some one else to work the mines. As regarded temporary relief being given to the unfortunate people out of work, the Minister of Lands had been making a road in the locality, and he was at present inquiring as to whether further expenditure would be wanted in connection with that road. If further expenditure were required, now would be the proper time to make it, in order to relieve the necessities of the people. The Government had always laid it down as a rule not to make work simply for the purpose of finding work, but he hoped the Minister of Lands would be able to give relief in this case.

WAIHAO AND WAITAKI NATIVES.

Mr. PARATA asked the Native Minister, Whether steps have been taken to make inquiry as to the advisableness of appointing a medical doctor for the Maori people of Waihao and Waitaki?

Mr. SEDDON said that, from inquiries made, he believed there were places where medical assistance to the Natives was desirable, and it was intended to recommend that Dr. Garland, of Oamaru, and Dr. Barclay, of Waimate, be offered £25 a year each to attend to the Natives at Waihao and Waitaki.

NEW ZEALAND CONSOLS BILL.

ADJOURNED DEBATE.

30. Mr. MONTGOMERY.—Sir, I was considerably interested by the heading of a paragraph in the Financial Statement which refers to "the thrift of the people," and by the statement in the paragraph that—

"It has been felt for years, and is further proved by our periodical bank returns, that if further conveniences were afforded to the people for the investment of their savings under the guarantee of the State a large number would be only too glad to avail themselves of the opportunity."

Now, Sir, I am not an authority, and I do not know how far there is a demand for investments of this kind, but I presume the Colonial Treasurer knows; and I take it, when he says there is a demand for investments in the nature of savings-bank investments, that is so, and I give him all credit for desiring to provide some means of investing moneys in a way similar to the Post-Office Savings-Bank. He has told us that a large number of people would like to invest their money in the Post-Office Savings-Bank, but the limit of £500 is too small to enable them to do so, and that trust funds are not easily invested; that, in fact, it would be desirable to adopt some other method which shall run hand-in-hand with the Post-Office Savings-Bank, and be a completely safe and secure means of investment. I think when he made this statement he had in his mind, perhaps, the French system, under which the peasants and other people of that country largely invest in Government securities; and there is no doubt that such securities are considered a safe means of investment for their

money. The fact of a large part of the public loans of France being taken up by the people in the country is, I think, a very satisfactory thing. It leads to a very healthy state of the country's finances, because when every one is interested in the safety of that finance every one will take means to criticize the country's finance, and see that it is on a perfectly safe and sure footing. The Colonial Treasurer naturally, in looking round for a system, desired to make the system as attractive as possible: and I must admit he has made it a very attractive one. The system of issuing bonds or Consols in small amounts, which pass from hand to hand in the form of Consol certificates, would be a very attractive form of investment, and, I think, would be used a great deal by the people of this country. Now, when there is so much banking agitation, when we do not know what will happen next day, when the unexpected is happening so often, with such disastrous effect on such a large scale, there are many people who would prefer to hold these securities rather than intrust their money to banks. I think it would meet with the approval of the people to a large extent, and be adopted by them as a safe means of investment. But we read in the Financial Statement, with regard to the objects of the Bill, that "A Bill will be introduced for the consideration of the House, embodying what the Government believe and hope will contain only simple machinery to enable the thrift of the people to be safely secured." Anybody reading that will see that there is a slight ambiguity in it, but the main point in that paragraph is that the Bill is to contain "only simple machinery to enable the thrift of the people to be safely secured." That is what we understood the Bill to be brought down would be—that it would be one only containing simple machinery to enable the thrift of the people to be safely secured, and for nothing else. And further on in the Financial Statement we read, "The Government will be able to use these funds most advantageously in promoting the development of the country." How this will be done has never been explained by the Colonial Treasurer. Naturally, there was a good deal of expectation as to what the Bill would be like when it was brought down, and I, with others, took an early opportunity of seeing what it was. I must say I was very much disappointed with the Bill. I had hoped it would be a Bill of another kind. There are clauses in the Bill which certainly do not meet with my approval, nor, I believe, with the approval of the House at large. There is, first, clause 7, which provides that "All such deposits . . . shall be paid into the Public Account, and shall form part of the Consolidated Fund of the colony." If we look up the Public Revenues Act of 1867 we shall find under the heading "Consolidated Fund" that all revenue now or hereafter to be payable is to form part of the Consolidated Fund. And it subsequently says, "All produce of such revenue shall be deemed and taken to be Her Majesty's consolidated revenue of the Colony of New Zealand, subject to be appropriated to the public uses

thereof." If we read that clause in the Act we find that the money from these Consols is to be paid into the Consolidated Fund, which is subject to be appropriated for the public uses of the colony. That there can be no doubt about, and, that being the case, this is purely a loan proposal.

Mr. WARD.—What Act are you referring to?

Mr. MONTGOMERY. — "The Public Revenues Act, 1867."

Mr. WARD.—That Act is repealed.

Mr. MONTGOMERY.—I am aware it is, by the Act of 1891, which I shall read presently; but the meaning of "Consolidated Fund" has not been altered. But this is a pure loan Bill, and it is not what it was intended to be when mentioned in the Financial Statement. The question as to what would be done with the money has never been answered to my satisfaction. The Colonial Treasurer said it would be useful for Treasury bills.

Sir R. STOUT.—Paying off Treasury bills.

Mr. MONTGOMERY. — I quite admit it would be useful for raising money on Treasury bills, in the same way as the Post Office funds and the Public Trust Office funds may be used. And I have no objection to its being used for that purpose so long as the deposits are not paid into the Consolidated Fund. But under the present Bill, if we used it for Treasury bills, it might lead to this: that a large sum would be thus invested in Treasury bills, and sooner or later, under this Treasurer or some future Treasurer, the result would be that either these Treasury bills would be converted into funded stock, or the time of their currency would be so enlarged that they would become eventually part of the funded debt. There is no proposal in this Bill for that, it is true, but it would be a great temptation for future Treasurers to adopt that plan; and I hope that, before the Bill leaves the House, the Bill will be so altered that such a thing could not possibly be done. Then, there are objections with regard to clause 25; but I am not going to refer at length to that, because I do not think the clause will be insisted upon. But I hope there will be amendments introduced in this Bill, altering it to a very considerable extent. It is now a loan Bill, and I hope that before it leaves the House it will come out as a proposal on the same lines as the Post-Office Savings-Bank, and it can be made equally safe. The Post-Office Savings-Bank deposits go through a regular routine, and they are not in the hands of the Colonial Treasurer; and this scheme should be framed upon similar lines. I will read from the Public Revenues Act of 1891 what is done with these moneys in the Post-Office Savings-Bank. This is clause 74 of the Public Revenues Act of 1891: "Moneys received for deposit in the Post-Office Savings-Bank . . . shall be kept in a separate account"—they are not paid into the Consolidated Fund Account; and it says, further, in subsection (5), that—

"At the end of each calendar year the Postmaster-General shall prepare an account show-

Mr. Montgomery

ing the total profit accrued on the Post Office Account during each year, and shall, on or before the end of the then financial year, pay over the balance, after making full provision for all liabilities to depositors or otherwise thereon, to the Consolidated Fund."

This provides for accounts being furnished of all this money; and in clause 77 we have,—

"It shall be lawful to invest any part of the balances in any of the accounts mentioned in this Part of this Act in any securities which shall be declared by the Governor, by Order in Council, to be securities in which such balances may be invested."

That is what happens with regard to deposits under the Post Office Account; and is there any reason whatever why we should not make these clauses apply equally to the proposal with regard to Consols? That would make the Bill a safe Bill, and one that I should be prepared to support throughout. It would provide a means of investing money, and it could not be in any sense a charge on the taxpayers of the colony. We could have the money shown in a separate account every year. I have here, for instance, Return B.-11, the Post Office Account, in which is given a complete return of the moneys connected with the Post Office. We can all see it and criticize it, and we can all know what has been done. I have, further, a return of investments in the Post Office and other accounts. There is a list of them here; and a number of them are Government securities—such as those under the Land for Settlements Act and loans to local bodies—and amongst them I see £338,000 invested in Treasury bills. If we tie up this money in the way that I suggest there can be no objection whatever to the Treasurer's proposal to utilise the account for the purpose of Treasury bills. But, at the same time, the money should be tied up in such a manner that all would know it is safe, and that it could not possibly become any charge on the taxpayers of the colony; and a return should be prepared at the end of every year. I suggest these proposals because I was returned, as I believe most members on this side of the House were returned, to support this Government, and to support them in a non-borrowing policy. I was returned on that principle, and to that principle I intend to stick. This can be made a Bill which is not a borrowing Bill, but simply on the principle of the Post-Office Savings-Bank Act, and if it is made on that principle, and the money is tied up as I suggest, I shall be very glad to support the second reading. I shall listen with great interest to what the Colonial Treasurer says in his reply, and if he agrees to the amendments I suggest I shall support the second reading, but, if the Bill is not amended in Committee, I shall vote against the third reading. I hope the Treasurer will not receive these proposals in any hostile manner. I am simply fulfilling my pledges on the election platform, and I have no desire to kill the Bill, but simply to make it a safe Bill. I feel, in introducing such safeguards as would absolutely tie up the money in some such way as

I suggest, it will satisfy those of us who were returned on a non-borrowing policy, and would make the Bill a safe and useful measure—one that would be acceptable both to the House and the country.

Mr. HALL-JONES.—I look on this as one of the most important Bills we have had before us this session, and I must confess that I do not look on it with any approbation. It is called a Bill for the encouragement of thrift, and is said to be for the benefit of the people. Who are the people it is supposed to benefit? Who comprise the largest portion of our population? Why, Sir, the workers; and will this Bill benefit the working-people? I do not think so. Their requirements are met by another institution. If we refer to the Budget, the Treasurer there speaks of the Post-Office Savings-Bank, where he says,—

“The Post-Office Savings-Bank, it is recognised, presents a thoroughly safe, and in the large majority of cases a singularly acceptable, channel for depositing the surplus moneys of our wage-earning and trading classes. But it has been felt for years, and is further proved by our periodical bank returns, that, if further conveniences were afforded to the people for the investment of their savings under the guarantee of the State, a large number would be only too glad to avail themselves of the opportunity. It must be borne in mind that the Post-Office Savings-Bank only pays interest on a limited aggregate sum deposited individually, and requires, in the interests of the depositor, many forms and ceremonies to be gone through before money can be put in or drawn out.”

Now, it has been suggested by the last speaker that the money raised under this Bill should be placed on a similar footing to that deposited in the Post-Office Savings-Bank Account. If this is done, where is the need for this Bill? If the maximum amount allowed to be deposited in the Post-Office Savings-Bank is too low, why not raise it from £500 to any larger sum? And, if the Government do not care to pay 3½ per cent. on the sums over £500, let them pay a lower rate—say, 3 per cent. or 2½ per cent. as the amount increases. I do not think that 1 per cent. of the working-men of the colony have so much money under their control after providing for the necessities of life as £500, and who desire to lock up their savings, which they may require to use at any time, in Consols, when the Post-Office Savings-Bank gives them every facility they require. I think, if the suggestion of the last speaker is intended to be carried out, there is no need at all for this Bill. I look upon the Bill as purely a loan Bill. Either it is a loan Bill or it is not. If it is a loan Bill, I would rather see the Government come down and boldly say so: then we should have to look upon this question in another light. I have nothing to say against a loan being raised in the colony when money is urgently required; but we must consider those who have to pay the interest on our loans. If we are going to raise money for the purpose of carrying on public works, which this Bill

indicates that the money is to be raised for, why should we pay 4 per cent. for it, when we were told only a few hours ago that money for another purpose could be raised at 3 per cent.? Why should we increase the burden borne by the whole of the taxpayers of the colony by raising money at 4 per cent. with 1 per cent. for all time, when we are told that it can be raised at 3 per cent.? A great cry has been made that the money-lender in the colony demands extravagant rates of interest, and that was given as one reason why we should have the cheap-money Bill. Judging from the proposals in this Bill, there are some persons in the colony who do not demand a high rate of interest for moneys they lend, so long as they have good securities for the money advanced. This must be the case, or how are they going to take the Consols at 4 per cent. interest? It is a most unwise policy to pursue, when people are willing to advance money at as low an interest as 4 per cent., for the Government to try to mop up the whole of that money, instead of leaving it to go into the ordinary trade-channels, such as making advances to settlers and the promotion of the industries of the colony. I think it would be very much better if the Government allowed this money which the money-lenders would lend at a low rate of interest to be utilised in the way I suggest, instead of taking it into their own hands. If we want more capital in the colony, is it right for the Government to absorb into their own hands all the capital within the colony that can be obtained at a low rate of interest? I maintain this proposal will not benefit the people one bit. It will rather do harm than good. If the Government want to borrow money, let them raise it in the cheapest way. We have had no definite information from the Colonial Treasurer or the Premier as to what the money raised under these proposals will be used for. I can only conclude that it is going to be used for the purpose of carrying on public works, as previous loans have been used; therefore I shall have to vote against the second reading of the Bill.

Mr. HOGG.—Sir, the first question in connection with this Bill is this: Is it a borrowing measure? Is it the intention of the Government to add to the existing liabilities of the colony? Well, it is, and it is not, a measure for borrowing. In one sense, undoubtedly, the intention is to add to the permanent liabilities of the country, but in another sense it is borrowing by a method entirely new to that which the colony has been accustomed to, and in this respect it possesses the charm of novelty. We are not borrowing under this measure from abroad, but we are borrowing at home; and I should like to ask honourable members this: What is imperilling New Zealand now, and what has imperilled it in the past? Has it not been our system of contracting foreign loans without reference to the fact that we never take steps to ascertain whether the capital exists in the colony or whether there were not capitalists amongst us able to come forward to the assistance of the Government and the country.

We are at the present time paying a large amount of interest every year to foreign bondholders. We have been told during this debate that the amount paid for private and public indebtedness is in round numbers about three millions annually, or about one-third of the value of the colony's exports. This is a very serious matter. It is admitted, to quote a familiar illustration, that the Chinese are undesirable colonists; and what is the reason? The reason is simply that the profits of their trade and their enterprise, whatever those profits may be, are not again distributed in New Zealand but are carried off to China. Well, Sir, in the same way foreign companies are injurious. The banks that have carried on business in this colony, as well as some of our public companies, insurance companies, and so forth, have been, on the whole, exceedingly injurious to New Zealand, because the profits of their enterprise, instead of being circulated in the country, have been carried off into foreign channels. New Zealand has simply been utilised as a milch-cow for the benefit of other parts of the world. Money invested here has been continually taken away to foreign places, and now New Zealand is in the position of being further impoverished if, instead of endeavouring to borrow from amongst their own population and conserving a spirit of patriotism amongst our own colonists, we resume borrowing from foreign sources. Then the question arises, Is borrowing a necessity? If we take the theory of the Opposition, surely we must admit it is a necessity. Ever since the present Government came into office we have been told by that great authority on financial matters that borrowing is indispensable; that, do what we like, we must borrow. And I think they ought to compliment us on the fact that we are realising the truth of their assertion. I, for one, never denied that borrowing is a necessity, especially in the case of a new country. I do not know whether I differ from other members on this side of the House. As far as I am concerned, I stand unpledged with regard to the judiciousness of borrowing, if we find it to be necessary to borrow for reproductive works: and that is the essence of the whole question. We see at the present time that settlers, as well as the Corporations in the colony, find that borrowing is a necessity. Borrowing has never ceased. We find borrowing on the part of private individuals, borrowing on the part of public companies which are carrying on various enterprises, and we have borrowing on the part of large public corporations; and the question is this: Are the Government of the day going to have their hands tied, now that they are endeavouring, in a way that has never been tried before, to develop the resources of the colony—now that they are endeavouring not to contract our public works, but rather to expand them—now that they are endeavouring to facilitate settlement in all parts of the country, in places that a few years ago would certainly not have been looked upon as a field for settlement at all? I ask, Sir, the Government having entered upon

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a policy of enterprise, are they to have their hands tied, chained up, or restricted? It is quite true that I stand, like, I dare say, many other honourable members in this House, pledged not to endeavour to assist the Government to borrow from without—that is, to contract foreign loans. But the question of borrowing from within is an entirely different question from that; and I hope honourable members will mark the great difference that exists between raising foreign loans in the London market and endeavouring to utilise the capital that is lying dormant in the country itself. Because, after all, what is capital? It signifies our commercial lifeblood. Our veins have been tapped hitherto for the benefit of outsiders. But the question is this: Are we not warranted in making use of the capital that is now lying dormant? And we are told that a very large amount of capital is lying dormant in our own financial institutions. Well, Sir, I think the arguments which have been used by the opponents of this measure to a great extent answer themselves. We have been told that this money cannot be raised—that our Consols will not be taken up. We have also been told that the operation of this Bill will be to ruin the banks; that it will deplete the Government Savings-Bank; that it will weaken our financial institutions; that the people will wring their hands; that, in short, we shall have a financial famine. Well, Sir, after all, this method of raising money is not novel. Are we not following the example of the greatest commercial country in the whole universe? Are we not following, in this Bill, the example of Great Britain, the country that is able to lend to the whole world, the country that is recognised as the most financially sound in the whole universe? Do we not know that that country, as the Colonial Treasurer has stated, has not less than £575,000,000 invested in British Consols? And I would like to ask the prophets of evil we have in this House, have those investments in British Consols ruined the Bank of England? Have those investments injured the financial institutions of England? Have they burst up the savings-banks of that country? Have they interfered with the commercial lifeblood of that country? Is it not circulating now as freely as, or more freely than, before the British Consols were inaugurated? Then, Sir, if those predictions are correct that we cannot raise the money, are we going to injure our banks by passing this Bill? I should like to ask, what do these predictions come to? There is not the slightest doubt that in the past the moneyed interest in New Zealand has controlled the Government, and to a great extent has controlled the policy of the representatives of the people. It has controlled Parliament. Of this there is not the slightest doubt. The banks have been running the colony. But now we find the position has changed. Under a Liberal Administration, instead of the banks running the Parliament of New Zealand, the Parliament of New Zealand has the banks coming to it in a

suppliant attitude. The banks are compelled to come to the House before they can amalgamate or move one step in the direction in which they are travelling. I ask, through the medium of the Consols what are the people asked to do? Are they asked to lend to foreign bondholders? Not for a moment. They are asked to lend to a corporation controlled by themselves. We know very well that commercial constitutionalists and commercial constitutionalism offer the best possible guarantee that the money will be paid. What, after all, are the people doing? They are asked simply to lend to their own institutions—to lend to the Government of the country, for the benefit of the country. And I say no true national policy could be inaugurated of a financial character that is more calculated to develop the resources of a young country than the policy contained in this Bill. Sir, to follow an apt illustration, the sun in former ages produced our coalfields; those coalfields have been developed and the coal brought to the surface by human labour, and we know, on the other hand, that those coalfields are simply fructifying—they are developing the fields of our enterprise; they are assisting our very atmosphere, and, instead of that coal being lost, it is going again to replenish the earth—it is going back to fructify the soil in which it was originally produced. In the same way we are going to use the produce of capital. Capital produces interest; but so long as we keep the interest in our own hands, and borrow from our own people, who will receive the benefit? How can it impoverish the country if the money is expended in work that will furnish employment for labour in developing the resources of the colony? Capital is the food on which industry thrives. It is absolutely essential not only to public works, but it is essential to those who are endeavouring to cultivate the industries on which New Zealand must be built up, and which will eventually make her that great nation which I hope she will be. New Zealand is being drained through the medium of the heavy interest she has to pay to those who have been advancing money to her in the past. And what do we find? We find this: that our merchants, that our tradespeople, that our artisans, our settlers, our local bodies, are all clamouring and crying out to the Government, "Give, give; we want more money; we cannot get on without it." We have natural resources and splendid machinery in this country; it offers a splendid field for development. We have a thrifty and hard-working population; but our settlers are in the position of an engine trying to revolve without the natural oil that is essential to keep it in good operation, and to preserve it. The machinery is grinding itself to pieces in the absence of sufficient capital, and that capital we must have. Well, Sir, why is it that there is so little capital circulating in the country? I say this: that the Government have been doing a noble work during the last few years. Since their party came into power they have been prosecuting public works, doing their very best to assist

the settlers, and responding to the demands of members of this House and the demands, for instance, of my own district; they have been endeavouring to find money for roads and bridges, and they have been doing much for the unemployed of the country. They have been endeavouring to solve the question of social distress, to promote comfort amongst families, to prevent such a thing as privation. But, although they have been exerting themselves heroically in this direction, it is quite evident, unless we are going to inflict further taxation, that more food must be found in order to replenish the empty Treasury. In what position does the Treasury stand? We know there has been a very heavy drain upon it. I have applied time and again on behalf of my own district to get works undertaken in that district; and in every part of the colony the settlers have demanded works—works which are necessary for the preservation of life, such works as bridges over dangerous rivers; and, while I have been endeavouring to get works of this description undertaken as quickly as possible, the reply which has been given by the Minister of Lands and the heads of the departments has been, "We should be only too glad to give you all the works the settlers desire, but where is the money to come from?" I maintain that the money must be found. If the feeding-bottle is empty it must be filled. I say, why should it not be filled? If we have the milk in the country that milk must be drawn. We are not going to get a foreign stimulant. That is what we have been getting in the past from the banks and from the financial institutions that the senior member for Wellington City is weeping over because this Bill is going to hurt them. Never mind though it does weaken them if it strengthens the State, and I say that the strength of the Government of this country lies in the efforts they are making to help the settlers of New Zealand. We know what these foreign financial institutions have been doing. Have they not year after year, during the last twenty years, entirely through this foreign borrowing policy, been distributing such dividends as 10, 12, and 15 per cent.? And amongst whom? Amongst the population of New Zealand? No; but amongst their shareholders in all parts of the world. That is where the money of New Zealand has been going. That is the reason why these institutions are afraid to lend at the present time, because there is no borrowing from abroad as there was before. And we are not going to allow them to drain their 10- and 15-percentages from the unfortunate settlers of New Zealand, who have to contend with falling markets and great disabilities. I say we have no right to go out of our way to assist those institutions if at the same time we neglect to cultivate a national policy and help ourselves; and the way to help ourselves is by giving to the capitalists of New Zealand, who have made their money here through their thrift and enterprise, a safe investment; and that is what the Bill is doing. The greatest authorities tell us that money is the vital principle of the body

politic. The Treasury of a country is the heart of that country, and if we can control the Treasury we shall control our own public affairs. The objection is made to this measure for raising money that the loan is not earmarked; that the money need not necessarily be applied to works of a reproductive character; that the money that is raised by means of these Consols need not be used for the purpose of making advances to settlers, or for making roads and bridges and other public works. I think the honourable member who spoke last—the honourable member for Timaru—alluded to these roads and public works as not being of a reproductive character. Well, Sir, I take a very different view of the matter, because I maintain this: that no works could possibly be of a more reproductive character than public works in a young country. It is quite true I do not like the idea of heavy interest being paid annually on account of increasing loans, but, on the other hand, I should like to ask this question: Are the people of New Zealand prepared to be taxed—to have an additional load of taxation placed upon them? What would be thought of a working-man, who has ploughed his way from the commencement, working hard and earnestly from morning to night, and making a perfect slave of himself in order that his children may go well clothed, do without work, and live upon his hard earnings? I say a man who adopts a policy of that kind is not only adopting a policy that is cruel to himself, but one that is merciless to his children, who should be taught to work the same way as he has done. And what are we doing in New Zealand—in this young country? Are we not laying the foundations of the colony—foundations for all time? That being the case, are we to bear the whole of the burden? Sir, the public works we are making, the railways we are constructing, are for all time—they are works upon which our future institutions will depend. Our settlers are not merely doing work for themselves, but for all time; and, if the Government come forward and say, "We are going to borrow through the medium of these Consols for the purpose of relending so as to develop the resources of the country," I say the Government have a right to be supported in carrying out a policy of that character. It is, in my opinion, a patriotic policy. The money under this Bill is not going to be invested badly. It has been invested badly in the past, when we had foreign loans, but as long as the money is raised in the colony the owners of the money who are in the colony, and able to vote, will see that it is properly spent. They will have full control over the investments. It is simply one class of the people who have money lending that money for the assistance of those who require it, and lending it with a patriotic desire to see New Zealand and its public works go ahead. And I do not see why they should not. Sir, step by step I believe we are approaching the inevitable. There is not the least doubt of it that our financial institutions are becoming weaker. And why? Be-

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cause they are in the hands of private corporations; and, as these institutions become weaker, I believe we are approaching nearer and nearer to what in the opinion of many is inevitable, and that is, a State bank. There is no getting away from the fact that not only in New Zealand, but in the other colonies, that is the thing which is standing in front of the banks and menacing them now. We are withdrawing, possibly, the means of their support. But why are we doing this? We are doing it because we are opposing what we might term—and though some people may regard it as hurtful, I think the consequences will not be so unpleasant—we are opposing State socialism to the reign of individualism which we have suffered from in the past. Nearly the whole of the institutions that are springing up are in that direction. We have railways, the Post and Telegraph Office, the public schools, and I could mention hundreds of different institutions, and there is also our labour legislation: the whole of these institutions are of one character. In them the State is doing the work of the people; and, if the State is going to carry on that work, unless we are going to have stagnation you must strengthen the hands of the State, and the only way of doing that is by bringing capital into play, because capital signifies the lifeblood. It is not right that this should be allowed to lie dormant. What has happened in the other colonies? Look at the banks bursting there day after day, and people who had money deposited in these banks awaking next morning to find that they were without a shilling. There is a universal feeling of distrust because of that, and that is the reason why money is kept hoarded, and is not circulated. New Zealand is suffering from depression because people feel that their money would be insecure in the financial institutions. I believe that, instead of the population refusing to respond, they will very heartily respond to the offer that is contained in this Bill, and that the Consols will be freely taken up by people who want a better security than is offered now through the medium of our banks. I believe the Bill is capable, however, of being greatly improved, and I should like to see clause 35, if possible, struck out. I do not think there is any necessity for that clause. If certain safeguards are needed in the Bill, I think I can say that the Government and the Ministry of the day will accept any safeguards that may be advisable. I consider the object of the Government is thoroughly patriotic, and that money that is dormant, and capital that is now unused, or that otherwise might leave New Zealand, will by this measure be brought into active use. I believe the Bill will promote the development of the country districts, and that it is essential for the general prosperity of the people.

Mr. G. J. SMITH.—I do not propose to occupy very much time in connection with this Bill, but I feel that it is of such an important character that it would not be wise for me to allow the opportunity to go past without making a few remarks upon it. The honourable

gentleman who has just sat down has called the attention of the House to the fact that there is a great deal of difference between loans contracted in the London market and loans contracted in the colony. With that I agree to a very large extent. But, Sir, whether loans are contracted in the London market or in the colony, the result is the same so far as the payment of interest is concerned, and the additional debt and burden placed upon the people of the colony. Then, the honourable gentleman spoke about foreign institutions and the pressure they put upon the colony; but I have read this Bill, and I can see nothing in it to prevent the foreign capitalist from holding these Consols, and continuing the pressure upon the colony and upon the people of the colony. Now, I read the Bill again, and I find that both the Financial Statement and the Bill speak of encouraging the thrift of the people. But the honourable gentleman who has just sat down said the object of the Bill was to provide New Zealand capitalists with an outlet for their money. Sir, I did not know that it was the duty of the Legislature to provide investments for the capitalists of New Zealand. I thought that the duty of the Legislature, composed as it is of representatives of the democracy of New Zealand, was more, and ought to be more, in the direction of easing the burdens at present on the shoulders of the people, and giving them a chance to raise their position. Sir, the financial proposals of the Government during this session have been startling in the extreme. It may be that I am new to handling, or to witnessing the handling, of such large amounts as we have been dealing with, but I confess that from time to time I have been somewhat staggered at the ease with which the Colonial Treasurer and many members of this House have spoken of millions, and half-millions. I confess that I have been somewhat aghast; but I consider that, of all the proposals we have had before the House this session, this is the most startling. As I read the Bill, Sir, it is a Bill which proposes to borrow one million sterling from the people of the colony if it can be got; and this million of money is not borrowed for reproductive works, it is not earmarked for advances for settlers, nor is it to be applied in the purchase of lands for settlement, or in the opening-up of Native lands or for the construction of roads and bridges. The only clause that deals with the question provides that it shall be placed to the credit of the Consolidated Fund, and shall be dealt with in accordance with the charges that are made from time to time upon that fund. Now, if the true object of the Bill had been to encourage thrift, and to provide an outlet for the savings of the people, I should have thought the Bill would have had some provision authorising the application of the money raised in some direction such as I have indicated. But there is no provision in the Bill at all stating how the money is to be dealt with after it gets into the Consolidated Fund. If once it gets into that Fund it seems to me that we shall be adding

an additional million to our present indebtedness, and that will be a very serious matter. What will be the result if this Bill passes? It means that small sums may be withdrawn from building societies, the Post-Office Savings-Bank, and private savings-banks, and invested in Consols. Money that is at present deposited in the banks at call may, possibly, be withdrawn and invested in Consols; and this will simply mean that there will be a restriction on trade, the floating capital will be reduced, and the people of the colony will suffer by it. Now, Sir, the Financial Statement speaks of the savings of the people being locked up. I contend that if these small sums are invested in Consols they will still be locked up as if they were on deposit for a short period, because if the holder of Consols wishes to realise he will have to submit to a discount. It is all very well to say the Consols can be passed from hand to hand, and are transferable by delivery, but if an individual wishes to get cash for one of these Consols he will not get par for it—he will have to submit to a discount.

Mr. MORRISON.—Question.

Mr. G. J. SMITH.—It is a matter of opinion, and the honourable member for Caversham is entitled to his; and I am sure he will allow me to have mine. Now, we have been talking from time to time of revising the tariff. It is desired that we should be enabled to take the duties off the necessities of life, and so relieve the working-people of the colony; but this proposal simply means an additional £35,000 or £40,000 interest per annum, and that means extra-taxation to provide for it. In view of these facts, it seems to me that any proposal for the revision of the tariff must be a long way in the distance. The Bill itself provides, as I have said before, that the Governor may authorise the Colonial Treasurer to receive, by way of deposit, one million sterling, bearing interest not exceeding 4 per cent per annum. These deposits may be continued for a period of forty years. That would mean that for forty years we are to have an additional million of debt, supposing these Consols are taken up. Then, section 7 provides that the deposits shall be paid into the Public Account, and form part of the Consolidated Fund of the colony. But, to my mind, the worst feature of the whole Bill is section 35, which provides that all these Consols may be converted into stock by order of the Governor in Council. That means that after this House has authorised the issue of the Consols, after the money has been paid into the Consolidated Fund, the Governor in Council may calmly add it to the debt of the colony and increase the debt by a million. Now, I say, if it is necessary in the best interests of the colony that we should go in for a loan of a million, it would be far better for the Colonial Treasurer to say so to the House, and let us vote the money with our eyes open. I for one do not approve of the proposals of this Bill. The Colonial Treasurer, in introducing the Bill, said that the amount raised under the Bill was to be judiciously applied in reducing the amount of the Treasury bills.

Mr. WARD.—No, I did not.

Mr. G. J. SMITH.—Well, that might be. I am aware I did not take the exact words of the Treasurer down at the time; but what he meant was that they were to be applied in redeeming Treasury bills in some way or other.

Mr. WARD.—No.

Mr. G. J. SMITH.—My memory may be incorrect, but I am fairly near the mark. When the Minister of Education came to speak he told us that the money was to be spent on reproductive works. Now, I say, if it is the intention of the Government to spend this money on reproductive works, or on any of the Bills that have been passed this session, that ought to have been stated in the Bill, and I believe the Bill would then receive very much more support when it comes to its second reading. If the money is to be applied in reducing the amount of Treasury bills, or in dealing with Treasury bills in any way, I expected the Colonial Treasurer would have said that he proposed to reduce the authority given him for the issue of Treasury bills by a proportionate amount; but I did not hear him say anything of the kind, and I am forced to the conclusion that this is simply a proposal to put this amount to the credit of the Consolidated Fund, and to treat it as other sums are treated that are placed there—that is, that it should be paid out in any way the Ministry may for the time being think necessary. Now, it seems to me that this has become a very serious matter. Supposing that the amounts we have authorised are continued for the next five years. We have for land for settlement a quarter of a million a year—that is a million and a quarter. We have the advances to settlers, which may mean a million and a half a year, making seven and a half millions.

4.0. Then, there are the Native lands and roads—half a million for five years, which is equal to two and a half millions; and to this has to be added the Consols—a million under the present Bill. That gives a total of twelve millions and a quarter in five years; and, if we take interest on this amount at even 3½ per cent., it means an annual charge of £428,750 over our present amount. We have also a contingent liability of two millions Bank of New Zealand guarantee, so that our indebtedness in five years, if we continue at the present proposed rate, will be increased by fourteen and a quarter millions. I do not think I have given any specific pledge against borrowing, but the proposals of the Government are so startling, and of such a serious nature—and I believe will tend to the injury of the colony—that I felt it necessary to vote against the Bill last night. I did so because I believed it to be in the best interests of the colony. The Minister of Education, in speaking on this Bill, talked about fidelity and loyalty; but I conceive that the first duty of members of this House is to be faithful and loyal to the trust that has been reposed in them; that our first consideration is to be faithful to the trust that our constituents have reposed in us; and after we have discharged our duty in the best inter-

ests of the colony, then we should study the honourable gentlemen who occupy the Treasury benches. First of all, I consider that our duty is to the colony, and, believing, as I do, that this Bill will work injury to the colony, and is not in the interests of the colony, I shall vote against the second reading.

Mr. THOMPSON.—I would not have risen to say a word on this Bill if it had not been that I consider my duty to those who sent me here requires that I should not give a silent vote upon it. It is useless to take up the time of the House in debating the question as to whether this is a borrowing Bill or not. It is a borrowing Bill, and one of the worst description, in so far as it is not borrowing for any specific purpose. I do not object to the Government raising money in the colony in Consols if the Government make proposals in the Bill that the money shall be used for some specific purpose. I do not object to the mode of raising the money; but what I do object to is that the Government should call upon members of this House to give their authority to raise a million of money without telling us what that money is being raised for. So far as I am personally concerned, I am not going to discuss the merits of the Bill, as it has been very well discussed already; but I wish to tell the House and the Government the position I intend to take up in giving my vote upon it. I object entirely to clause 7 and clause 35; but I shall wait and hear what statement the Colonial Treasurer will make in reply as to what alterations he intends to propose in those clauses in Committee. If his explanation is satisfactory to me, then I shall vote accordingly; and I shall certainly not give my support to a measure of this kind, or to any other similar measure, unless I know distinctly how the money is to be used. This policy, to my mind, looks something very like the plunging policy of a reckless gambler who has lost all sense of responsibility, and who is prepared to plunge headlong in some direction or another, knowing not where he is going to bring up. The last speaker observed very truly that the first duty of every member of this House is to those who sent him here, and to the colony generally; and I do feel certain that in dealing with a measure like this our first duty is to consider the effect of this policy on the well-being of the colony, before we decide on giving our votes. That is the first consideration by which we should be influenced. I am not pledged in any way either for borrowing or against it. My constituents sent me here to vote as I think best in the interest of the colony, and I am allowed the free use of my own judgment on each question that comes before the House. I have no desire to do anything to place the Government in an embarrassing position, but the Ministry must understand distinctly that I have come here to do my duty so far as I am able to those who sent me here, and to the colony, and, if the Government bring down measures that I believe are likely to lead to disaster or ruin, then they must expect my opposition to

those measures. However, I shall reserve my right to decide how I shall vote on the second reading until I have heard if the Colonial Treasurer intends to make any satisfactory reply in reference to the clauses I have mentioned; and, if he is able to tell the House that he will, when the Bill goes into Committee, bring down a clause dealing with moneys proposed to be raised, and their control and management, so far as I am concerned I shall not oppose the Bill, but unless that is done the honourable gentleman cannot expect my support.

Mr. WILSON.—I should not have risen to say a word on this Bill had it not been for the extraordinary spectacle presented to the House of three Ministers making three different statements as to what was to be done with this money when it was received. Such an extraordinary spectacle used not to take place, and I confess it would have been considered an extraordinary thing in the past if it had been thought possible for the members of a Ministry to come down to the House and give us views not similar to those of each other on such an important subject. First of all, we had the Colonial Treasurer telling us in a very jaunty style that honourable members would like to know what he was going to do with the money. I for one listened very carefully to hear what was going to be done with it; and he said honourable members would not be averse to the Government taking up Treasury bills. That was the sort of answer we got. We thought that was only one answer to the Bill, and I expected a number of others, but nothing more was given as to what he was going to do with it. After the Colonial Treasurer came the Premier, whose speech was no doubt drawn by the senior member for Wellington City. The Premier said, on the other hand, that it was not at all necessary to invest this money in Treasury bills. Then, we had some more curious statements from the Minister of Education after the eleven-o'clock adjournment the other night. No doubt the Government had had considerable warning from their supporters; and the Minister of Education said—I will give his own words: "Honourable members know perfectly well that the Government require this money for other measures which we are bringing down." And, so far, this was the very first intimation we had of what the Government were going to do with this money in relation to the other financial measures they are bringing in. I suppose during the half-hour's adjournment the Government found that their supporters were not such fools as they had taken them for, and no doubt the Premier intimated to the Minister of Education that he must get up and tell the House a little more of what the Government were going to do with the money. I expect what will probably be done will be that a member of the House, such as the honourable member for Dunedin City (Mr. Pinkerton), will be put up to move some amendment, giving one the idea that the Government have had nothing to do with it. The Government will then say

that they have considered the matter, and will accept the amendment, and we shall have the whole Bill completely altered in the direction that the Government supporters have indicated. The policy of the Government is not infrequently changed in this way. We have had two what might be called "wild-cat" proposals. I do not quite understand the meaning of the term; but I know what kite-flying is, and I would suggest that their proposals are more like kite-flying proposals. It seems to me, in fact, that the Minister is always flying some kite or another in order to get money out of the people, forgetting that we shall have to pay for it in the shape of increased taxation. I expect we shall find that when the Colonial Treasurer replies he will say that he proposes to alter this Bill considerably, and that he will tell us how he proposes to utilise the Consols, and that he will give us more definite information than the Minister of Education gave us. Probably he will tell us that this money will be used for the settlement of land, for the purchase of Native land, and for roading; and, if we had got that information in the first instance, probably some of us would not have objected so much to the Bill, because it might be advisable to borrow money judiciously for this purpose. As it was, the Bill came down with absolutely no information as to what necessity there was for the borrowing proposed. Those who are opposed to borrowing generally, except for specific purposes, cannot give that support to this proposal which probably the Treasurer expects. The other evening a question was asked by the honourable member for Timaru as to the stock quotations in London. Our 4-per-cents are quoted in London at 109, and yet the Treasurer proposes to float this stock in the colony at par. What does that mean? It simply means that we shall lose very considerably by it, and if we went to London we should perhaps get about 8 per cent. premium on the loan. In that case we should gain a premium of something like £30,000; but if the loan is floated in this colony we shall practically lose by that transaction £30,000. My own advice to the Government, which, of course, they will not take, is that it would be very much better for them to retire these wonderful Bills, every one of which shows such evidence of great want of care in their preparation. It is somewhat curious that the Premier adopts the old tactics that used to be pursued by the late Sir Harry Atkinson. When that honourable gentleman was at the head of affairs in this country it was usual for him to delay bringing down his most important measures until late in the session, believing that then he would be able practically to carry anything through the House. The present Premier has delayed bringing these Bills down, in the expectation that he will be able to carry them out just as he would like; but exactly the reverse of what was expected has happened. If he had brought down Bills earlier in the session his followers would have been new to the work, and would have given them unconditional support. Now they have

found their feet, and the Government side has generally become disorganized, and the measures have not that hearty support which Government expect. Under the circumstances, it would be much better that the Government should take them back and read them during the recess. It is evident to me that they have not even read them. During the recess they can read them, and properly digest them, and bring them before the House next session prepared in a state that will be manifest to the House. Probably after what took place last night the Government have made some arrangement with members of their own party, and smoothed them over in regard to this Bill. I am certain, however, that the majority of the House are against it. It would be very much better if the Bill were not pressed forward, and if its consideration were delayed till next session.

Mr. COLLINS.—As one becomes more and more accustomed to the methods of parliamentary debate one ceases to experience that surprise which one felt in the earlier days of the session. One gets accustomed to the methods and to the tactics used by the Opposition—I do not mean by the organized Opposition, but by those who choose at any time to oppose any particular measure before the House. In this debate we have had a considerable amount of simulated sincerity upon the question and a great deal of assumed earnestness on the part of some members of this House. All this has been played off with some little effect—I do not say dramatic effect: the effect has not been very dramatic. In the early part of the debate we were supposed to be in accord with the policy enunciated in this Bill. We were told in vehement terms that we were prepared to violate one by one our election pledges—as a matter of fact I do not think our speeches were deemed of sufficient importance to send all through the country—but when we speak we are, at any rate, charged with attempting to evade, and even violate, distinct pledges made in our election speeches. I for one deny that upon any occasion this session I have in any way whatever come within a measurable distance of violating an election pledge. It may be, however, that in an election speech one spoke, and spoke strongly, against the policy pursued in the first place of carrying on public works by means of borrowed money, and in the second place of applying that money to public works of a speculative character. That policy has been condemned, and I undertake to say that policy will continue to be condemned. I deny, in spite of the undignified laughter of the senior member for Wellington City, that this comes within measurable distance of a loan; I mean, within measurable distance of a loan on the foreign market for purposes of public works. We are getting used to that laughter, that sneer which covers so much; but it will have less effect the more of it we hear. I for one am quite convinced of this: that sneering laugh does not come with very good grace from one who has had such a long experience of political life, and one who is supposed to possess very

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great ability, and to be the embodiment of all the political virtues which this House possesses. I think he would be thought a great deal more of if he refrained from laughter of that kind when a younger member of this House rose in his place to address this Assembly. This Bill appears to me to be what it is assumed to be by those who have introduced it—namely, a Bill calculated to encourage colonial thrift, a Bill in every sense calculated to encourage the development of colonial thrift. If the Government of this country requires money—and money it must have—I quite conceive that it can obtain that money from no better quarter than from the people of this country; and I will maintain that, being the first time a Colonial Consols Bill has been introduced into this House, it is the inauguration of a splendid departure from past policy. It is the inauguration of a new era—that when in the future moneys are required for public purposes they should be obtained from the people of this country. What does it mean? We have heard over and over again that we are paying annually to the foreign holders of our bonds some three millions of money. Let the members of this House conceive what it would mean if these moneys were disseminated among the bondholders of this colony. Let them but fancy three millions of money added to the amount circulating within the colony! What would it mean? It would mean freer finances, encouraged commerce, such as would insure remarkable prosperity; and I say we shall not know the country as we know it now if we once inaugurate such a condition of affairs. It has been said over and over again that this means of raising money is really tantamount to a foreign loan. We have been told by the Opposition themselves that this money will really be subscribed in the London market. What does that mean? A few weeks ago it was repeatedly affirmed that money was being drained from this country; it was said that we could not get people to invest their money in this country; and now, because we offer a loan at 4 per cent., we are told that we are to get the money from the very quarter and from the very people that had so distinctly declined to invest their moneys with us. Then, Sir, for a moment I must refer to observations made by the middle member for Christchurch City. He said he had never thought it was the duty of the Government to find for capitalists an outlet for their money; but if the Government of this country can find capitalists—large and small capitalists—an outlet within this country, surely it is better that they should have that investment in the colony itself than that they should have to look for investment elsewhere. But I conceive it is essentially the duty of this Government to, if it is possible, find an outlet and fair means of investment for all moneys within this colony, and if this Bill comes within measurable distance of accomplishing that effect it will afford a lasting benefit to this colony. The honourable member said it would mean an increased liability of £40,000 per annum, which he said would have to be met by increased taxation.

Not necessarily so. If the utilisation of this money can be made to enhance our commercial prosperity, to enhance the financial condition of this country, then, it appears to me, the very increase of our commercial prosperity may render it totally unnecessary that that amount shall have to be raised by additional taxation. But all the opposition to this measure is really levelled at the present Administration, and the Opposition hope that they may weaken the present Government by luring some members from this side, and, if they cannot lure them, then that they may bluster them into opposing the present measure. Now, I believe that all these suggestions that have been thrown out, and which the Opposition has so vehemently put forth, really spring from more than a half-suspicion that the policy enunciated by the Government is likely to be pre-eminently successful, and they are afraid of that success. They see the Government formulating a policy which is destined to insure the progress of this country to such an extent as to give them, I will not say a renewed lease of political life, but an unlimited lease of political life. The Opposition see the time when they shall gain accession to those benches fading further and further into the dim distances of political futurity, and they are afraid these measures will mean solidarity, that they will mean prosperity, and that they will mean substantial progress; and that is the reason why they are so earnest in their denunciation, and so desirous of luring members from this side of the House to their own.

Mr. EARNSHAW.—The honourable gentleman who has just sat down commenced by speaking of the tactics of the Opposition, and said their assumed earnestness was almost dramatic. That is where the difference between the Opposition and the honourable gentleman comes in, for his earnestness, whether it is assumed or genuine, is simply comic. Sir, he went on to say that as it is not a loan from the foreign market it is not borrowing.

Mr. COLLINS.—I said nothing of the kind.

Mr. EARNSHAW.—What did you say?

Mr. COLLINS.—You did not pay attention.

Mr. EARNSHAW.—Under the circumstances I shall stand by my statement. When an honourable member is accused of misquoting another, and is only twitted in reply when requesting to be supplied with the correct statement, under such circumstances he has a right to stand by his statement. This assertion was not only made by the honourable gentleman, but it has been implied by a great number of members who have spoken on this question, both directly and indirectly. The honourable member for New Plymouth says, "It is true." That is an evidence of the correctness of my statement. Well, Sir, I deny it. I say, no matter where or how the Government raise money, that is a loan. It may be better to raise it in the colony than in England, or it may not,—that is a question of opinion,—but the fact remains that, from whatever

source the Government get moneys that have to be repaid, that is a loan. It has to be paid back, no matter where the money is obtained; and there are only two sources from which the State gets revenue—land-sales and taxation. Now, Sir, from that point of view, whether it is a good thing or not, whether it is a necessity or not for the Government to raise this loan, I shall oppose it. I only regret that the other night I did not feel well enough to stay in the House for a division on the cheap-money scheme, or I should have forced it to a division. I left my pair against the Government.

An Hon. MEMBER.—It would have made no difference.

Mr. EARNSHAW.—No; it would have made no difference. I have yet to learn, however, that right is always on the side of numbers. In fact, the history of our Anglo-Saxon race has been that all that has been right has sprung first from the minority; and, though the Government may, by whipping their members, and by one process or another, get them to swallow their hustings speeches and their hustings pledges, and get overwhelming majorities in their favour, it does not at all follow that the Government or those honourable members are right, or that the constituencies will justify them for the votes they have given in this House. The honourable member for Christchurch City also said that this is a Bill calculated to encourage thrift on the part of the people. He ought to encourage thrift on the part of the Government. I do not think the Bill will do so. The more one gets into debt the worse one is. Then, take the question of thrift as applied to the working-

4.30. classes. At the present time the working-classes can get 4 per cent. on their investments in the Post Office up to a reasonable sum—£200, I think it is, and 3½ per cent. to £500. And this, I say, guards the working-man to a very fair extent for what may be termed household thrift—that is, thrift from wages. When he gets beyond that point it is better for him, and for the colony, that he should invest his surplus moneys over that in advancing the industries of the country, and trade of one class or another. Therefore, from the working-man's point of view, I fail to see where the encouragement of thrift comes in. Then, he said it was a good thing for the Government to find cash for the working-men of this colony as well as for settlers. I think it is good, too, that the Government should always so carry out the enactment and administration of the law that it should be to the advantage not only of the working-classes, but of those embarked in trade or industry: if they do that it will be a good thing. But to argue that it is a good thing for the Government to put up a million of colonial Consols simply that the capitalists of New Zealand may keep their money bringing in interest—simply to absorb their money—is not a wise thing on the part of the Government. It would be far better to keep it free, so that they may be forced to the position of

more rapidly using their money; because, if they can get 4 per cent. interest upon dormant capital, and which will only require $\frac{1}{2}$ per cent. loss to melt down into cash, there is no doubt they will keep their money back longer from what may be termed the precarious industries than they do at present. I have only one other remark to make about the honourable gentleman, and then I have done. He says all this opposition is levelled at the present Administration. I deny it. There were members of the Government party—I do not speak of myself, because I suppose they do not look upon me as a Government supporter; and I am bound to say, in face of the financial policy proposals put before us, I do not regard myself as a supporter of the present Government. I wish to say that outright, so that there may be no misunderstanding. I shall be able to make my position clear when I meet my constituents, but I do not wish to be further misunderstood in the House, and I say, now the Government's financial proposals are before the House, I differ from them *in toto*; therefore I am not a supporter of the present Government. I believe a man should always have the courage of his convictions, and neither for party purposes nor for his own purposes should he refuse to give full and fair expression to the views he holds. As to the remarks made about Liberals, there went into the "Noes" lobby last night just as sound supporters of the present Administration as went into the other lobby. I need not refer to names. What is more than that, men voted against this measure who have been as great Liberals, and have done as much for the Liberal cause in New Zealand, as any man that voted for the Bill. So that, as to the question of attacking the Liberal party, this is no such thing; it is a question of whether we are again to go in for a borrowing policy, or to carry out in the main that which was the central plank of the Liberal policy in 1890, when we came into this House led by the late Mr. Ballance—that we should be a self-reliant, non-borrowing party. It was on this cry that we won, and at the elections of 1890 the bulk of the members returned to the House were pledged to a non-borrowing policy. Now, such is the demoralisation of this House that it comes within the compass of the Colonial Treasurer to get up and, in his few remarks on the policy of borrowing a million, state coolly his idea that half an hour is quite ample to discuss and deal with this measure. I will quote from the Government organ, so that the honourable gentleman will see I am not misrepresenting him: "The Bill would not occupy more than half an hour." There was a time in New Zealand when the borrowing of millions was carried on on a large scale, but I do not think any one who reads the past history of warfare in this House over the public-works proposals of Sir Julius Vogel, and the raising of money from time to time, will find that there has ever been a Parliament that dealt in so lax a manner with the raising of millions, and the

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pledging of millions more that will have to be raised, as the present Liberal party, and the Government who lead them. We appear to be enacting a sort of comedy. The Colonial Treasurer gets up and proposes this measure; he is replied to from the Opposition side, when the leader of the Opposition moves an amendment. After that we have the Minister of Education getting up and taking that as a want-of-confidence motion. They carried it, as they have done several times during the session, upon issues that conflicted, in my opinion, with the consciences of members, and with the pledges given to their constituents. They have on several occasions under this cry, and led by the party Whip, gone into the lobby when they knew very well they should have opposed the Government. And on this occasion so much have the minds of a large number of the supporters of the Government been disturbed over these proposals that a large deputation has waited upon the Colonial Treasurer, and a sort of caucus has been held, with the result that the Treasurer has had to give way, and the Government are going to climb down on this measure, and shift from the grounds on which they brought in the Bill. I hope, if this is not correct, the Treasurer will distinctly deal with this position when he comes to reply. The Minister of Education, in speaking, did not do justice to himself; it appeared to me to be one of the poorest speeches he ever made. He made one or two very curious statements, and as I will read from the Government organ he will see my statement is correct: "If this Bill were not passed it would not make the least difference in the amount of money to be raised." If this is true, why did the Government make it a question of no confidence? If the finance of the Government is not going to be jeopardized, if this is not going to upset the finances at all, why treat it as a question of no confidence? The reply is obvious: that so much are this measure and the whole policy of the finance of the Government distasteful to members, and not in accordance with their views, that Ministers were afraid to go to the straight issue on the second reading, whether it was to be thrown back on their hands or not, and were only too glad to take up the position of making it a no-confidence question, so that they could whip their supporters into the lobby to support the second reading. The honourable gentleman went on to say, "The raising of money to spend on reproductive works within the colony was a good thing." I do not know that the question of expending has anything at all to do with the question of raising. Whether it is advisable to raise money to spend on reproductive works is one thing; but when it is said the raising of money by Consols to spend on reproductive works is a good way of raising the money, I fail to see where the logic comes in. However, no doubt this measure will, of course, in one way or another, be carried, to satisfy the Government. This is simply one phase of the whole new departure of the Government since we came to this House. There was not a member of this

House who, when he came here in June, had any conception of the policy that has been unfolded day by day to us: and if the Government had found that, after scooping up all the sinking funds and conversions, they had come to the end of their tether, when they met us this session in this House they should have told us the position and unfolded their policy measures. But the members of the House should then have been sent back for a recess to meet their constituents and to explain the true financial position, to see whether they approved of these measures or not. There is not a member in the House who can really and truly say his constituency is in favour of these measures. And I am not going to be unfaithful to my pledges to my constituents—I am not going to plunge my constituency into such large borrowing proposals, till I have unfolded to them what I conceive these proposals to be, and got their opinion as to whether they are good for them or the country. If they tell me in unmistakable terms that they wish for the policy, it will be for me to consider whether I am prepared to support the proposals or retire from the arena. But until I have met my constituents and placed before them these measures I absolutely refuse to allow myself to be tied up to these proposals enunciated by the Government. What are the proposals? Let us look at some of them. What are the proposals for this year? A million and a half for loans to settlers, £250,000 lands for settlement, £250,000 for Native-land purchase, £250,000 for roads and bridges, a million for Consols: that makes £3,250,000; and then there come contingencies that we cannot ignore. Honourable members have all had placed in their pigeon-holes the report of the Midland Railway Committee, and have seen how the Premier is leading proposals that the sum of £618,000 shall be paid by the House to the Midland Railway Company to complete the line. Then, there is a contingent liability of two millions to the bank. And that business is not settled yet, and when we have done with the bank we shall find four millions of Government money in it. I regret that, instead of making this a contingent liability, the Government did not determine to put three millions cash into the bank, and have full participation in it, and not simply a contingent interest. This policy is not one that can stop at the end of the year. If the present Government remain on those benches till the end of our term—and there is every indication they will do so—they will carry this on for three years; and, even if they lose the confidence of the country and are ousted, no succeeding Government could at once shut down on these proposals. It would take at least two years for any other occupants of those Treasury benches to taper off and end the course entered into by these plungers. With all their boldness and pressure upon members the present position so frightens them that they dare not do what it is in their hearts to do—make the roads, the bridges, and Native-land-purchase proposals for the same term as the Land for Settlements loan policy—

a five-year currency also. But this will follow as a necessity. If you take these Bills for five years and the loans to settlers for five years you come up to a matter of £16,250,000 for five years' proposals. A million and a half for five years for advances to settlers is £7,500,000; £250,000 for five years for lands for settlement, £1,250,000; £500,000 for five years for Native lands and roads and bridges, £2,500,000. A million of Consols,—and, as this is really meant to wipe the slate of all Treasury bills, and powers still remain to recontract or issue fresh Treasury bills, we may put to this an additional million during the term of this Parliament. That makes £13,250,000. If you add to that £618,000 which, if the Premier can drag his forces into the lobby, he proposes to give to the Midland Railway, it makes £13,868,000. The Premier means to disavow the Nelson District from the main contract. In order to control the Canterbury vote the Government are determined to put their proposal through at all hazards. Then you have got the £2,000,000 contingent liability, which makes £15,868,000 of actual and contingent liabilities. We have got to explain our action in regard to this matter to our constituents. I say I absolutely decline to have anything to do with such proposals. I have had the honour to be returned twice to this House as a representative of labour—as a working-man. If I leave this House I go back to the same ranks I came from. My reading of history on this question shows me that every loan policy in the case of every nation has been disastrous to the working-men. I do not care whether you go to the war countries of Europe, or whether you go to England, or to the newer country of America, the same thing comes out—namely, just as you build up the national indebtedness, so must you necessarily have taxation imposed, and such taxation must come out of the bone and sinew—the working-men, the producers—of the country. Because I hold these views, I cannot support these proposals of the Government. I absolutely refuse to have anything more to do with them on these grounds—on their borrowing proposals. I say that their proposals put to the blush the proposals of Sir Julius Vogel. There is not an Anglo-Saxon country to-day which is plunging in the manner in which the present Government are plunging here. Who put them there? Was it not the working-man's vote of New Zealand? Is this the return for the trust reposed in them? Is this following out the proposals of the late John Ballance and the last Parliament? I say now, as I said at the time of his decease, that it was a national calamity to the working-men that that man died. I think so still. I have no faith, I have no trust, I do not believe in the honour of the men on those benches to stand by the interests of the working-men of New Zealand; and, because I hold these views, I shall oppose their proposals up to the hilt.

Mr. E. M. SMITH.—I am surprised at the statement made by the honourable gentleman who last addressed the House. He denounced the Government because they are endeavouring

to raise money in the colony for colonial purposes. Why, the honourable gentleman himself, since this Parliament assembled, has brought forward, and if he could he would carry, proposals for Dunedin and Otago which would require a loan of half a million. The honourable gentleman is one of the advocates for the completion of the Otago Central line. An honourable gentleman asks, "What has that to do with it?"

Sir R. STOUT.—I did not say that.

Mr. E. M. SMITH.—Well, he was making such a noise and rattle behind me I thought that was what he said. The honourable gentleman considers that work the most important in the colony. I ask him, if he has the brain-power which he ought to have, to say how that line can be constructed, or other public works of that magnitude be made, unless the Government raise moneys by loan or otherwise? So far as this particular Bill is concerned, I am going to support it, and to support the Government in carrying out their proposal. Because, first, it is a policy Bill, and next because—why should not New Zealand issue Consols such as they have in other countries? In those countries Consols are issued in which people can invest their money. There are hundreds and thousands of people in the world who would make use of such a system for investing their money. There is many a man who, wishing to provide for his children, desires to make a safe investment, to place his money beyond the risk or responsibility in connection with banks or building societies, or the dishonesty of a private trustee, or bad judgment in making investments. Now, this proposal opens up an avenue for such investments, and I believe, if this Bill is carried, the Government will have no difficulty in raising a million of money in the colony in order to carry this proposal out to its completion. A great deal has been said about the Government proposals,—about their going in for twelve, fifteen, or even twenty millions of money. I say the Government, in a country like New Zealand, will be called upon in the next few years not only to go in for a million or fifteen millions, but to go in for thirty or forty millions.

Hon. MEMBERS.—Oh, oh!

Mr. E. M. SMITH.—Yes, thirty or forty millions, if they are to carry out all that is asked of them by members of this House. Deputations from Auckland and Dunedin and all parts of the colony have asked, for instance, for the consolidation of our local loans. I for one have been urging upon the colony to go in for the consolidation of local loans. I was one of those who appealed to the Government to take up the important question of consolidating our harbour loans. How can the Government make roads and railways, and open up the country, purchase Native land, and do other public works unless they have money? And how can the Government get money unless they raise the money, in this way? A large number of Government supporters objected to these proposals because the money was to be paid into the Consolidated Fund. What they

want is for the Government to define how they are going to use the money. A large number of honourable gentlemen have asked the Government to take a portion of the consolidated revenue for hospitals and charitable aid. If there are no funds going into the Consolidated Fund, only the Customs and ordinary revenue, how can the Government carry out their policy? The great drawback of democracy is this: We speak on the floor of this House of the triumph of the democracy, of the grand triumph of labour being represented here; but the democracy has failed in one point, because it is afraid to trust the democracy; it is afraid to trust the Government which has been elected by the people. It is a weak point in the links of the chain when we find men who have been returned to this House as the direct representatives of labour denouncing the Government and the Government policy, and denouncing everything which would be in the interests of the settler. I know hundreds of men who are on small sections of land, on fifty, a hundred, or two hundred acres of land—sober, industrious, hard-working men, men who get up at dawn of day and who work till dark: these men are worthy of some consideration, and it is by these policy Bills that the Government will be able to extend a helping hand to these men. It has been said in this debate that the Liberal party proclaimed from the public platforms that they were going in for a non-borrowing policy. And they have kept their pledge faithfully. They stated that they would carry out that policy until they had placed the finances of the colony on a sound footing. I maintain that the Government have placed the finances of the colony on a sound footing. We have come down ever since we have been in power with a surplus. We have been able to convert our national debt, and I unhesitatingly say that, if a direct loan was placed on the English market of ten millions at the present time, it would be doubly and trebly subscribed. That would be a fair test of how we stand in the Home market. The quarter of a million for the purchase of Native land in the North Island will easily be expended. I know Natives who have been waiting for years for the Government to purchase their land. We should have in Taranaki an officer of the Land Purchase Department under the control of the Land Board; and I hope the Minister will make provision before the closing of this session for the carrying-out of my suggestion. That officer would be able to purchase thousands of acres of land from the Natives during the next twelve months, and splendid land too, where there are roads and rivers. Then we shall have such progress as we ought to have. I think the Consols will be largely taken up by trustees and others who wish perfectly safe investments. When the Colonial Treasurer is replying I am sure he will convince and satisfy the House with reference to what he is going to do with the money. It is on these lines that I shall support the Government, believing as I do that from 1890 every Bill which they have brought in has been

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in the interests of the country—not in the interests of the classes, but in the interests of the masses. No Government has done so much for the industrial classes, no Government has done so much for the working-men of New Zealand, and no Government has endeavoured to do so much for them. Since I landed in this colony thirty-five years ago I have watched the progress of New Zealand. I have studied its politics. I know what was done by the Continuous Ministry, and by the remnants of that party who are now represented in such small numbers on the Opposition benches.

50. I know we have none of those large land jobs which we used to have. We have now the national estate cut up into small and reasonable areas, and where before one person had the chance of getting land, three hundred or five hundred people have the chance now. A man with very little cash is now afforded the opportunity of taking up land equally with the man who has great resources in the bank and could get large overdrafts; and, Sir, when I study and carefully weigh over what is being done, to find out how the colony is progressing from year to year, how the land is being settled, how roads are being opened up, and how peaceably the people are going on, I say it is, for me, an object-lesson and a guiding star not to desert the Government, but to freely lend them all the support I can with a view to keeping them in power. And I say this: They have a right to get this support from their party when those honourable gentlemen upon the other side are trying to destroy and detract from the merits of the Government, and when they are trying to depreciate the policy Bills of the Government in order that they may destroy the Government. What is the great object and aim of the Opposition, both of the past and present? It is a part of their functions to try and show that the Government is doing that which is wicked and which will destroy the interests of the people of the colony. What for? Is it because they think that if they were able to change from that side of the House to this side to-morrow they would be in a position to bring down more sound policy Bills, or Bills that would be more in the interest of what should be national progress? Not at all. It is a question with them of the ins and the outs; it is not a question of what are the wants of the community. Now, what I do maintain is this: that, in spite of the weaknesses or defects in the Government proposals, there has not been one measure brought into the House in which has not been displayed an anxious desire on the part of the Government to do the best they can for all classes of the community, and especially the industrial class, especially the settlers who are going on the land. And while I know that, and while I am watching them very carefully, and while I see they are prepared to amend clauses in their Bills where necessary, and are prepared to be guided by their supporters in amending clauses in order to strengthen this measure, in order to make it secure, in order to give proper safe-

guards to the people of the colony,—when, Sir, I feel that the Government are acting in that manner, and are willing to meet us in that way, I say it is our bounden duty to surround them, to rally round them, and keep the small minority of an Opposition from out-flanking them, from getting a snatch vote in order that they may be able to say, “The Government is defeated by a majority in the House.” Sir, I say I look upon these Government policy Bills, as I have said over and over again, as being in the interests of the people; and I am sorry to hear honourable gentlemen who claim to be Liberals saying they will not support the Government, and that they are prepared to go back to their constituents to-morrow. I only wish they had the opportunity of going back to their constituents to-morrow. I prophesied at the last election where some of those honourable gentlemen would be, and my prophecy came true. I prophesy now, concerning some of those gentlemen, that if a dissolution took place to-morrow, and they went back to their constituents, this would happen: that some of them would not return again. When we contested the election in the interests of the working-men in 1890 we said we were going to support the Liberal Government—that we were going to support them because they were endeavouring to do the very best they could for the working-classes; and this is the only Government that has ever legislated in the interests of the working-men; and, Sir, when at the last election they were going on the same lines that they have since taken, and which they had advocated before, it was the working-men who put them in. Now we are asked to go back to these working-men and ask whether they are going to be finoodled. They would find they are not, and would find themselves relegated to an outside ticket. There is no doubt of it. Let the experiment be tried, and we shall find some other honourable gentlemen sitting in those seats instead of my honourable friends. This is now the 20th of September, and there is still a large amount of business to get through, and I shall therefore make my remarks very brief. But I do ask the Liberal party to remember it was returned at the last general election to support the Government, to carefully watch the Opposition, to carefully watch their tactics, and not, in a weak moment, to allow the Government to be defeated by these side-issues. If the Opposition want to prove the strength of the Government, why did they not come down with a bold no-confidence motion in the early part of the session? No, they would not do that. They had not pluck enough to do that, because they knew it would be like the fly trying to attack the elephant, which would flick it away and say, “Get away to destruction.” That would have been the effect. What they do is to bring in amendments which are really an indirect way of seeking to pass a vote of censure on the Government. Well, they have sought to get a vote of no confidence in the Government passed; and what do they find was the

result? They found out last night when the division was taken. What was the result? Thirty-eight to sixteen. That was the result; and I think that is a good indication of the position which the Government holds in this House. Sir, I feel convinced that it is a great grievance with the Opposition, and the reason why they are so infernally wild is that they are sorry the Government is going in for this great policy; because they know that, if the Government can only purchase two hundred and fifty thousand pounds' worth of land in the North Island, if the Government spend money on the purchase of Native lands, if they spend £250,000 on roads and bridges, and keep on placing the people on the land, they are safe and sound, as far as the taxpayers of this colony are concerned, for the next twenty years,—and that is where the wrath comes in. Why, I heard a prominent member of the Opposition—he is now in another place—talking the other day, and I overheard him say, "If the Government can only get this policy affirmed they will be safe for the next twenty years." That is what they believe; there is no doubt about it. We are going on splendidly, and if we only go in the way we are going now we shall have what this great country wants—peace, progress, and prosperity; and in order to attain that, and to bring it about, I am going to support the Government in this Bill.

Mr. MORRISON.—Sir, I do not intend to occupy the time of the House very long in discussing the measure before us. I am going to support it, although I shall try to have it amended in certain directions in Committee—with regard to this clause 35, and perhaps one or two others. But, still, I think this Bill will commend itself to the country, and acting on that belief I rise here for the purpose of explaining to the House in a few words the reason why I support it. Of my own personal knowledge I know there is a considerable amount of money in this country that is awaiting development, that is awaiting investment, but that in the meantime is locked up, for the people who own it will not invest in financial institutions: they will not invest in banks; and I am sure we can scarcely blame them. And, knowing that, what, then, these people have to be provided with is a good investment for their money. I am well pleased to see this Government is attempting, by introducing this Consols Bill, to afford an outlet for these people's money. Of course, although this Bill gives authority to raise a million in Consols, it does not necessarily follow that a million of Consols is to be subscribed in the colony at once,—that this million is going to be raised in a few months, or the next year or two. In fact, my own individual opinion is that if this Government manages to get a matter of £250,000, or at the most £500,000, of New Zealand money invested in Consols within the next twelve months it will have done very good work. Now, I am inclined to object to one or two remarks that fell from some of the speakers this afternoon,

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and in the first place I should like just to give a running commentary on some of the statements that fell from the honourable member for the City of Dunedin (Mr. Earnshaw). The honourable gentleman introduced himself in a very happy manner, and taunted the honourable member for Christchurch City (Mr. Collins) with introducing what may be termed the comedy element. And, of course, seeing that he taunted the honourable gentleman with introducing the comedy element, it necessarily follows that the honourable members who may criticize him must be introducing what may be termed the dramatic element. Now, I know that earnestness, or tragedy, is not a characteristic of the honourable gentleman who was criticizing the honourable member for Christchurch City (Mr. Collins). I know perfectly well that this principle that we are now discussing is not a large one, but from the very moment this session opened the honourable member (Mr. Earnshaw) has simply been posing not only before the eyes of the House, but also before the eyes of his constituents, with regard to the position he has taken up on this measure, and in various other directions. So I think it comes with very bad grace from him to taunt other honourable gentlemen in this House with enacting a part in light comedy or in any other form. Another statement the honourable gentleman made was that this measure would satisfy the Government. In my opinion, Sir, it will satisfy the people as well; it will satisfy the people of this colony; and so convinced am I of this that, if this Consols Bill were placed before the country at the present time, and an election taken upon it, I am perfectly certain that the people of the colony would indorse the measures the Government have brought down during the present session, and send them back reinforced—at least, would send back their old supporters. Some of the honourable gentlemen who are consistently and persistently opposing the Government measures have certainly not been actuated in all cases by a sense of what their constituents required. I think there is a large amount of what may be termed the personal element introduced into these matters, and, if I may be allowed to use a phrase which was used the other evening, I would say that some men are Liberals for what they can get out of Liberalism; and I am inclined to think a large number of the criticisms which we have heard here in this House have simply emanated from those who may be termed opportunist politicians. I am no opportunist politician who merely sticks to Liberalism for what he can get out of it. I have never denied nor disputed the fact that I am a worker, and that I have come out of the ranks of the workers, and I can go back to their ranks to-morrow if necessary. When I was returned at the last general election I told the electors that I had several planks in my platform, which I enumerated, and I said to them, "If you do not like them, do not vote for me." But there are other members who have been trying to sit between two stools, and then, once they are returned,

they define the stool they are going to sit upon. The honourable member for Dunedin City (Mr. Earnshaw) also said that might is not right, and that it did not necessarily follow the measures they brought down were right simply because the Government had a majority at their back. I wonder what would have been thought of the honourable gentleman if he had stood up in Dunedin a month before the election and talked in this manner; and, if he had made statements of this description, what chance would he have had of election? Was not might right there? The people, by a majority, returned the larger proportion of members of this House pledged to support the Liberal Government. They were the majority, and by the majority they were certainly right. Now we find the very honourable gentlemen who are returned by majorities—by the law of majority—turning round and saying that the majority is not right. Well, it does not necessarily follow that majorities are always right. I do not think the majority was right when they returned the honourable gentleman who made that remark. Now, there is another statement that has been made, and this statement emanated from the Opposition side of the House—that the three Ministers who spoke here last night differed in telling the same story. Well, I did not pay very particular attention to the account the Ministers were giving, because I think the Ministers can take very good care of themselves; but I am going to pay particular attention to some of the stories that have been told by honourable gentlemen on the Opposition side of the House, and by some of the honourable gentlemen who should be sitting along with them. Now, no two of them agree with regard to their interpretation of the effect of these measures. The honourable member for Christchurch City (Mr. G. J. Smith) stated that the Government measures submitted and those they were going to bring down—the measures referred to in the Budget—were going to pledge this colony to borrow to the extent of upwards of £14,000,000. We had also a statement from the representative of Dunedin City (Mr. Earnshaw) to the effect that it was upwards of £18,000,000, and that honourable gentleman had carefully prepared tables, and I have no doubt he took great care to compile them, and to see that his figures were properly placed before he read them out; so that there is only a difference of £4,000,000 between the figures of what I may term the right and left wings of the middle party, though I dare say their sources of information were the same, if traced to the fountain-head. It seems to me, therefore, that, if we can make mistakes on this side of the House,—which I do not admit,—the members of the Opposition, and those who have criticized this measure, cannot say that they do not play the same tune. Now, with regard to this £18,000,000 and £14,000,000,—I am not going to attempt to dispute the figures, for I think it would be absurd to take them in earnest and to discuss them,—but those gentlemen who have between them a difference of four millions have

not said a single word about the assets the colony is going to acquire by the expenditure of the money. There is a million and a half a year to be lent to settlers of the colony on freehold and leasehold property, and they say that will amount in five years to seven and a half millions; and yet we are not, according to what has been said, to have one shilling's worth of property to represent that seven and a half millions invested in mortgages in the colony! If there are mortgages there must be assets; and yet you are to have no assets! I think it is the height of absurdity to try to follow those honourable gentlemen, owing to the illogical position they take up. There was also a very flattering remark made by an honourable gentleman on the Opposition side of the House: in fact, when he made it I felt amused, for the first time during the course of the debate. I refer to the remark of the honourable member for Otaki. He said that the Ministers were taking a leaf out of the late Sir Harry Atkinson's book, and that Sir Harry Atkinson, as a rule, kept back his policy measures to the last week, or to the end, of the session, and then drove them through the House with the iron heel of his majority. Now, the honourable gentleman who said that belongs to the party who have lauded Sir Harry Atkinson to the skies, and who was a consistent supporter of Sir Harry Atkinson. I think it says very little for the honourable gentleman to try to traduce the memory of his late leader by using an argument of that description. I can assure the honourable gentleman that, if that was Sir Harry Atkinson's style, it is not, so far as I know, the style of the honourable gentlemen who now preside over these benches: at least, it is not, so far as anything that has yet come to my knowledge. They have not driven us, or used the iron heel of a majority: in fact, though I have heard a good deal about being driven into the lobby by the Whips, there has been nothing of the kind. If there has been anything approaching it, it has been the counting of noses by the other side of the House to see how many members they were likely to carry away from this disorganized right wing—how many have broken away.

AN HON. MEMBER.—It is the left wing.

MR. MORRISON.—Left or right is immaterial, it is not of much account; it is in the centre where the pressure comes. I can assure the House there has been no pressure brought to bear on this side of the House. I only wish further to impress upon members the necessity of carefully considering the proposals that have been submitted by Ministers. Although they may not agree with them entirely, they must remember this: that a large number of the objections that have been raised during the course of the debate are simply Committee objections, and those objections can be met in Committee, as I have no doubt they will be, for I have never known the Colonial Treasurer or any of the Ministers take up an antagonistic position in Committee and say that they would not allow their Bills to be amended. To say,

as has been said, that the Ministry is going in entirely for a borrowing policy is certainly incorrect and misleading, because, as I have said before, this certainly is not borrowing. I said that in the course of my remarks in the financial debate, and I do not want to go over the same ground again. I say that the money that is invested in land, and the money that is lent out to settlers, is not borrowing; it is simply that the Government is guaranteeing to the money-lender that his interest will be paid, in order that money may be provided for the settlers at a greatly-reduced rate of interest. And why should we not? I know that our settlers, in the past, have paid 10 and 12 per cent. and upwards, and that the last drop has been taken out of them. I know a man who made an application to a financial institution in Dunedin within the last few years, and a valuer was sent out to value the property, and for that valuation £5 5s. was charged, although the train-fare would not be more than half a sovereign, and the valuer could go to the farm, value it, and return to town the same afternoon. Then, any one who has been in the lawyers' hands knows what a serious item the solicitors' expenses are, and if you take that item, and the valuers' fees, you will find that the borrower always has to pay 10 or 12 per cent., or more. Under the new system a settler will receive his money at 5 per cent., and the expenses of lodging the application and procuring the necessary mortgage-bonds are very small; and on that account alone the measure, I think, should commend itself to any business-man, or to any man with a practical knowledge of the subject. I will not detain the House longer, but will simply say that I intend to support the Bill.

Mr. MASSEY.—This Bill is so important that I hardly care about giving a silent vote upon its second reading. I shall occupy the House only a very few minutes in expressing my opinion upon the principle which it contains. I think, Sir, it has been generally admitted that this is a Bill to enable the Government to borrow a million within the colony at 4 per cent. per annum. There is no doubt about that. According to the Bill, this money will be paid into the Consolidated Fund whenever it is received; but it does not tell us what is the object for which this money is to be borrowed. Now, I feel that, as members of this House and representatives of the people, we have a right to know in what direction this money is going to be used. I for one must most emphatically protest against a Ministry being given a million of money to do what they like with. The whole policy of the Government seems to be one of borrow, borrow—continual borrowing. The Colonial Treasurer is evidently of opinion that the only way to make the colony prosperous is to borrow as much as ever he can, and as often as ever he can. Whatever may be said to the contrary, there is not the slightest doubt that the public debt of the colony will be increased by the amount of money which we are able to raise in the way of Consols, and that there will be another

£40,000 or £50,000 a year to be screwed out of the taxpayer on account of interest. Sir, when the history of this colony comes to be written the great Liberal party, of which we have heard so much this afternoon—the Great Liberal Party, written in large capitals—will be known as the great borrowing party, the party who are liberal with other people's money. Sir, the Premier told us last night, in speaking to the Bill—and he told us it in that benevolent way which suits him so nicely and which we all know so well he assumes whenever he has a bad cause to defend—that the colony was poor because the people had no safe investments for their money. Sir, does he forget that we have banks guaranteed by the colony, numerous private savings-banks, and the Post-Office Saving-Bank, with branches in all directions? Sir, the fact is, the Government have made up their minds to have this money, and the Premier thinks a bad excuse is better than none. Then, he went on to tell us that the Government were not short of funds, and he went over a list of sums of money which he said they had in hand. But only two months ago, as every member of this House knows, he came down and told us that the exigencies of the Treasury required that the land-tax should be collected four months in advance. Sir, he forgets that members of this House, and the people of this colony, are able to draw their own conclusions from these facts. In common with many other members, I was returned to oppose a borrowing policy in every possible form, and I intend doing so, and consequently I intend to vote against the second reading of this Bill.

7.30. Mr. MILLAR.—Sir, I may say that I was rather surprised at the attitude taken up by the Opposition in regard to this matter. We were told by the Colonial Treasurer, in his opening remarks, that the money which is proposed to be borrowed here would be used for the purpose of reducing the number of Treasury bills. I have heard it stated on several occasions—and, in fact, I have heard the Colonial Treasurer condemned because of the fact—that he has depleted the Government Insurance Department and the Public Trust Office of their moneys for the purpose of Treasury bills. Now, under this scheme, it appears to me that the Treasurer proposes to go direct to the public and borrow money from them, for the purpose of enabling the Public Trust Office and Post Office to keep their moneys to invest in legitimate enterprises. Therefore, I say, it is inconsistent on the part of the Opposition to condemn the Colonial Treasurer for this proposal. I do not, personally, object very strongly to the Bill itself, but I do object to the time it is brought forward. At the present time, when we are, in my opinion, in the middle of a financial crisis, and when we know that in a day or two we shall be dealing with one of the most important matters we have ever had before this House, it is rather unfair, I think, for the Minister to ask us to pledge ourselves to a million of money for no particular purpose at

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all. I think the Government will study the interests of themselves and their supporters if they will allow these Bills to stand over until such time as we have dealt with the other matters. We have an unknown liability to face; and, when one comes to consider what we have done this session, I say it should cause us to pause and consider whether we ought to go on with any other proposals to incur further liabilities until we know exactly our position in regard to finance. What I want to know is, where do we stand at the present time? I, for one, confess I cannot see. I do not know how we are to come out of it all. I feel strongly on this matter, as I do not care about pledging myself to any measure which is going to increase the liabilities of the colony until I know where we are in regard to this most important question. Sir, the honourable member for Caversham, in his remarks, made a very wild assertion, which I feel myself called upon to repudiate. He stated that he was the only man who had had the pluck to stand up and say a certain thing and then come to the House and stick to it. I do not know what he particularly claims to have stuck to. I know that I laid my views before my constituents very clearly, and I have not yet been called to account for any action I have taken in this House; but I think the honourable member himself has. I can read plain English, and I have seen by some of the newspapers in the South that he has been severely condemned and called to account for certain action of his, in regard to breaches of pledges he had made. I do not know whether it is altogether plucky to do that sort of thing, and I, for one, am not going to do anything of that kind. I have pledged myself to a constituency against borrowing in the London market, and I intend to stick by that on all occasions. Although this is not directly borrowing in the London market, it is, to my mind, distinctly borrowing. But we are borrowing at the present time, and have authority under the Public Revenues Act to borrow, one million per annum for Treasury bills. I may be mistaken, but, according to the Colonial Treasurer's statement, he is going to use this money for the purpose of reducing or redeeming Treasury bills, as the case may be. I say most emphatically that when this Bill comes into Committee I shall, for one, endeavour to amend it so that the money may be tied down for some specified purpose. If it is to be for Treasury bills, I am quite prepared to support that, or if it is to be for any fixed and proper purpose I shall support it; but I do object to the money going into consolidated revenue for any use the Colonial Treasurer may desire. Another point I object to in regard to these loan measures is that power is taken to inscribe the loans. I have objected to that before, and I object to it again now. It is a fact that there is no security left when a man has redeemed his mortgage, and then the colony is pledged to a certain amount. When we have borrowed money for a specific purpose, and it has been paid back to us, we have no right to use it as

ordinary revenue, but we should, as honest men, redeem the debentures that we have issued for this specific purpose. The honourable member for New Plymouth, in his remarks, said he believed we should be doing a good thing if we went in for a thirty- or forty-million loan; but, as we always take the honourable member's remarks on most matters with a grain of salt, I think we can take them in that way now. He should know that the borrowing of money means the payment of interest, and the payment of interest means the increase of taxation, and the working-man will have to pay it, as he has had to do in the past. Therefore I, for one, will strongly oppose any borrowing proposals that will result in an increase of taxation. I am free to admit that the Ministry would have done better if they had told us in plain English that we have come to that stage when we must either increase taxation or go in for more borrowing. I believe, myself, that we have come to that stage, and I am quite prepared to tell my constituents that that is the case, and I should like to have an opportunity of doing so before pledging myself to anything of this sort, on which they have had no opportunity of being consulted. The honourable member for New Plymouth went on to talk about the consolidation of Harbour Board loans, and the honourable member for Caversham indorsed what he said; and I think it would be one of the most statesman-like proposals that has ever been brought forward if all those loans were consolidated and taken over by the State. The benefit would be that, instead of paying 5 or 6 or 7 per cent., as the local bodies are doing now, they would only have to pay $4\frac{1}{2}$ or 5 per cent. This would be a direct saving to the colony, and would keep a large amount of money in the colony which at present goes out of it. Any one who condemns a proposal such as that is not, I maintain, working in the interests of the colony or in the interests of the taxpayers. I believe that in Committee this Bill will be amended very considerably, and I myself think it ought to be. The principle the Colonial Treasurer advances is a good one—namely, that there ought to be securities for people who have money to invest. It has been the existence of such a measure as this which has largely led to the welfare and prosperity of France. And, if we intend to prevent this money being mopped up by the syndicates which have been so strongly reflected upon by some honourable members, then, I think, we shall be doing well by adopting the French system of allocating these funds. In France, under such a system as this, the loan is advertised, and people send in applications for it on a certain day mentioned, and the Administration then proceed to allot those debentures to the persons who have applied for them, satisfying all the small men first—those who have applied for one or two or three. Then they give the balance of the loan to those who have applied for large sums. If such a system as this was adopted here I believe what the Colonial Treasurer has in view would be attained—namely, the creation of a large class

of national bondholders. This has proved very beneficial where it has been tried, and I believe it would prove beneficial here now. It would have this effect, which some honourable members would be sorry to see at the present time: It would enable a person to take a five-pound note and buy these debentures. He could then, being a national creditor, claim to have a stake in the country, and that is what some honourable members condemn the absence of at the present time. I hope that when the Bill gets to Committee honourable members will deal with it as seriously as it deserves, because there is no doubt that it is highly important that we should consider what we are doing with all the money that is being asked for now by the Colonial Treasurer. I myself am perfectly prepared, if the Colonial Treasurer states that it is absolutely necessary that we should borrow money, to give this proposal my support; but I certainly desire to allow those who returned me here under a distinct pledge not to borrow to say whether, under the exceptional circumstances of the colony, we are justified in going in for a borrowing policy. I trust that, after the second reading of the Bill, if it is agreed to, the Treasurer will not carry it through Committee until such time as we have dealt with the proposals which the Government intend to bring forward in regard to banks, because, as far as I can see, we have up to the present pledged ourselves to the extent of two millions of money, and before we get out of this we may have to pledge ourselves to two or three millions more. If we are to take over the whole of the Assets Company, as, according to Mr. Murray, we seem to be going to do, who knows where we shall be? And I ask the Colonial Treasurer if he will, in his reply, state how we stand, and what is likely to be the outcome of this scheme. It is absolutely necessary, before the final consideration of this measure, that the Treasurer should say how the colony will stand with regard to its action in connection with the banks.

Mr. MORRISON.—I wish to make a personal explanation. The honourable member for Chalmers stated that some of my constituents had pulled me up with regard to certain pledges which, he says, I did not keep. I have to state that not one single elector in my district has made any objection or complaint to me in connection with any action I have taken in this House.

Mr. McLACHLAN.—I intend to support the second reading of this Bill, though I shall not confine myself to the Bill as drafted. I suppose this Bill is capable of amendment in Committee, as some honourable members say it deserves to be amended, just in the same way as other Bills have to be amended. There are many reasons why I support this Bill. It is to create a fund in which people having money to leave to their children can invest it safely. In England it is a fact that these sources of investment are filled up by people having money to leave in trust, and, although the rate of interest may be small, the investment is a certainty for all time. For this reason, I am

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prepared to support the creation of these Consols. I know that there are a great number of embryo Colonial Treasurers in this House who are prepared to teach the Colonial Treasurer a good deal more than he already knows about the finances of this country and the management of finance. I came here practically unpledged as to borrowing or no borrowing. I came here at the instance of my constituents to support the Government and their policy, and this is one of the principal planks in that policy; at any rate, I understand it to be so. I have a great deal more faith in the honourable gentlemen who occupy the Treasury benches than in those who have seceded from the party and gone into opposition. Those who cavil at the Government pretend that the operations of the Post Office and other institutions are different from what is proposed under these Consols. But I do not think there can be much difference, further than that the field of operations is larger. I do not think that there is any more security in regard to the savings of the people in the Savings-Bank than under the Consols scheme. All I can do is to repeat to-night what has been said by a great many honourable members, who have repeated the speeches made on the Financial Statement. Therefore I do not intend to take up any more time, except to say that I shall support the second reading of the Bill, and do what I can to make any necessary amendments in it.

Mr. DUTHIE.—This subject has been so thoroughly debated by several able speakers that I shall make only a few remarks upon the Bill. The Bill is very important, in so far as it marks a distinctly fresh departure in borrowing, and I do not think I should be doing justice to myself if I did not give reasons for the vote I am about to record against the second reading. In the first place, in listening to the debate on the subject I was very much struck by one feature of the various speeches. It seems to me that honourable members are dealing with millions with the lightest hearts imaginable. We in this House are, as a body, poor men. I do not think there is any one in this House who can be considered wealthy, and many of us are more familiar with the value of shillings and even pence than of larger sums. But in the course of this debate honourable members have revelled in millions—in the contemplated expenditure of borrowed millions; but I think it would be well if they would cast their minds back and consider the true bearings of this financial proposal on the colony. I was not in the House when the Colonial Treasurer introduced the Bill, but I am informed that on that occasion he afforded but a very brief explanation as to the purposes for which this million of money is to be borrowed. Hitherto, when any Government have thought such a step as borrowing so large an amount as a million necessary, they have previously submitted a scheme of works, and placed fully before the House and the country the objects it was wanted for, in order that the House might be made acquainted with the

intention, and express an opinion as to the proposed works, and decide whether the scheme was in the best interests of the colony. But here we have a proposal to borrow a million, and no object at all is stated to the House. It is simply borrowing at the sweet will of the Ministry of the day. Under these proposals larger sums of money are to be borrowed than this House would ever consent to in order to carry out any scheme of railways, because we know that further railways are not now wanted and, if built, would never pay; but, if the money is once borrowed and available, it will be found impossible to prevent useless works: there will be little restraint as to its expenditure. I repeat that the House ought to be very careful about this matter, and that the object of the loan should be put clearly before the House. Another feature that strikes me is this: Four years ago we made a great departure by extending the franchise to the "one man one vote," and under that extended franchise we had returned to this House a number of labour members to specially represent the labour interest. So far as New Zealand is concerned, she was, through this, an object of interest in the eyes of the world, if we may judge by the criticisms in the English and American Press. It was pointed out as one of the great features of this movement that the labour members of this Parliament, despite the depression, and despite the opportunities for employment a loan policy would afford, had firmly refused to plunge the country into debt. But the aspiration for self-reliance has been thrown overboard, and this departure is the beginning of unlimited borrowing. Strengthened as the labour party now is, it will be interesting to watch whether they will adhere to high principles, and will still abstain from plunging the country into debt. It has been pointed out by several speakers in the course of this debate that there has been nothing to justify the departure in the direction of this proposal. Prudence seems to have been thrown overboard, and we are now afflicted with an unlimited-borrowing mania. By the various Government proposals we are asked to agree to borrow twelve and a half millions. Never before has such a wild proposal been made; and I hope honourable members will look at the loss of proper control, withdrawn from the House by these proposals. I do not know whether it has struck honourable members what the full effect will be. We are already forty millions in debt. We have in this country but a very small population, and we have to send two millions out of it annually by way of interest on that borrowed money; and, if we are going to add the annual charge for interest arising on borrowing these enormous sums, amounting to something like half a million more, the country cannot bear it. True, part of these loans is to be invested on mortgage; but, if we are going to mortgage all our land to the British bondholder, and send away every half-year the rents as interest upon mortgages, it is practically sending away the lifeblood of the country, and the result will

be that misery and distress will be the lot of our people. If we look back to four years ago, when the Atkinson Government restored the finances of the country, we find that they had to put on fresh taxation to the amount of some £120,000, and we know what disturbance that caused throughout the whole country; and, if we agree to these proposals and plunge further into debt, with attendant extra interest, it will result disastrously to this colony. The colony cannot afford further taxation without deep and lasting depression. All our products are falling in price, and the future is not bright. True, we can see some little hope of a small advance in the price of wool; but that is the exception, and I say this is not the time to plunge the country into fresh liabilities, and to put fresh taxation upon us. At the beginning of this session in all parts of the country men were unemployed, arising, for one cause, from the fact that, for the first time during the winter months, very little bushfelling is going on, to which people in this province have been before accustomed; and if we impose further taxation on these landowners and farmers—for, as has been pointed out, they are the people who have to find the money—there will be further depression, and the working-classes will suffer, and this will still further add to the distress in the country. I also object to this proposal in the Bill to convert this loan into a permanent debt of the country. I find that we added to our debt last year, apart from and beyond the result of conversion, the sum of £618,000 in London. In this insidious system of short-dated loans and conversions we have adopted a very expensive system. As I said yesterday, it costs $1\frac{1}{2}$ per cent. to convert our loans; but the Treasurer is regardless of cost, so long as he can borrow and avoid doing so openly. In so far as this scheme will succeed in getting the money within the colony, I think it is likely to be a very great disadvantage. In all civilised communities industrial pursuits are largely assisted by the banks of a country, and it is the very essence of business that banks are able to act as a medium between the borrower and the lender; and if the colony interferes and diverts this money from the banks we shall not have money available for the assistance of industry, and those people who have only small capital will have a great deal of difficulty in borrowing to carry on their enterprises. It seems to me the Government are mopping up all the money they can get, like a great octopus stretching out its tentacles in all directions. I should like to refer to the remarks of the honourable member for Chalmers in regard to conversions. This is a matter which one always hears talked about, as if by some legerdemain great financial benefits might be secured; but if the honourable gentleman will refer to the correspondence with Sir Dillon Bell he will find that all these conversions are comparatively unprofitable transactions. English money-lenders are quite able to calculate, and are not likely to convert to their own loss. The market value for the stock to be converted, or given in exchange, is

ascertained and agreed upon. Then the currency of the bond and the rates of interest on both sides are calculated. The correspondence in several cases gives the actuarial calculations, and on this the Agent-General tells us we pay 1 per cent. premium to induce the bondholder to consent to convert. If to this be added the ever-attendant cost of conversion for commissions, stamps, *et cetera*, amounting at the least to $\frac{1}{2}$ per cent., we thus add $2\frac{1}{2}$ per cent. to our debt, and the only benefit is a temporary reduction of interest at the cost of later years. If the honourable gentleman will take the trouble to peruse those papers, he will find that there is not so very much advantage in any conversion scheme that has as yet been effected.

Mr. SAUNDERS.—Mr. Speaker, I do not remember ever listening to a debate in this House in which the remarks made by the supporters of the Government were so extremely uncharitable as they have been on this occasion. Sir, the sixteen members who had the audacity to vote against the Government last night have been referred to by several speakers, and notably by the junior member for Christchurch City, as selfish individuals who prefer to vote against what they believe to be highly advantageous to the country so that the present Government might not have the great credit that would result from their wonderfully able proposal. Now, Sir, this is not the first time I have heard a loan referred to as a wonderful proof of ability, and a certain road to the gratitude of a nation. I remember that, when Mr. Domett brought in his Three-million Loan, that was said to be the greatest proof of ability that a man could exhibit in this House. We all know what that meant, and what was the result of that great ability. We are not allowed in this House to call each other liars or thieves or robbers, but I say no man could be referred to in more ruthless or more cruelly-wicked terms than to say of him that he was prepared, for some party purpose, or for some advantage to himself, to vote against a proposal which he believed would be the salvation of this country; and that is what the accusation of the junior member for Christchurch City amounts to. Now, that gentleman has not the excuse that he is a young member. Although he is young to this House he is not young as a public speaker; and words of that kind, deliberately used in this House, are, I think, exceedingly discreditable.

Mr. COLLINS.—I never made use of any assertion capable of such an interpretation.

Mr. SPEAKER.—I have no doubt the honourable member for Selwyn will accept a denial so distinctly made.

Mr. SAUNDERS.—Sir, my ears are not very good, but they are so good that I cannot have made any mistake as to the statement made by the honourable member that we were opposing this Bill for party purposes; and there can be no more cruel charge than to say that we fear the prosperity of our own country.

Mr. COLLINS.—I repeat that I made no assertion capable of such an interpretation.

Mr. Duthie

Mr. SAUNDERS.—Well, Sir, we must let it drop. I distinctly heard the words, and that was the impression they left on my mind. Then, the honourable member went on to say, "How do you know what our promises were at the hustings? How can you accuse us of having promised not to support a borrowing policy?" I do not think the honourable member will deny that he very distinctly promised to support the policy announced by the Ballance Government; perhaps he will not deny that?

Mr. COLLINS.—I promised to support the policy of this Government.

Mr. SAUNDERS.—Very well. I was going to read Mr. Ballance's policy, but I will take this Government's policy announced at that time, which is precisely the same. I cannot take their present policy, because that was not made known until more than seven months after the honourable member was elected. Their policy prior to the election is thus declared by Mr. Ward in his Financial Statement made four or five months before the election:—

"To borrow, or not to borrow, that is the question. I am of opinion that the best interests of the colony are being better consulted by our steadfastly adhering to the policy of self-denial, and by maintaining the strong financial position which we now hold, than by adopting a borrowing policy."

You supported that.

Mr. COLLINS.—That is why I support this Bill.

Mr. SAUNDERS.—Then the honourable member must attach a different meaning to words from what I do. But Mr. Ward goes on to say, "The Government believe that borrowing is not necessary, and have decided to conduct the business of the country without having recourse to it." That is the policy, Sir, which the honourable gentleman promised to support. That is the policy which most young members promised to support. That is the policy I came here to support, and, such being so, I am not prepared to turn round and support a policy the very opposite of that, and the most voracious borrowing policy ever proposed to this House, or ever adopted in any English-speaking community. Sir, I see that the Minister of Labour is now in his place, and, as he made a very remarkable speech to us last night, I should like to make a few remarks upon that speech. It was what you may call an after-dinner speech. It was really an after-supper speech. I do not allude to any alcoholic feature about it; the honourable gentleman is above any suspicion of that kind, and he will therefore not object to a joke in that direction: but the speech was bristling with the peculiarities which we expect to find in an after-dinner speech—the speech was so very inaccurate, so very injudicious, and was calculated to do exactly the reverse of what he intended. In the first place, he told us very distinctly, and without any beating about the bush, that the ability—the brains of this House was the term he used—would be found on this

side of the House, and they only got over on that side now and then when a black sheep forsook the fold and went over there.

Mr. REEVES.—I did not say that.

Mr. SAUNDERS.—No, you did not say "black sheep." At the very same time that the Minister of Education was telling us that all the brains were on his side of the House—

Mr. REEVES.—I did not say that.

Mr. SAUNDERS.—At the very moment that the Minister was telling us that the great preponderance of brains was on his side of the House the Premier was holding up his finger very vigorously to his friends with these good brains as a warning to say nothing; so that I suppose we must come to the conclusion that, whilst all the brains are on this side of the House, they are concentrated in one individual, and that individual was the one chosen to express the opinions of this side of the House, whilst the rest were cautioned to say nothing, lest they should prove unequal to the very difficult task of defending this new policy. But the most remarkable illustration that the Minister of Labour was not quite in his usual form was that he vehemently accused the honourable member for Hawke's Bay of inconsistency because he had opposed the Government when they did not borrow, and he now opposed them when they did borrow, or propose to borrow.

Mr. REEVES.—No; I did not do that.

Mr. SAUNDERS.—Well, Sir, I think the honourable member for Hawke's Bay will bear me out: and it was the first practical admission from the Government that this policy was exactly the reverse of what they professed a year ago. It does not seem to have occurred to the honourable gentleman when he made that remark that, if the honourable member for Hawke's Bay was so very inconsistent in opposing the Government when they did not borrow, and also when they did borrow, the accusation of inconsistency applied with infinitely more force to those young members who, after being elected on the Ballance policy, and after the announcement of the Colonial Treasurer that there was to be no borrowing, are now ready to follow the Government into the lobby and to support any amount of borrowing the Government may think proper to propose. That seems to me to have been a mistake on the part of the honourable member. Then, the honourable member was unwise enough to attempt a comparison between the financial policy of Great Britain and the financial policy that is now proposed in this country. Now, Sir, when we attempt to compare the two countries we should bear distinctly in mind that the population of Great Britain is some fifty-seven times greater than ours. If we reckon that we have some seven hundred thousand inhabitants, Great Britain has forty millions; and if you divide the one by the other you find that there is fifty-seven and one-seventh times as much population in England as there is here. I will say nothing about the immense wealth that is pouring into England, about the one hundred and fifty millions she receives for interest of money, and the many circumstances

that would justify a loan in Great Britain which would be highly imprudent here; and if you multiply by fifty-seven the loans we are proposing at the present time, and just fancy the English community going in for loans at that rate, you will see something very different from what England has ever done, even in the wildest days. The wildest days of borrowing that have occurred in Great Britain were the days of George III. In that reign there were no less than six hundred millions of money borrowed in sixty years. That means an average rate of ten millions a year, which is only equal to an annual borrowing of £175,428 by our population, which we should talk of in this place as if it were a thing of no consequence at all; and yet it brought Great Britain to financial disgrace, and her bonds to something less than £60 per £100. Now, one million to us is equal to fifty-seven millions in England. And yet we think nothing of borrowing five millions in one year, although equal, in proportion to our population, to two hundred and eighty-five millions for Great Britain.

Mr. WARD.—What was the population of Great Britain in the time of George III.?

Mr. SAUNDERS.—It was twenty-three millions.

Mr. WARD.—About fifteen millions.

Mr. SAUNDERS.—You are taking the beginning of the reign; I am taking the end of it. But you may take which you like, or you may halve it, and halve it again, and still the enormous folly of our reckless borrowing will stand out beyond all comparison with the wildest days of England's wildest administration. But I do not want to go back a hundred years. It was the Minister of Labour who led to that date, and I think it was very unfair to go back a hundred years to compare the policy of England with our policy. England has committed many follies, like most other countries, in connection with war. But England, as I said before, in her very wildest days never borrowed, in proportion to her population, a fiftieth part of what this Government proposes to borrow this year. Now, Sir, let us compare the fifty years during which we have been borrowing. What is the result? During the last fifty years Great Britain has paid off £120,000,000 of her national debt. And what have we been doing? Incurring a debt equal on her population to £2,286,000,000. If you multiply our debt by fifty-seven, to make up the difference between our population and that of England, we have increased our debt to that extent. Now, it is true, as the Minister of Education said, our debt is not for war. If there were anything that would justify borrowing it is war. I do not say that it would be easy to justify war; very few wars that I ever remembered could be justified; but, if you have to go to war, then I say there is nothing that would justify borrowing so much as war, because there is no doubt the nation that can command at once the largest resources, and attack vigorously and more economically, stands the chance to do it more successfully than the nation that dribbles on, and is con-

stantly defeated. Every one will admit it is never wise to go to war unless you make such arrangements as to insure success. We are told this is not for war. But I am not sure that it is for anything better than war. If this House consents to such a loan on such conditions I am not at all sure that it would not be more injurious to the country than if it were borrowed for war. I look upon it as a great constitutional wrong to this country to propose that a million of money—equal to fifty-seven millions in England—shall be borrowed and placed in the hands of the Colonial Treasurer to do what he likes with. Just fancy even such able men as Gladstone, or Goschen, or any of our great statesmen—Sir Robert Peel, for instance—coming to the British Parliament and proposing that they should be allowed to collect from the people of Great Britain fifty-seven millions in one year, and spend it how they pleased! What would be the position of a statesman in England who proposed anything of the kind? He would never be heard of as a statesman in England again; and I say this is as bad, if not worse, when we propose to collect a million, as in this Bill, and place it in the hands of the Colonial Treasurer without any control on the part of the people's representatives as to the manner in which the money is to be disposed of. All that I said the other night with regard to the objections I had to the cheap-money Bill I have in still greater force to this Bill. I shall go into the lobby against it and vote against it, and I shall be quite satisfied in my own conscience that I am doing the right thing. As to the motives that may be attributed to any of us in opposing this Bill, I may say that during a long—very long—political life I do not remember to have been accused but once before of using my political position for any private interest or purpose of my own. I will take advantage, while you, Sir, are in the chair, of saying that you will remember that I had not been in the House six weeks before I was offered by Mr. Fox in your presence the position of Colonial Treasurer. You will also remember that in 1879 I took a very active part in protesting against the Grey Government, for the reason for which I protest against this Government—because, after great professions of economy, they had gone into gross extravagance and reckless borrowing; and I took a very active part in dislodging that Government, and was placed in a position in which I could not have been refused a portfolio had I claimed it, but declined to do so in favour of Mr. Rolleston. Now, you will remember, I am sure, in the following year I had occasion to oppose the Crown and Native Lands Rating Bill, and that I was successful so far that the Government considered themselves defeated; but, rather than remove that Government at that time, I consented, at the request of the Premier, and on condition that the Bill should never be heard of again, to vote against my own conscience and in favour of the Bill that I had condemned, rather than dislodge that Government at the time when

Mr. Saunders

they were actively engaged in reducing the expenditure of the country. And Mr. Swanson, Mr. Colbeck, and Mr. Hurst did the same, and by that means kept ourselves out and kept the Hall Government in. I think all these things are enough to satisfy you, Sir, knowing all the circumstances as you do, that I have never been an office-seeker in this House. During the whole time I have never sought office in any Government, and have constantly taken the attitude of refusing office. That being the case, I am hardly a proper subject to be charged by members who have just entered this House with any evil motive of that kind, even though I do not and will not support the present Government so long as I consider their policy erroneous and dangerous to the country. I always have been, and still am, willing to support them in what I believe to be prudent and right.

Mr. FRASER.—The Colonial Treasurer, in introducing this Bill, termed it a very simple measure. He was quite right. It is a simple measure, so simple that "he who runs may read"—so simple that any one can understand it. It means this: that, so far as the million referred to is concerned, the Bill proposes to take away from the House one of its most cherished privileges, the control of the purse—the right to say how loan-money is to be spent. That is what the Bill means, there is no doubt about it. I desire to compliment the Treasurer for the consistent manner in which he has behaved during this session in regard to the Bills he has introduced. I have listened very carefully to him, and I cannot recollect one occasion on which, in introducing a Bill, he has thoroughly explained the full purport of it; he has always left something—indeed, a good deal—to say in reply. He has fenced most ingeniously all the questions put to him during the various debates, and then when exercising his right of reply he has glanced at or ignored the arguments used against the measure, and employed the whole power of his oratory to refute statements which were never made. That has occurred very frequently. No doubt these are very clever tactics, and, although they seem to have amused his followers considerably, I am not quite so sure that they will commend themselves so much to the country. So far as the Bill itself is concerned, what is it, stripped of all the sophistry about the desire to encourage thrift? It is a loan Bill, and, I venture to say, a loan Bill such as has never before been placed before Parliament. All loan Bills have been brought down with a schedule of works attached. Where is the schedule attached to this Bill? There is none whatever. It is proposed to borrow a million in Consols, and there is not the slightest indication as to how the money is to be spent—not a word. It is true this may be done yet. Hints have been given this afternoon by various speakers that the Government are prepared to accept amendments in the Bill. In fact, about mid-day I watched with amusement a troop of the faithful coming into the lobby from chambers occupied by Ministers. I presume there had

been a caucus, and I suppose the result of that caucus may be that the Treasurer, in replying, may produce from his pocket the schedule I say this Bill requires. I do not know about that. However, we have now to deal with the Bill as it is before us: The Treasurer informed us that the money obtained by the sale of these Consols could be applied to redeem Treasury bills.

Mr. SEDDON.—No.

Mr. FRASER.—To redeem existing Treasury bills.

Mr. SEDDON.—No; certainly not.

Mr. WARD.—I made no such statement.

Mr. FRASER.—The honourable gentleman said it might be so applied.

Mr. WARD.—No.

Mr. FRASER.—Will the honourable gentleman repeat what he did say?

Mr. WARD.—I said it was quite possible to use the money raised in this way in lieu of Treasury bills.

Mr. FRASER.—I must accept the honourable gentleman's statement, but I took his words down "to redeem existing Treasury bills." But even taking the honourable gentleman's own words, what do they mean? They mean that they may be applied to that purpose—he will not deny that. Why, I always understood that Treasury bills were short-dated promissory notes issued in anticipation of revenue, and to be redeemed and taken up at maturity as the revenue came in. But what do we find now? The revenue is not to be used to redeem the bills, but loan-money is to do it. I say this is an extraordinary proposal to put before the House, and I am sure it will not commend itself to this House, and certainly it will not to the country. There is no doubt that, whatever words the Treasurer did use, what we were led to infer was that Treasury bills were going to absorb a certain amount of this money, if not the whole of it. Subsequent speakers from the Treasury benches used the same argument. I say it is entirely wrong that Treasury bills should be redeemed in this manner; it simply means the money is to be spent in a way the House has no knowledge of. I maintain there is no indication whatever of the manner in which the money proposed to be borrowed under this Bill is to be applied or spent, and that is a thing which I cannot conceive this House agreeing to.

830. I trust, if the Bill passes its second reading, that in Committee the mischievous parts of the Bill will be eliminated from it. Did the Treasurer expect the House to take him seriously when he stated that these Consols are to be created on the lines of English Consols? Because, if he does, he is condemned out of his own mouth. English Consols were not created for the purpose of providing investments for people residing in that country. They were created in consequence of the severe straits for money in which that country found itself at various periods. Therefore, if there is anything in his argument at all, it logically follows that the necessity for these Consols is that the Government also are in sore straits for money. I do not say

that it is so, but I say that the argument of the Colonial Treasurer clearly indicates that. I hope it is not so; but the honourable gentleman must not blame us because of the logical conclusion we have come to from his own statement. Then, the Premier in the course of his speech said that we must trust the Treasurer. Does the House not trust the Treasurer—does the House not always trust every Treasurer? But it trusts him within the limits of an Act called the Public Revenues Act. Here, however, he goes beyond the provisions of that Act. I certainly cannot support the Bill as it stands now. It is a mischievous measure, to my mind. I maintain that the demands which the honourable gentleman is making upon this House are unprecedented. I suppose we shall be told by-and-by, as we have been told in various other debates, that there has been obstruction on this side of the House because we have criticized this measure. I hold that those honourable members on this side of the House, and those other honourable gentlemen who have had the independence to criticize these proposals, and who have spoken and voted fearlessly in regard to them, deserve the thanks of the country for their action. I trust, if the Bill does pass the second reading, that if it goes into Committee it will come out so altered that its own father will not know it.

Mr. MCGUIRE.—I rise to oppose this Bill. I do not care to give a silent vote on the matter, as I feel very strongly that this is a very mischievous measure. It is not a measure which is in the true interests of the country. Under it the Treasurer will have a million of money placed in the Consolidated Fund which he can use according to his own sweet will. If the Treasurer had shown that this money was required, and was absolutely necessary in the true interests of the country, and for the purpose of developing the country's resources, the Government should propose to raise a loan in the proper way in the financial market at Home. Instead of that, we find a Bill of this description, in which the honourable gentleman will get a million of money in the most insidious way, and he will have the power of spending it as he thinks proper, as the Bill has no schedule and is not ear-marked. Some time ago, when the taxation proposals were introduced, the Colonial Treasurer assured us that he had a surplus of over £290,000. Notwithstanding that alleged surplus, the unfortunate settlers of the country have had to pay the land-tax twice in one year. Surely it was not necessary for the Government to insist on that, in view of what they had previously stated. The Government told us that they were a non-borrowing Government; but honourable gentlemen can judge of the value of that statement by their own proposals. They have already gone in for the two millions to bolster up the Bank of New Zealand, and they have gone in for a million and a half for the purpose of lending money to settlers. That is a very dangerous measure, in my opinion, and it should be carefully guarded, in the interests

of the taxpayers. I think the farmers should have cheap money: still, I also think it is a very dangerous measure, and the Government and the House will have to be very careful indeed, or very large sums of money will be lost, and the taxpayers of the country will have to make such losses good. Then, there is a proposal to get money from foreign insurance companies—to make those companies which are doing business in New Zealand pay large sums of money into the Treasury. What is this for? Simply in order that the Treasurer may use that money.

Mr. SPEAKER.—You are anticipating another order of the day.

Mr. McGUIRE.—I thought in discussing this question we could discuss the financial proposals of the Government.

Mr. SPEAKER.—Yes; but honourable members cannot discuss Bills which are set down for consideration later on.

Mr. McGUIRE.—I submit, Sir, most cheerfully to your ruling. This non-borrowing Government have been in power for the last three years, and they have added to the debt of the colony nearly £3,000,000 already, and even under the transactions of last year they have added to the debt a sum of £750,000. The country was never before in such a state as it is in at present. We are giving employment to more people who would otherwise be unemployed than has been the case for many years past; and I can never remember a time when so many persons were out of employment. The Government tell us they have a surplus of something like £300,000. They received from this House £700,000 for the purpose of constructing public works, such as railways, roads, and bridges, and opening up the country generally. But what sums have they expended? They have expended a little over £400,000. Therefore on that vote alone they have saved something like £300,000. This is how they make up the surplus. Then, again, from the conversion operations they got something like £250,000. Had they not succeeded in getting that money from the conversion operations, and had they expended the money which had been voted by this House, we should have had a deficit this year of half a million, together with an increase of our national debt of £750,000—going to the bad at the rate of £1,250,000. I am, as I have said, going to oppose this Bill. I will not take up the time of the House further at present. I, however, trust that honourable members who have the true interests of the country at heart will be found voting against this Bill.

Mr. SAUNDERS.—May I be allowed to correct one statement which I made in my speech? I am told that I said that even during the extravagant and ruinous borrowing of George the Third's reign, Great Britain never borrowed more than ten millions in one year. That is not correct. What I intended to say, and what would have been correct, is that even during that reign of reckless borrowing Great Britain did not average more than ten millions a year.

Mr. McGuire

Mr. BUICK.—Two or three minutes will be sufficient for all I have to say upon this question. I do not like to give a silent vote on such an important measure as this. I can honestly say that I have never felt so great a difficulty during all the time I have been in Parliament in coming to a decision upon a question as I do at the present moment. I have every desire to support the Government in every reasonable proposal, but I must confess that the proposals which I understand they introduce in this Bill are rather much for me. This is to all intents and purposes a borrowing measure. If the English language means anything at all, that is the purpose of the Bill. I may state that my position is this: I was elected to this House opposed strongly to borrowing. I was opposed to borrowing in every sense of the term, and, if possible, more especially to borrowing for no specially-defined purpose. As I have already stated, this is a borrowing Bill. It is, I believe, a Bill borrowing for the purpose of constructing public works, and it is further a Bill for borrowing for no specially-defined public works. That is the main objection which I have to the Bill. It seems to me that the position of the Government is this: They are at the present moment facing an empty Treasury. They do not wish to tell the public so. They want to borrow one million under this Bill, but they do not wish the public to know it. And they will not let the public know it if they can prevent it. That is precisely the position they are in to-day. I do not blame them for being in that position; but what I say is this: They ought honestly to face that position and tell us so. That is the attitude I take up. I for one would think none the less of them if they came down and stated openly, "We want to borrow £1,000,000 for public works," although I would not support it; but under the provisions of this Bill we simply have a sly way of getting a large sum of money into the Treasury. It is simply money going into the big pot, and the Government are going to ladle it out as they like. Now, the primary purpose of this Bill is a very admirable one indeed—that is, to provide a safe means of investment for people who have saved small sums of money, and who at the present time are afraid to invest them in the ordinary channels of investment. But, I say, if that is really the intention of the Bill, there is no need for the Bill, because the position of these people can be met by the opportunities that are offered for investment in the Post-Office Savings-Bank. All that working-men can save can be absorbed in that office with very great safety and ease. I know that, as far as I am concerned, I am a working-man, and the Post-Office Savings-Bank can accommodate all that I can save. Thousands in this colony are in exactly the same position; therefore, so far as that class of people are concerned, this Bill is really not required. I agree with the Colonial Treasurer that larger deposits than £500 in the Post-Office Savings-Bank would not be convenient to the Government, because, if they were suddenly

called upon to find large sums of money at a moment's notice, it would, in some instances, place them in a difficulty, and the honourable gentleman is quite right in limiting the amount of deposit in the Post-Office Savings-Bank to £500. But I think that difficulty could be got over, and the purpose of the Government be easily met, by devising some means of having a system of fixed deposit in the Savings-Bank for sums over £500 for a term of five or ten years. If that were done, I think the whole purpose and intention of this Bill could be met, and then there would be no fear, as there is at the present time in the minds of honourable members, that this is purely a borrowing Bill. Now, as the Bill stands, I must vote against the second reading. I should like to see amendments made in it in Committee, but I am afraid that these amendments are so drastic that the Treasurer himself would not be prepared to accept them. I will give the House an indication of what I should like to see, so as to make this Bill as safe as possible if we are going to pass it. In the first place, I think an amount of one million is too great a sum to attempt to raise in this way. If it is meant to meet the surplus money in this colony—that is, the money that is put away in the stockings and teapots—then, I say, £100,000 would be quite sufficient to meet that. If the amount were reduced to that, then this would be a safer measure. I should also like to see the 7th clause struck out of this Bill, because as it stands at the present time the money raised under this measure will simply go into the Consolidated Fund, and may be used for any purpose the Government choose to apply it to. Clause 35 is also an objectionable one, because it means that at some future time the Colonial Treasurer may convert the whole of this borrowed money, and then it would simply be made a permanent addition to the national debt, which would probably cost us £40,000 a year in the way of interest. Then, I should also like to see the purposes for which the money is to be used clearly defined in the Bill. During the financial debate I spoke in favour of the principle of Consols on a modified scale, but I was then under the impression that the Government were going to use this money for the purpose of acquiring private land for settlement, and, if I was satisfied the money was going to be used for that purpose, I should certainly not have so great an objection to the measure, but, as it is, I cannot conscientiously vote for a measure which is so directly in contravention of the pledges which I have given to my constituents. I prefer very much to have an opportunity of explaining the whole measure to my constituents before committing myself to the details laid down in this Bill.

Mr. TANNER.—I agree with the last speaker that the matter before us this evening is a matter of too grave import for any honourable member to remain silent on it. I shall put into half a dozen sentences what I have to say. We know the position. The Govern-

ment know the position, and we know it. I was not returned absolutely pledged against borrowing under any conditions. Any candidate who stood before the electors and gave pledges of that kind would be an extremely foolish man. I have always been against increasing the indebtedness of the colony; for the public debt is already our heaviest national burden. I shall not enter upon an elaborate train of reasoning in order to prove that this is not a borrowing proposal, or that the letterpress of the Bill means exactly contrary to the impression conveyed on reading it. If there is any meaning in words, it is a Bill authorising the raising of a loan of a million, without any need for it to be explained to the House. In these circumstances, my duty is clear, and I am fully prepared to accept the responsibility which that duty entails in voting against the second reading.

Major STEWARD.—I intended to take no part in this debate, but I feel bound to say a few words on the subject of the Bill before the House, under the circumstances which have taken place. No one this session has more loyally supported the Government in their policy than I have done; but, Sir, I am not prepared to give to any Government or to any Treasurer an open credit for a million of money to be dealt with as they please. This appears to be the gist of the Bill now before us. I object *in toto* to section 35, which gives power to the Governor in Council to declare all or any of the Consols created or certificates issued under this Act to be convertible into stock created or issued under "The Consolidated Stock Act, 1877," and "The Consolidated Stock Act, 1884." I object also to section 7, which places the whole of this money in the Consolidated Fund. If the Colonial Treasurer, in his reply, is willing to assure us that in this Bill he will introduce a clause to the effect that the money raised under the Bill shall be applied, and applied only, to the purposes which have been sanctioned by this House—as, for example, the quarter of a million to be devoted to roading in the North Island, to the purchase of Native land in the North Island, and the further quarter of a million to be devoted to the purchase of private land in the South Island,—then I am perfectly willing to vote for the Bill and allow the money to be applied to the purposes which the House has sanctioned. But if this Bill is to mean, as it seems to me to mean, that authority is given for raising a million of money without any appropriation being made, then I absolutely cannot vote for it. The explanation of the Treasurer, as I understood it—I may have understood it wrongly, I admit, and, if so, the honourable gentleman will be able to explain when he replies—was to this effect: that the money to be raised under this Bill—of course it is not to be assumed that the whole million will be obtained in the first year, but, perhaps, a quarter of a million or half a million, as the case may be—that this money was to be devoted to the purpose of retiring Treasury bills. Well, Sir, it is perfectly

clear that, if you retire Treasury bills which are issued in anticipation of revenue, then there is so much more revenue placed at the Colonial Treasurer's disposal; so that the thing is as broad as it is long. For the expenditure of the money to be raised under the Bill there is no appropriation whatever, and no direction from this House. It is not possible to ask any member of the House, however loyal he may be, however strongly Liberal he may be, however strongly he may believe in the present Government, as I do believe in them—and there is no man in whom I believe more thoroughly and with greater confidence than in the Colonial Treasurer—I say it is utterly impossible for him to give the Government an open credit. I say I am not so prepared. I hope, therefore, the honourable gentleman, in his reply, will be able to say to the House that this clause 35 shall be struck out; further, that clause 7 shall be struck out; and, moreover, that a clause will be put in to the effect that the money to be raised under the Bill shall be devoted to purposes already sanctioned by this House, or, if he pleases, that the Public Trustee shall be put in the position of investing it in such securities as he thinks best. If this is done, the Bill shall have my hearty support, but I feel that I cannot, under any circumstances, vote for the Bill unless I have these assurances.

Mr. LANG.—I did not intend to speak this evening, nor do I now intend to take up for more than a few minutes the time of the House; but so many members have spoken on this very important question that I do not care to give a silent vote on the matter. I may say that I was very much surprised at the manner in which Ministers have made their speeches upon this question. It appeared as if they knew very little about the Bill. At any rate, they gave us very little information, and what little information they gave us was certainly very contradictory. In fact, there seemed to be only one point upon which they agreed at all, and that is that they wanted a million of money. I was also very much surprised to see so many of the Government supporters getting up in their places and condemning the Bill in the strongest possible terms, and then finishing up their speeches by saying they were going to vote for the second reading. I can only account for it by assuming they wished to excuse themselves to their constituents; but I think that the electors of the country look more at the way in which their members vote than at the way in which they speak. I may say it seems to me to be very extraordinary that we should be asked to support a Bill giving the Government a million of money without their telling us in any way how that money is to be used. I shall vote against the second reading of this Bill.

Mr. WARD.—I think, Sir, that the House has heard offered here on more than one occasion such statements as the honourable gentleman has just made. There seems to be a great desire on the part of some honourable members to tell us what the consequences of our actions

will be so far as the electors are concerned. Now, I would point out that the same story was told to honourable members on this side of the House all through last session. We were told then that when we went before our constituents we should see how they would treat us. That was then the continuous theme of several honourable members. Well, we had the decision of our constituents, and we are satisfied. This session several honourable members have taken up the same rôle. My honourable friend the member for Wakatipu, I think, is one.

Mr. FRASER.—No.

Mr. WARD.—At any rate, several honourable gentlemen on that side of the House are for ever warning honourable members on this side to beware of the possibility of a heavy reckoning when they go before their constituents. Now, I say that every member of the House has a right, and properly so, to carefully weigh every matter that comes up for consideration, not only as to the effect it may have on his own constituents, but as to its effect upon the whole colony. But to me it becomes almost nauseous, as it must be to other members of the House, to see some of the honourable members who are supporting the measures of the Government pointed at by certain honourable members on that side of the House, who say, in effect, "Be careful, gentlemen, how you vote. Remember you have to go to your constituents." I say it is almost insulting to give expression to such utterances as that, which come so frequently from some of the leading members on the other side of the House. I propose to briefly touch upon some of the points which have been raised during this discussion. First of all, let me point out what was the position in connection with this matter a very short time ago. Have honourable members forgotten the circumstances that existed in the country prior to the last election? Do they forget that from one end of New Zealand to the other there was an almost unanimous expression of opinion that, owing to the disturbed state of trade, caused by the pulling-in of money on the part of our financial institutions here, and sending it out to Australia and elsewhere, it was desirable that the Government should do something to stop the great outflow of money. Honourable members made statements of that sort here, and when speaking on the public platform they pointed out the position into which matters were drifting, and expressed the opinion that something in the direction now proposed should be brought down in Parliament. I am really surprised at the action of the honourable member for Wellington City (Sir R. Stout) in this matter, because, to my own knowledge, he entertained the same opinion—that the outflow of capital was injurious to the colony, and that legislation was necessary in order to prevent it. I say that several honourable members who are now twisting the proposals of the Government, as indicated in this Bill, into a proposal to go in for a loan have entirely forgotten what then took place, and what the pledges of the

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Government were. They also entirely overlook the requirements of the colony, and the necessity that has called for this legislation. There may be a diversity of opinion as to the right way to meet the case. What the Government have got to endeavour to prevent, however, is the sending of an excess of the people's capital out of the colony; and that is the object of this Bill. Those honourable members say it is a borrowing proposal. If they had been in the House when it was proposed to establish the Post-Office Savings-Bank, what would they have then done? They would, upon their arguments,—fallacious ones, I contend,—have voted in the direction they now indicate, and in my opinion there would probably have been no Post-Office Savings-Bank established in this colony at all.

Mr. BELL.—Money at call.

Mr. WARD.—That is the position of deposits. If during the current year the people of New Zealand increased these deposits to, say, five millions of money, upon which interest would be payable, in the Post-Office Savings-Bank, the colony would have to take them under the postal system. So, if the Government give effect to the proposal contained in this Bill, and the people elect to take advantage of this system of investing their money under it, there will, in my opinion, be some shrinkage in the deposits made in the Post-Office Savings-Bank. Honourable members

9.0. whom we hear talking about this being a proposal for a loan are not viewing it impartially, and they evidently do not know what the proposal really is. The question as to the disposition of the moneys is an entirely different matter, and I am prepared to consider that later on. But I wish now to reiterate that this proposal for issuing a million Consols in the colony was not made by the Government for the purpose of obtaining a million of money for public works or for anything of the kind. The talk about obtaining moneys in this way for railways, such as that of the honourable member for Wellington City (Mr. Duthie), is quite out of place. Does that honourable gentleman mean to tell this House that he is so ignorant of our mode of business in Parliament that he does not know that an appropriation would have to be taken first—that before anything of the sort could be done it would have to come under the review of honourable members? But my honourable friend was in a most sympathetic and pathetic mood. In quite a touching way he was appealing to the labour members, and pointing out to them the course they should follow. Surely he must have forgotten, and if he did forget I would remind him of the fact, that almost every proposal that has been made in this House or elsewhere in the direction of assisting the labourer of this country has met with his most fierce denunciation. He has for years been constantly opposed to labour and to labour interests, and yet he now makes an *ad captandum* appeal to the labour members as to what they should do. Let me suggest to my honourable friend that he should allow the

labour members to exercise their intelligence, and to vote without dictation or suggestion from one who has been so consistently opposed to the interest they represent. Then, the honourable member for Wellington Suburbs has again accused us of flying kites. That honourable gentleman went back to William III.: and it is a somewhat remarkable fact that, while he went back to William III., my honourable and esteemed friend the member for Selwyn went back to George III. Those honourable gentlemen gave us ancient history; but we do not want ancient history. Let me bring the honourable member for Wellington Suburbs back to modern history, and remind him that, though he is now opposed to the million of Consols as proposed, before the House met he was willing to go in for two millions of borrowed money, one million of which was to be used in carrying on public works, and the other million for his favourite North Island Trunk Railway. That was the proposal of my honourable friend; and yet he comes here and takes exception to the proposal in this Bill to enable minors—and every one in the House should, I think, wish to see it—given an opportunity of obtaining suitable investments for their money. The honourable member comes here and jokes, and absolutely ridicules the proposal to confer this benefit on minors by holding out an inducement to them to exercise habits of thrift. I can only express my very great surprise at my honourable friend. Then, again, the honourable gentleman indulged in some remarks about the difference between the statement I had made as to the number of Consols which were existing in England at a particular time and the English national debt, and said he thought I should have known a little more about it. Now, the honourable gentleman will pardon me for saying that he did not arrive at a right conclusion. I was referring to a specific amount of Consols: but, as the honourable member does not appear to know what the national debt of England is, I will tell him. On the 31st of December, 1893, it was £671,000,000.

Dr. NEWMAN.—You have looked it up since.

Mr. WARD.—I had it lying on my table here at the time, and the particular point which I referred to was the £525,000,000 of Consols—a particular item selected from the Imperial balance-sheet. Now, the honourable the senior member for Wellington City says that this is a proposal to convert Consols into a permanent debt. I say I disagree entirely with the honourable gentleman. We do not seek to convert the Consols into a permanent debt. It is all very well for honourable members to take a particular clause of the Bill, and to take the maximum limit of the proposed currency, and to say that we are going to issue these for forty years, and to convert them into a permanent debt. I think it is only fair to say that it is any period “up to forty years”; and it may be a very, very much shorter period. Under circumstances that are suitable, there is nothing to prevent the issue being for a very short time

indeed. Then, I would, for a moment, point out to my honourable friend the member for Wairarapa the position in which he is. That honourable gentleman said he was prepared to vote for a million if it was straight borrowing, and then he went on to explain what he meant by a system of straight borrowing, and, by way of illustration, said he was prepared to agree that the Savings-Bank should receive deposits for a fixed period, and that the limit of £500 should be removed. Since he would agree to that, I would point out that he should be a supporter of this system of Consols which he expresses himself as opposed to. If he is going to fix a time during which deposits may be made with the Savings-Bank, and during which the depositors' money shall not be withdrawn, would he not thus place the money absolutely in the hands of the Government of the colony through the Post-Office Savings-Bank? I say certainly he would. The honourable gentleman favours a million of money being paid into one of the Government institutions; he favours the extension of the Savings-Bank system so as to allow of a large sum of money being lent in that way; and yet he draws the line at the proposal we are making in this Bill, for the reason probably that it is not his own idea. Now I must return for a moment to the honourable member for Hawke's Bay. The honourable gentleman expressed the opinion some time ago that at some time or other I was going to be crucified.

Captain RUSSELL.—I said I hoped you would not be.

Mr. WARD.—Well, I think the honourable gentleman expressed the opinion that very probably I should be crucified, and that people would not want my blood, but that what they would do would be to eject me from office. When the honourable gentleman was discussing this matter it occurred to me that, while he referred to the possibility and even stated that the time was arriving when the term "repudiation" might be applied to this colony, his own memory so far as his own actions were concerned must have again become very defective. If under this proposed system repudiation is probable, what must the position have been had his proposals made in his green and salad days been given effect to? Those proposals were that the colony should commit itself to an expenditure of twenty millions to lend to private individuals—at a time, too, when its indebtedness under mortgage was less than six millions, and when the ordinary revenue of the colony was a little more than half of what it is at the present time. Yet that honourable gentleman now talks about repudiation. What must have been his ideas of repudiation in those days? He must have believed that we were absolutely on the verge of something that was a great deal worse than repudiation. Now, for the purpose of trying to do something against the Government, or for the purpose of putting the Government in a wrong position, he uses this word with a lightness that is inexcusable. Those honourable gentlemen sometimes ac-

cuse me of levity because I do not look sour enough; and yet some of them get up and, in the most frivolous manner, use terms that are likely to be cabled to England, as being used by leading members of this House, to the effect that this colony is about to repudiate. I have never before heard of responsible men in any Assembly making suggestions of this kind. I say that every lover of his country should scorn the idea of the possibility of such a thing as repudiation in this country. I am indeed very much surprised at honourable members; but it is quite in keeping with the policy of those who are opposing the present Government, and not only of those opposing the Government in this colony, but of those who are opposing it out of the colony. If you take the scathing financial articles that have appeared from time to time since this Government took office—and which, notwithstanding the great anxiety of the honourable member for Patea, has had the effect of sending our stocks up—if you take those scathing articles in connection with our finance, what do you find? You find that the main sentiment animating those articles is the hope that financial trouble may come over this colony; and I would ask, for what purpose is this desired? It is in order to cast out those at present in office, and to allow those honourable gentlemen who are now in opposition to come in. That is the plain English of it. Now, the honourable member for Patea has delivered a financial statement upon this occasion. The honourable gentleman, I am sorry to say, is somewhat reckless in his statements in connection with financial matters. He has a happy knack of accusing other people of being reckless, but he really does, himself, make statements in the House upon finance which will not stand very much discussion. There is, for instance, the honourable gentleman's argument with reference to the falling of £38,000 in the revenue during the quarter, and of the expenses having gone up £20,000. Why, does the honourable gentleman not know, do not all honourable members know, and does the country not know that the June quarter is always one of the worst for the revenue of the colony? In addition to that, does the honourable member not know that during the winter months the ordinary expenditure is higher than usual? Why is this? It is usually higher, and it is so higher for the purpose of keeping people who, unfortunately, are unable during the winter months to get work in the ordinary way, from one end of the colony to the other. The honourable gentleman very consistently selects the very worst features in connection with the finance of the colony, and then comes down to the House and asks honourable members to accept his statements as an index of what the real position is. All I can say is that, if the honourable gentleman wants the reputation of being an accurate forecaster of finance, he will do himself more credit by taking the average than by selecting a month or two in order to suit his own purposes. Then, again,

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the honourable gentleman expressed the hope that I would not drop my noughts upon this occasion as I had done upon a former occasion. Now, I would remind the honourable gentleman that, if I did make a slip on the occasion referred to, he himself made a much more serious one, for he converted £15,000 into £150,000. To say the least of it, I think that honourable members who live in glass houses should not throw stones. I hope he will do as I have done, leave his extra nought in *Hansard*. Again, the honourable gentleman talked about a deficiency in the estimates. Now, I do not want to take up time by reading the Financial Statement, but if honourable members will look there they will see, on page 6, that, in forecasting the estimated revenue, I specially referred to the fact that the Customs revenue had fallen somewhat during the first three months, but expressed the opinion that it was not likely to continue falling. When the honourable member comments on the fact that the Customs revenue is falling and the railway revenue is falling, I think it would be only fair on his part to see that in the general estimates of the Financial Statement I have provided for a reduced revenue of nearly £135,000 below what it was for the preceding year. This being so, I say that, when he and other honourable gentlemen select the worst months of the year, and endeavour to create the impression that the colony is "going to the dogs," they are not doing what is fair to the Government or to the country. The honourable member for Wellington City (Mr. Bell) says the colony is already repudiating, that what it is doing is the worst kind of repudiation, and that it is theft of the worst kind. I only wish to say that the honourable gentleman refers to the operations of a particular department, and that he is wrong in his assumption that the present Government is responsible for the legislation to which he refers. I am not saying that legislation was not right, but I wish to repeat that the legislation referred to was not the work of the present Government. That being so, I may say—

Mr. BELL.—It was the Act of 1891.

Mr. WARD.—I hold, at any rate, that we are not responsible, and I say that when the matter which the honourable gentleman refers to comes before the House I will show that such is the case. When discussing a proposal for the initiation of a system for the establishment of Consols in the colony, it is, I think, quite unusual to draw in extraneous matters in connection with the system in a particular department—and which in the ordinary course will come up for debate—and apply it to the whole colony. Now, just let me reply to the honourable member for Marsden for a minute or two. That honourable gentleman this afternoon delivered a speech to the House, and in that speech he gave us some information of a very valuable kind. I was pleased to hear the honourable member say that his people did not send him here with a rope round his neck, and when the honourable gentleman goes back

to his constituents I hope they will not find it necessary to put a rope round his neck; I trust that when he comes back next session they will again send him without a rope. I may say that the honourable gentleman, in criticizing the proposal, at times made statements which in his calmer moments he will, I think, realise were a little ill-advised and not very complimentary. I am prepared to give him credit for doing his very best in the interests of his constituency and of the country, and I think he should credit other people with being just as anxious to do what is proper, and, while claiming to act from good motives himself, he should, I think, give credit to others for being animated by similar motives. No good result can be gained by making remarks which are somewhat offensive in their tone. I can assure the honourable gentleman that, while his criticism is accepted in good part, other people can indulge in the same kind of criticism if they find it necessary to do so. Now, Sir, just one word about the remarks of the honourable member for Otaki. That honourable gentleman stated that three Ministers had made three different statements, and the honourable member for Hawke's Bay stated that there was nothing extraordinary in that. All I can say is that the honourable gentleman could not have been listening very carefully to the speeches of Ministers in the House. At any rate, I heard no such diversity of opinions expressed by Ministers. If the honourable member assumed they were going to get up one after the other and, like parrots, reiterate word for word what had already been said, then all that I can say is that he will not get the present Ministry to act in such a manner. We are in the habit of expressing our opinions to the best of our ability, but there is no attempt to copy. It has been customary for honourable members on that side of the House to twit me with getting up in a jaunt style and indulging in criticisms with regard to their actions. If I do that, Sir, it is because I do not wish to make people feel unhappy, and I hope I do not look unhappy myself. But, notwithstanding the serious responsibility resting on my shoulders, I hope I am not expected to make my life miserable to please the honourable gentleman. I do not act in a jaunt manner. If, however, I act as stated, what can be said of the honourable gentleman himself? Why, when he got up to speak to-day he was beaming all over his face, and during his speech looked to be in anything but earnest. I would tell honourable members that, while the policy of members on the other side of the House is to accuse honourable members on this side who usually support the Government of acting in contradiction to their pledges, they are giving them a very excellent character indeed. It must be very reassuring to that side of the House to know, on such good authority, that instead of the Government wagging the tail, the tail is, according to certain honourable gentlemen, wagging the Government on this occasion. How can any honourable mem-

ber say that, under these circumstances, the party is being driven by the Government? I hope they will accept the assurance of the honourable gentleman that this is not so, though it was probably his desire to create an opposite impression. There are several other things that I wish to clear up in connection with this Bill. It has been said several times during this debate that the policy of the present Government is a great departure from that of the Ballance Government. Sir, do honourable members who make these statements mean to tell me that they have read the Financial Statement of the late Colonial Treasurer delivered in 1891? If they have not read that Statement I would advise them to do so, for in it they will find a clear indication given of the strong possibility of a loan being necessary in this colony. If honourable members want now to know the exact words, I will give them. They are these:—

"... while any local borrowing is likely to be confined to the absolute necessity of carrying on those essential works of colonisation, such as the settlement of the people on the land, on which so directly depend the prosperity of the community."

Then, again, in 1892 the following words appear in the late Mr. Ballance's Statement, in referring to borrowing proposals:—

"The same objection, however, that applies to foreign loans does not apply to borrowing within the colony, and I believe it possible to place a moderate loan at a reasonable rate of interest, extending over some time, without any difficulty."

And then he goes on to say, —

"It may be said the securities would find their way to England, or that the absorption of so much money would tend to make it dear in the colony."

And so on. Now, I tell this House that every member of the present Government knows that the opinion of the late Treasurer in 1891 was that we should, in all probability, have to borrow the following year. And it is not divulging any Cabinet secret to tell the House that it is an absolute fact that in 1892 he had made up his mind that borrowing could not be done without in that year, and, had it not been for the success of the conversion operations, the then Treasurer of this colony would have come down with a proposal to borrow money; and I ask honourable members if they would have been prepared to carry out the late Premier's policy. I am not trading upon what has occurred in the slightest possible degree, but I say that the late Treasurer knew that the time was bound to come when we should have to raise money to carry on the government of the country. It is all very well for the honourable member for Selwyn and other honourable members to contend that we do not require money in order to carry on. I say that the operations of the colony cannot be carried on without money.

Mr. G. HUTCHISON.—Then you are borrowing it?

Mr. Ward

Mr. WARD.—I say money is the first essential for the carrying-on of the business of the country. My honourable friends say that the proposals contained in this Bill are for the purpose of raising a million of money to carry on the public works of the colony. This I deny absolutely. I say that was not intended under the proposals contained in this Bill, and if we did intend to borrow money we should not do so unless the House gave its assent in the ordinary way. Now, Sir, let me deal with several other points raised by honourable members. Some honourable members seem to think that, because clause 35 refers to the Consolidated Stock Acts, it is the intention of the Government to use the money in some way other than that intended, or in some way other than that in which we would have the House believe it is to be used. Now, I am prepared to do what I think will absolutely remove the scruples of any member of this House who really desires to give the people of the colony a system under which they can invest their earnings in such a way as will insure their getting a reasonable return on their money. I am prepared to have the same method made applicable to the proposals in this Bill that is now applied to the funds in the Post-Office Savings-Bank of the colony. There can then be no misunderstanding about the matter, and no such thing as the Government collaring the money to use it for any purpose other than that intended. I am prepared to have an amendment put into the Bill in Committee to say that any money which may be invested or contributed under this system shall be paid into a separate account, and a return laid on the table of the House in the following year, precisely in the same way as is done in connection with the Post-Office Savings-Bank. That, I think, Sir, will effectually remove the objections of honourable members.

An Hon. MEMBER.—Oh!

Mr. WARD.—It is all very well for the honourable the senior member for Wellington City to laugh; but I say the proposal I am now making is one which will effectually remove this money from the ordinary disposal of the Treasurer of the day; and that is what I am prepared to do in order to make the Bill thoroughly effectual. Let it not be supposed that the Government want to take advantage of any member of this House. What we want to do is to have a system such as this initiated in the colony, so that the people may be safeguarded in investing their money.

Sir R. STOUT.—What about conversion?

Mr. WARD.—Well, Sir, if it will be of any service to the honourable member, I am prepared to strike clause 35 out of the Bill altogether, and also to strike out clause 7. Is that sufficient for the honourable gentleman? I am prepared to do more than that. I can assure the House that there is a misunderstanding about the proposal. The whole object of this is to enable the people of the colony to invest their savings in a system of Consols, and to give a more productive system to them than exists at the present time in the

colony. If honourable members want to understand how this system has been used in the past, let them carry their memories back to the time of the Franco-Prussian war, when Consols were issued by the French Government. These the French peasants and others took up largely. Large sums were invested under that system. When the system was started in France, money that had been stowed away was at once unearthed by the people of the country. As for talking of borrowing under this Bill for carrying on the public works of the colony, I say it never was intended; and, if honourable members, when the Bill goes into Committee, will accept the amendments which I have suggested, and which I am prepared to cordially agree to myself, all objection on this score must be removed. I can only say, in conclusion, that it appears to me that honourable members on the other side of the House have not been able this session to criticize the proposals of the Government in a fair manner. They seem to have been afflicted with a plethora of words such as I have never before heard in this House. It has therefore been necessary for me, for the purpose of exposing the misrepresentations of those honourable members, to take up the time of the House, upon this and other occasions, when I should not otherwise have done so. It seems to me that those honourable members are resorting to the old tactics, the tendency of which is to, if possible, cripple the finances of the colony. I would ask, What ruined the Grey Government? What ruined the Stout-Vogel Government? Was it not that the honourable gentlemen who were on that side of the House were continually decrying the Government? Sir, history repeats itself: those honourable members are doing the same thing now, in the hope that they may, by this process, succeed in ejecting the Government from office. But, Sir, they will, I think, find on this occasion that they have undertaken a much more difficult task than they imagined.

Mr. BUICK.—As a matter of personal explanation, I wish simply to say that the Colonial Treasurer has rather misunderstood me as to the action I intended to take. I did not say that I would support a loan of £1,000,000. I said it would be more satisfactory if he came down with a straightforward proposal to borrow this £1,000,000. The Treasurer has also misunderstood me when he supposed I was against this system of Consols. I said that the prime motive of the Bill was a good one. I am not opposed to the principle itself, but I object to several of the provisions in this Bill by which the principle is to be given effect to.

9.30. The House divided on the question.
“That the Bill be now read a second time.”

AYES, 40.

Buddo	Flatman	Houston
Carnecross	Graham	Hutchison, W.
Carnell	Guinness	Joyce
Carroll	Hall	Kelly, W.
Duncan	Hogg	Larnach

Lawry
Maslin
McGowan
McKenzie, J.
McKenzie, R.
McLachlan
McNab
Meredith
Millar

Bell
Buchanan
Crowther
Duthie
Earnshaw
Fraser
Green
Hall-Jones

Mills
Montgomery
Morrison
Parata
Pinkerton
Pirani
Reeves
Seddon
Smith, E. M.

NOES, 23.

Heke
Hutchison, G.
Kelly, J. W.
Massey
McGuire
Mitchelson
Newman
Russell, W. R.

Stevens
Steward
Thompson
Ward
Willis.

Tellers.

Collins
Russell, G. W.

Saunders
Smith, G. J.
Stout
Tanner
Wilson.

Tellers.

Buick
Lang.

PAIRS.

For.
Cadman
Mackintosh
Pere.

Against.
Allen
Mackenzie, T.
Button.

Majority for, 17.

Bill read a second time.

FOREIGN INSURANCE COMPANIES' DEPOSITS BILL.

Mr. WARD.—In moving the second reading of this Bill, I wish to explain that the principal object in introducing it for the consideration of the House is to insure that people who do business with life, fire, and marine offices in this colony shall have some security in connection with the business that they may offer to such offices. By way of prelude, I may say that the draftsman has, in connection with life offices, inadvertently allowed the Bill to apply to some of the large mutual life offices carrying on business in this colony, and in Committee I shall be prepared to put that right. As the Bill stands, it has, I believe, under their articles of association, the effect of putting some of the mutual offices in a position which it was not intended, when the Bill was being prepared, that they should occupy. The desire is not to interfere with the strong offices doing business in this colony, but to insure that, in the case of offices that are perhaps not strong, people doing business with them shall afterwards not find out that they have made a mistake. The object is to make the Bill as fair as possible, and to enable that to be done a sliding scale has been drawn up, which will be found in the First Schedule of the Bill. In connection with policies it is proposed that, where the amount assured by current policies does not exceed £20,000, a deposit of £5,000 is necessary, and for every additional £20,000 of assurance there is to be an increase of £1,000 in the deposit, until the total sum deposited amounts to £10,000. One of the objects of the Bill is to get a deposit of £10,000, either in cash or approved securities, out of foreign offices proposing to carry on fire insurance, or marine insurance, or fire and marine insurance business in the colony. This has, I may say, been modified

somewhat since the proposal was first made in the Financial Statement. It was at first intended to have a deposit of £20,000, but upon going into the matter the Government came to the conclusion that that might have the effect of unfairly forcing out of the colony those offices at present established here which, though strong, are not doing a large business. It was not the desire to interfere with such offices, but to insure that people doing business with them shall have some guarantee as to their stability. It is also intended to prevent foreign companies with limited liability from carrying on business in this colony, and those already established from continuing such business after the expiration of six months from the coming into operation of the Bill. This provision appears to be desirable, as, in face of the policies which some of those offices issue, it is impossible for one who does not know what is comprised in their articles of association to comprehend what their conditions really are. Accident insurance offices are also brought under the provisions of the Bill. There have been in the colony some offices which have not treated the people doing business with them in such a way as they ought to have done. There is on record here at the present time the case of one office carrying on business in the colony—I am referring to a fire insurance office—which took up risks, and afterwards got into difficulties, and the people who paid their money for the risks found themselves in the position of being unable to even get the premiums returned to them. I think it is desirable that this important matter should be dealt with, and if the Bill can be improved upon, or if any honourable member may think that the proposals will unduly affect foreign offices carrying on business in the colony, I shall be only too happy to consider in Committee any reasonable suggestions. I might also say that honourable members will see that there can be no such thing as imputing the proposals of this Bill to a desire on the part of the Government to obtain money. By referring to the Bill, honourable members will see that it is quite optional for offices carrying on business in the colony to deposit approved securities; if they elect to deposit money, however, they may do so, and that money will be deposited in the Public Trust Office, and bear interest at the rate of 4 per cent.

An Hon. MEMBER.—In what?

Mr. WARD.—The money will be invested by the Public Trustee in the ordinary way.

Mr. DUTHIE.—In Treasury bills?

Mr. WARD.—The money would be at the call of the offices, and, should they at any time desire to take it out and substitute ordinary securities such as I have named, or if they give up business, the money would be returned to them at once.

An Hon. MEMBER.—Six months afterwards.

Mr. WARD.—Provision is also made for offices, if they desire to do so, to substitute colonial stock for ordinary securities. That will be at once accepted. I desire, Sir, to move the second reading of the Bill.

Mr. Ward

Sir R. STOUT.—I do not know that there is much to criticize in a Bill of this description, but, as it has been called a policy Bill, I suppose that is sufficient excuse for criticizing it. There are many objections to be made, and I will first deal with what is an important item—that of life assurance. A life-assurance contract is a long contract, and the risk extends over a great number of years, and there may be a reason for asking that a life assurance office should therefore give some security to policyholders here, if that office is not a New Zealand office. I do not think, however, that the same deposit should be insisted upon where the contract is not long extended.

Mr. WARD.—I propose to have that dealt with in the Bill.

Sir R. STOUT.—This one provision in regard to life companies may be necessary, but then the security should not be fixed at the same limit. So far as fire and marine offices are concerned, they are in quite a different position. A fire risk is only a yearly risk; a marine risk may be for less than a year; and, although it may be necessary to insist upon security for a life office because the risk is so long, and may be extended for so many years, it is useless to interfere with fire offices, for the risk is simply a yearly risk, and is entirely different from a life-office risk. A man may insure for fifty years, and never have a fire; and I leave it to the House to say whether the same security should be given in the case of a fire office as in the case of a life office. In general a fire office only takes a year's risk, and all the time this colony has been in existence there has been no case where a fire risk has not been paid by any foreign office.

An Hon. MEMBER.—Yes.

Sir R. STOUT.—I know that there have been risks not paid, but I meant there had been none unpaid because the company was not able to pay them.

Mr. SEDDON.—There was a case in Auckland.

An Hon. MEMBER.—And in Wellington.

Sir R. STOUT.—What is the name of the company? I have never heard of such a case. I ask honourable members to recollect also that the fire offices cannot take all the fire risks. That is another point. The life offices—for example, the Government Insurance Office—will take almost all the life risks asked for, up to a certain limit; but, so far as fire insurance offices are concerned, the local fire insurance offices cannot do all the fire business that is offered to them. Not only can they not do all the fire business, but honourable members know that up to last year even the foreign offices in the colony could not undertake all the fire risks they were asked to take, by merchants and others, because they had a limit. What, then, will happen? If you, by any legislation, make all the foreign offices discontinue business here, the injury would fall on the commercial community. You will not get your risks taken up, in the first place; and the second injury will be that, if you limit or restrict the business of certain offices, you will

raise the risks, and you will call upon the insurers to pay this deposit, for the money will come out of their pocket. The more foreign offices there are, and the larger those offices are—the greater the encouragement you give to foreign offices—the lower will be the rates of premium for your fire risks. Suppose by any legislation you prohibited fire offices from coming to this colony, what would follow if you were limited to the four offices belonging to New Zealand? I think there are only four: the National, the Standard, the South British, and the New Zealand: if you attempted to limit the fire business to these offices, what would happen? They could not safely undertake all the risks that would be offered to them; they could not take one-tenth of the risks; and consequently, if they did, they would have to charge such a premium as would practically prevent persons insuring their property.

Mr. WARD.—A number of the foreign insurance companies have their securities here now.

Sir R. STOUT.—Some of them may have double or treble the security. They may have invested the money in various ways; but that is not the point. The point is, why should the State undertake to say they have to look after the security of the people who are dealing with commercial business? Why restrict it to fire insurance companies? Why not apply the same principle to companies who are doing business in other directions of commerce? Why not apply it to persons who are carrying on a large produce business, for example? And why not also apply it to the banks?

Mr. WARD.—Why insist on banks having a reserve of coin?

Sir R. STOUT.—If the honourable member knows nothing more than that about the banking business of the colony he does not know much. I am amazed to hear that statement. The honourable member ought to know there is no analogy between the two cases at all. The reason why a coin reserve is required is that the coin reserve must be held against paper money, which is a monopoly which the State has delegated to certain institutions. There is no analogy to this argument at all. There are a great number of commercial businesses carried on in this colony. We may have a company or a private individual starting in Wellington, who may buy wheat to the value of £100,000, or frozen meat, or butter: is the State to step in and say, "You are not to conduct your business of purchasing unless you deposit a certain amount of security with the Government"? Then I could understand the argument. It would mean that no grocer would have the right to start business in the White City of Oamaru unless he was prepared to deposit so many thousand pounds with the Colonial Treasurer. Before he can sell he has got to buy, perhaps, from the wholesale dealer. If you are going to say no person is to carry on commerce until security is given, to what extent will you carry that principle out? As far as fire insurance is

concerned, it is purely a commercial transaction, which only lasts a year, and it is not like life insurance. A certain event must happen; there may never be a fire; and there is no analogy between the two cases. What will be the result of a policy of this class? It first limits your competition, and that will necessarily raise your risks; and it will be utterly valueless as security. What is the deposit to be under this Bill? Honourable members will see by clause 5 of this Bill that every fire and marine insurance company doing business in this colony is to deposit £10,000. What is £10,000 in the case of a big fire? It is nothing at all. What is it in the case of a marine risk? Nothing at all. It is giving no security at all. And, if you are going to insist on foreign offices making this deposit, why not insist on local insurance companies doing the same? The local company may be in debt; and what security is there in that case? If the Government are to stand between the large insurance companies and these local companies, then you must insist on these local companies giving certain approved securities to the Government before they can carry on this class of business. I submit that this Bill cannot have any beneficial effect. It affords no security to the persons having fire insurance; and what, then, is its object? Simply to worry and harass foreign companies which are doing business here; and, if it tends to drive them out of the colony, what will be the result? I again repeat, it will simply injure those people who have to obtain fire risks, because the rates will be raised, and the insurers will have to pay for these deposits. I have a letter in my hand, addressed to the Colonial Treasurer by several insurance companies, and I understand that there is only one local insurance company that has not joined in the protest. The other six companies, that have not joined in the protest, are large English companies, and possibly they may think that if they can get a monopoly, by legislation such as this, it will be very beneficial to them, and they therefore do not want to join in this protest. I was surprised to find the number of companies carrying on business in New Zealand. This protest is signed by twenty-three companies carrying on business in this colony. Two of these are local companies, and, I understand, one other local company joins in this protest. What is their argument? They protest against the proposals of the Government, and the reasons they give are these:—

"1. That the proposed protection has not been demanded by the public.

"2. That it is a distinct advantage to the public and to the commercial community generally for foreign insurance companies of high standing to be established in New Zealand.

"3. That the four local companies established in New Zealand could not conduct the business of the colony without the aid of foreign insurance companies.

"4. That Government interference with ordinary commercial transactions is strongly to be deprecated.

"5. That the Bill, if it became law, instead of affording increased security to the public, would tend to weaken the power of companies to make good their losses, as the strength of insurance capital lies in its being held in a concentrated and liquid form, under immediate control, to meet necessity at every point.

"6. That the principle of the Bill is unsound, and if similar Bills are enacted elsewhere the result would be that insurance capital would be disintegrated and scattered, and unavailable for application to its special purposes.

"And, finally, we would respectfully suggest that, instead of placing further disabilities upon the insurance offices domiciled in the colony, and who materially contribute, in license-fees, income- and land-taxes, and stamp duties, to the revenue, the Government should seriously consider the advisability of placing a tax upon the large amount of insurance premiums contributed in this colony to companies and underwriters not established in New Zealand, to the manifest loss of revenue to the colonial Exchequer, and to the disadvantage of the companies operating here."

Now, there are two points mentioned in this Bill to which I have not referred. I wish to refer to them now. The first is, What must the effect be on our local companies? Now, some of our local companies have got agencies in London, America, California, and in all the other colonies—Victoria, New South Wales, Tasmania, South Australia, and Western Australia. If these companies are compelled to pay £10,000 as a deposit in every place in which they start business, what will result? Their capital will be so dissipated that it will be impossible for them to have that capital put out in such a form as to enable them to take risks, and it will simply prevent them from competing in foreign places; so that by this Bill you are really injuring our local companies, and doing them no good. The next point is this. We will take, for example, a company that starts here, and that wishes to withdraw from the colony, and gives notice to insurers that it will continue to insure their properties. The whole of that insurance can be effected in London. There will be no stamp duties, no license-fees, no revenue from clerks and offices. That company will be carrying on business without having a local habitation or a name in New Zealand, and without paying a single penny to the revenue, and yet doing business in the colony. The Colonial Treasurer, as a businessman, will know what often happens. We will suppose there is a block of buildings in Wellington, and the owner wishes to get £20,000 on the block. He may go to the local office, and they may say, "We will only give you £10,000"—or £15,000—"on the block, and our margin is 10s."—or 15s.—"per cent." "Oh," says the owner of the block, "I can do better; I will write to my agents in London,"—and he gets it insured perhaps for £20,000, at, perhaps, 7s. 6d. per cent. Now, that class of business is done. I know it is done. I have had one transaction myself, and have seen others. And what is the result? If you force this

Sir R. Stout

insurance to go to Australia or elsewhere you will not get any revenue from fire insurance. You will lose your stamp duties, your license-fees, and you will also lose something more. Having a foreign office located here, it means not only some employment to clerks, but also rent of offices, and so forth. So that, as far as this Bill is concerned, you are going to get no advantage. You are injuring your local offices, because you will have similar legislation, perhaps, proposed in the other colonies, and there your local offices will be prevented from entering into competition with other offices. And what is the value of this part of the Bill? I repeat, again, it is only a yearly contract, so far as fire insurance is concerned; but so far as marine business is concerned the insurance is for the voyage. It may be two years, on a long voyage. But, generally, when insurances are effected for a long voyage the insurances are effected in Home offices, and not in New Zealand offices at all. I therefore ask the House not to agree to the principle laid down in this Bill so far as fire and marine offices are concerned.

Mr. DUTHIE.—My honourable colleague has so fully dealt with this measure that I do not intend to occupy the time of the House many minutes. In so far as the proposal relates to life insurance, I do not think that under the present law there is a sufficient deposit required in the colony; but, on the other hand, and in so far as fire and marine insurance is concerned, the deposit named in the Bill is altogether unnecessary. It will prevent new offices opening here, and will make it not worth the while of certain offices to carry on. In regard to life insurance, I think the Treasurer ought to agree to a scale in proportion to the business done: that would be more suitable, and would not drive insurance companies from the colony, and deprive it of the advantage of competition or of the different tables the offices offer. In regard to the question of limited-liability companies, the Treasurer has intimated that he will meet the objections raised, and there is no need for me to deal with that. Passing to marine and fire insurance: it is pointed out by the protesting companies that there has been no demand by the public for any Bill of this sort. Commercial people are quite competent to look after their own affairs, and quite able to discriminate as to which are really sound insurance companies and which are to be avoided; and, so far as the insurance companies are concerned, there has been no call on their part for any legislation of this sort. Nor can the Government point to any transaction that has called for this legislation. The effect of this Bill will probably be to defeat the object the Government have in view. It will not bring deposits into the Treasury to any extent; but a good many offices will withdraw, and continue to do business without an office in the colony. Traders must get cover, and will again be driven to insure outside the colony, with all the attendant inconvenience. Then, similar legislation may be adopted in other colonies, and our New Zea-

land companies will be called upon to find similar deposits wherever they are doing business. It will be a great disadvantage to the insurance companies to have their funds tied up in this way. They will be deprived of the use of so much capital, deposited with the various Governments, and not available to pay losses when such occur,—because, unless the company winds up or withdraws, its deposit must be maintained. But where the Bill will principally defeat its object is in respect to marine insurance. We know now that the principal exporters from New Zealand do not do business in the colony; it is done entirely in London by means of the cable, which is cheap and available. There is no difficulty to any firm in covering risks to much better advantage in the English market. And wherever you load insurance companies with disabilities and restrictions, as proposed, you will throw them out of the race in competition, and it will result in a sharp restriction of business, in the loss of stamp revenue, and in bringing no advantage to the insuring public. I am surprised at the Treasurer, with his commercial experience, bringing forward such proposals. I think, at least, if we pass the second reading, the Bill should then be withdrawn.

Mr. MCGOWAN.—I think the two honourable gentlemen who spoke last have hardly put the case fairly before the House. The senior member for Wellington City referred to the difference between a life policy and a fire policy, one being for a long period and the other being only for a year; but he forgot to mention that the year policy might cover a larger amount than the life policy, and it is just as important that the public should be guarded with reference to insurance risk in one case as the other. The object of this Bill is to prevent mushroom companies coming into competition in New Zealand, and I think honourable gentlemen who have any knowledge of the affairs of insurance companies know that companies have been doing business on such terms as were not safe. That the result of such a measure may to some extent increase premiums no sensible man will doubt, but it is much better that the public should pay a fair premium for a secure risk than have a risk worth nothing because the premium happens to be cheap. I do not mean to say the clauses in the Bill are all that they should be; but that some security is required from foreign companies doing business in New Zealand I think all right-thinking individuals will be prepared to admit. The whole question resolves itself into this: Is it wise that the colonist should be secured against the risks that are taken by, I might almost say, bogus companies—is it wise that there should be some protection for people who are not prepared to protect themselves?

Mr. PIRANI.—Sir, I can give instances from actual experience showing the necessity for the Bill, and it surprises me greatly that the members for Wellington City, who ought at least to know something of the circumstances I am about to speak of, are so ignorant of what has occurred in the town they represent. A gentle-

man of the name of Baird purported to be the general manager of a company belonging to New South Wales—I forget the name, but I think it was the Colonial Fire Insurance Company. He established himself in business here, and opened agencies throughout the Manawatu and Hawke's Bay districts. Business went on for about twelve months, and during that time there were about twelve risks at least in which fires occurred, and not one single risk was met after the fire. It was a very great hardship in my own district to a number of farmers and business people, and I feel sure that, if it had not been checked by publicity in the newspapers, such companies would be running the same game now, without any check from the large business firms that have been spoken of as people who could be trusted to find out the true character of such bogus companies. It is absolutely necessary that the public should be protected from swindles of this character, and more especially in regard to insurance. It is a thing that, above all things, should be safe and secure; and, if it is not to be so, we might just as well do without it. I am pleased to see that the Treasurer has introduced the Bill, and trust that, at any rate, the main principle will be passed into law, and act as a check against further swindles.

Mr. BUCHANAN.—The honourable gentleman has afforded an instance of the vague and loose way in which the most important subjects are frequently approached in this House. He began in the most indefinite manner to state to the House that he "thought" the name of a certain company in this city represented by Mr. Baird was the Colonial Fire Insurance Company; then, further, that "about" a dozen men in the Palmerston district had held risks that had not been met.

Mr. PIRANI.—I can show you the names and policies of sufferers.

Mr. BUCHANAN.—In an equally vague way he states that a number of farmers—a large number—a dozen is not a very large number—and business-men had suffered because of the defalcations of this company, and that were it not for the exposure of the bogus business of this company a still further number would have suffered. The cases he speaks of cannot have been of any extent or importance, or they would be familiar to the senior member for Wellington City and his colleague. Both are quite ignorant of these cases; and I for one, though living in the district for a good many years now, have never had these cases brought under my notice. And supposing there have been a few defalcations, can the honourable gentleman name any business in which some do not occur, and will he therefore argue that the Government must necessarily step in with special legislation to protect people against their own indiscretion? Surely those people who insure with bogus companies do not take proper precautions to ascertain the business soundness of the institutions which offer to take their risks. The Bill under discussion is another specimen of the eternal meddling of

this Government in matters they do not take the trouble to understand. The Treasurer has been blamed for bringing in this measure, but I feel satisfied that it was not introduced at his instance, because his business knowledge would not prompt him to bring in such a Bill. The real reason is to be found in the frequent use of the word "foreign"—foreign companies. It hits a shallow public prejudice; and any stick is good enough to beat a dog with, and instances of this are cropping up in this House continually. New Zealand should be the last country in the world to talk about foreign companies and foreign capital; because it has been from the beginning of settlement much more than ordinarily indebted to the assistance afforded by foreign capital. The effect of this Bill would necessarily be to increase the price of insurance to every farmer and business-man throughout New Zealand; and though there are so many so-called foreign companies competing in New Zealand, great difficulty has been experienced in covering the risks attached to some of our largest business concerns. Take, for instance, the costly establishments owned by the freezing companies: to my knowledge, and with all the competition that exists, a difficulty is frequently experienced in covering their risks satisfactorily, and it is only by the distribution of risks amongst the so-called foreign companies that the business of these freezing companies has been carried on successfully. I do hope, as far as the fire-companies portion of the Bill is concerned, that the Treasurer will reconsider the position, and realise that it affords no security whatever to the public to have £10,000 deposited by each of them. What is £10,000 compared with the serious risks which these companies undertake in many cases? It affords no protection whatever; and I hope to see these foreign companies rather increased in number, because we shall then have business people, farmers, and all those interested in insurance, able to insure at a rate much lower than they can at the present time. Do honourable gentlemen realise the enormous difference between the premiums which we in New Zealand have to pay compared with the rates current in the Home-country? And is it by the provisions of a Bill such as this that New Zealand insurers are to be relieved from the heavy premiums they have to pay? I therefore hope, as far as fire and marine companies are concerned, that the Government will allow them perfect freedom to go on in the future as they have been doing in the past. I have no interest in the business of any of these companies, and hold no shares in them. My only aim is to encourage the investment of insurance capital, so that the public generally can get their risks covered on the most favourable terms.

Mr. G. J. SMITH.—I recognise that this Bill is of such great importance to the mercantile community that I think I should not be doing my duty if I were not to say one or two words in connection with it. First, what is the position of foreign companies so far as New Zealand

land is concerned? We must not forget that they are now paying a tax for the privilege of carrying on business in New Zealand of £300 a year. In addition to that, they pay an income-tax on their profits. They occupy as a rule large buildings, and they pay municipal rates, and employ a very large staff of clerks to do their work. Before we attempt to do anything which will interfere with the carrying-on of this business in New Zealand we should be very certain that we shall get some corresponding advantage. What I am afraid of is this: that one of the results of passing this Bill will be that some offices now carrying on business in New Zealand will withdraw rather than submit to the terms set out in this Bill. The result will then probably be that traders who even at the present time cannot get sufficient cover will get even less; and men who are employed in business in the large centres will have to take correspondingly greater risks, which means in the case of a fire absolute ruin. Some little time ago, on another Bill, I heard from the Government benches certain remarks about close corporations. If this Bill is passed I believe it will lead to close corporations being formed in connection with certain fire insurance companies, and the result will be, as was pointed out by the honourable member for the Thames, that insurance rates will be considerably increased; and I think that at the present time we are suffering from premiums which are exorbitantly high, and anything which will tend to raise them will inflict a burden upon the people of New Zealand. I do not think this Government ought to attempt to inflict such a burden upon them. There is another question. If the New Zealand Government insists on deposits being made by foreign companies it is extremely probable that the Australian fire and marine insurance companies doing business in New Zealand will instigate their Governments to impose like terms upon New Zealand offices, and, as the capital of New Zealand companies is extremely limited, it will mean that they will not be able to carry on a business in those colonies, and will have to confine their operations to New Zealand. In addition to that, if these foreign offices close their New Zealand business the whole of their colonial staffs will be dispensed with, and any one who knows anything about the labour-market, so far as the clerical profession is concerned, will realise that to have forty or fifty clerks thrown on the labour-market in New Zealand will be a very serious thing for those engaged in penmanship. This Bill will press heavily, in my opinion, mostly on the poorer parts of our population. Those engaged in mercantile transactions, or in large trading concerns, will simply get insurances effected by open cover in London. The premiums will be paid in London, and the result will be that a large amount of business will be lost in the colony. I hope that, when this Bill gets into Committee, the clause relating to fire and marine insurance companies will be either struck out or very considerably amended. Again, there are in this

Mr. Buchanan

colony some companies carrying on business as fire and marine insurance companies with a very large capital, and under this proposal they would be required to make a certain deposit. Then, there are other smaller companies carrying on business as fire offices only: they will have to make the same deposit as offices carrying on both fire and marine business. I think that provision is unfair to the smaller offices, and I think that in Committee the amount to be deposited by fire and marine offices should under certain circumstances be materially reduced.

MR. BELL.—I understand the Colonial Treasurer to say, with regard to life insurance companies which, being first formed many years ago, have a few shareholders as well as a mutual fund, that he does not intend the Bill to apply to them. I understand him to assent to that, and that he will accept amendments which will make it clear. With regard to fire companies, I really wish to put this to the Colonial Treasurer—there is no party question involved in a Bill of this kind: I would ask him, is it not quite clear that at the present time we cannot afford to do without the large companies? Is it safe for the New Zealand companies to stand alone? Let us take, for instance, large companies like the Liverpool and London and Globe, the Sun, and the Royal. Take those three together—there can be no question about them. Any man who knows anything about business prefers to insure with one of these large companies, letting them reinsure. Then, there is the case of the Liverpool and London and Globe. It is a life insurance as well as a fire insurance company, but it refused to do life insurance business in New Zealand after the passing of the Life Insurance Policies Act, because it was required to give security. That company said it was not worth its while to submit to such terms. Perhaps it is rather a high and mighty tone to take, but we have to consider it, because that is the tone the companies are likely to take. I hope the Treasurer will consider that point before the Bill goes into Committee. There is a great deal in what the honourable member for Palmerston said, and what the Colonial Treasurer said in introducing the Bill—namely, that the public do want protection in the matter of bogus companies; but it would be very easy to provide that. The Bill should be prospective, and not retrospective—that is, that fire and marine companies which may come here hereafter to do business should be required to make a deposit; that no companies should be able to carry on business, other than the companies carrying on business here now, without making a deposit. I have very good ground for believing that the result of this measure will not be to bring £10,000 or £20,000 here at all: not because the companies are not able to invest that money here, not that it would not be a good investment, but they are likely to say, "After all, our business in New Zealand is not so very large as to induce us to depart from our principle and give security." They will not give security, because it would

be submitting to a kind of indignity. That is the attitude which the larger companies are likely to take up. The object of the Bill will be obtained if the House simply provides that, for the future, every insurance company which comes to do business in New Zealand shall, in addition to the provisions already required by law, deposit with the Public Trustee sufficient security to cover all possible risks. That, no doubt, has the look of protection about it, and it might have that effect; but I think it would at all events prevent the establishment of any bogus businesses such as the honourable gentleman fears. I do not think there are any companies now carrying on business which are not safe, or which would be rendered more safe by the mere deposit of these small sums with the Public Trustee. As the honourable gentleman knows, the only thing which can bring a fire company down is an immense conflagration, and then companies go down like ninepins. With regard to life insurance companies, I submit to the honourable gentleman that this matter requires reconsideration. The sum he is taking is too large in some cases and not too large in others. What is required is that there should be a sufficient deposit in proportion to the amount insured. Then, why is a bank deposit-receipt excluded from the allowed securities? There seems no reason against it, except the reason suggested by the Government—namely, that those deposit moneys are drafted away to foreign countries. I can assure the honourable gentleman there is no foundation for that; and great hardship will be inflicted on these companies if they are not allowed to invest moneys in securities of that kind—investments which, I may point out to the honourable gentleman, are allowed to private trustees at the present time.

11.0. MR. WARD.—In replying on this Bill, I desire to say that the proposals contained in it relative to fire and marine insurance offices are not oppressive. I may say that in the Cape Colony, in the United States, and in Canada offices of this class have to deposit the sum of £10,000.

SIR R. STOUT.—In some of the States.

MR. WARD.—Yes; in some of the States, and in the Cape Colony and in Canada. I think, Sir, that it is admitted that there is a necessity for such a Bill as this. The arguments which have been adduced against the proposal are deserving of consideration; and when in Committee—as I indicated in moving the second reading of the Bill—the Government will be prepared to consider any reasonable proposals which are calculated to improve the Bill.

Bill read a second time.

LICENSING BILL.

The House divided on the question, "That Mr. Speaker do leave the chair, in order that the House may go into Committee on the Licensing Bill."

AYES, 32.

Buddo	Collins	Flatman
Carnell	Earnshaw	Hall-Jones

Harris	Meredith	Seddon
Heke	Mills	Smith, G. J.
Joyce	Montgomery	Stevens
Kelly, J. W.	Morrison	Stout
Larnach	Newman	Tanner
Mackintosh	Pinkerton	Ward.
McGowan	Pirani	<i>Tellers.</i>
McKenzie, R.	Reeves	Maslin
McLachlan	Russell, G. W.	McNab.

Noes, 21.

Buchanan	Houston	Parata
Buick	Kelly, W.	Saunders
Carroll	Lang	Steward
Crowther	Lawry	Wilson.
Duncan	Massey	<i>Tellers.</i>
Graham	Millar	Russell, W. R.
Green	O'Regan	Thompson.
Hall		

PAIRS.

<i>For.</i>	<i>Against.</i>
Cadman	Allen
Carncross	Duthie
McKenzie, J.	Mitchelson
Smith, E. M.	Mackenzie, T.

Majority for, 11.

Motion agreed to, and Bill committed.

INSPECTION OF MACHINERY BILL.

IN COMMITTEE.

Clause 4.—Drivers of all engines and travelling-engines to have certificates of competency.

Mr. G. W. RUSSELL moved to strike out the words "or of any engine propelled or moved from place to place by its own motive-power and machinery," with a view to making the clause *not* apply to traction-engines.

The Committee divided on the question, "That the words proposed to be omitted stand part of the clause."

AYES, 30.

Buddo	Hogg	Reeves
Buick	Mackintosh	Seddon
Carnell	McKenzie, R.	Smith
Carroll	McNab	Stevens
Collins	Millar	Steward
Earnshaw	Mills	Stout
Flatman	Montgomery	Tanner.
Green	Morrison	<i>Tellers.</i>
Hall-Jones	O'Regan	Kelly, J. W.
Harris	Parata	Pinkerton.
Heke		

Noes, 18.

Buchanan	Maslin	Russell, W. R.
Crowther	Massey	Saunders
Duncan	McGowan	Wilson.
Graham	Meredith	<i>Tellers.</i>
Hall	Newman	McLachlan
Kelly, W.	Pirani	Russell, G. W.
Lang		

PAIRS.

<i>For.</i>	<i>Against.</i>
Cadman	Allen
Carncross	Duthie
Smith, E. M.	Mackenzie, T.
McKenzie, J.	Mitchelson
Ward.	Fraser.

Majority against, 12.

Amendment negatived.

Clause agreed to.

Clause 5.—Examinations.

Mr. SEDDON moved, That the application-fee be 10s. instead of £1.

Amendment agreed to.

Mr. SEDDON moved, That the certificate-fee be 2s. 6d. in place of 10s.

Amendment agreed to.

Bill reported with amendments, and read a third time.

SCHOOL-ATTENDANCE BILL.

IN COMMITTEE.

Clause 3.—Every child between seven and thirteen to attend school: "Provided that this section shall not apply to any child whose place of residence is more than two miles from the nearest public school, the distance being measured by the shortest road."

Mr. G. W. RUSSELL moved to insert the following words after the word "road": "or where they cannot conveniently reach a public school by rail."

Amendment agreed to.

Exemptions.

Mr. PIRANI moved to substitute the words "School Committee" for "Board."

Amendment agreed to.

Clause 5.—"If any child, required by this Act to attend a public school, does not attend such school, the Education Board of the district in which such child resides may give the parent of such child notice in writing, in the form or to the effect of the Schedule hereto."

Mr. GRAHAM moved to strike out the words "Education Board," with a view to inserting "School Committee."

The Committee divided on the question, "That the words proposed to be omitted stand part of the clause."

AYES, 21.

Carroll	Mills	Smith, G. J.
Collins	Montgomery	Stevens
Earnshaw	Morrison	Stout
Harris	Pirani	Tanner.
Heke	Reeves	<i>Tellers.</i>
Lawry	Saunders	Pinkerton
Mackintosh	Seddon	Green.
McNab		

Noes, 23.

Buchanan	Hall-Jones	McLachlan
Buddo	Hogg	Meredith
Buick	Houston	Newman
Carnell	Kelly, W.	O'Regan
Crowther	Lang	Russell, G. W.
Duncan	Maslin	<i>Tellers.</i>
Flatman	McGowan	Graham
Hall	McKenzie, R.	Massey.

PAIRS.

<i>For.</i>	<i>Against.</i>
Cadman	Allen
Carncross	Duthie
McKenzie, J.	Mitchelson
Smith, E. M.	Mackenzie, T.
Ward.	Fraser.

Majority against, 2.

Words struck out, and words "School Committees" substituted.

Bill reported, and read a third time.

The House adjourned at two o'clock a.m.

LEGISLATIVE COUNCIL.

Friday, 21st September, 1894.

First Readings—Third Readings—Bill discharged—Government Railways Bill—Shops and Shop-assistants Bill.

The Hon. the SPEAKER took the chair at half-past two o'clock.

PRAYERS.

FIRST READINGS.

Inspection of Machinery Bill, School-attendance Bill.

THIRD READINGS.

Tramways Bill, Hastings Borough Loan Validation and Empowering Bill.

BILL DISCHARGED.

Mackenzie County Boundary Extension Bill.

GOVERNMENT RAILWAYS BILL.

The Hon. Sir P. A. BUCKLEY.—Sir, in asking the Council to read this Bill the second time it may not be out of place to remind honourable members who were in the Council at the time of the reason which led the then Government to make the change which was made by the Railways Act of 1887; and it may perhaps be interesting to other honourable members who were not then here to tell them also the same reasons. Sir, the then Minister for Public Works, in introducing that Bill in another place, stated that the country was clamouring for a change, that there was nothing but dissatisfaction right throughout the railway service, and that, at any cost, this clamour should be set at rest. He also said, I think, so far as I remember, having glanced through his speech—a very able speech, delivered on that occasion in 1887—that he himself had been very much opposed to the change, but he thought that public opinion was in that direction, and tended so much in that direction that he had become a convert to the scheme. Sir, it will be in the recollection of honourable members that one of the great desires on that occasion was to get what are known as experts—experts in railway management. Victoria had taken the lead, and Victoria had one of the most magnificent systems of railway management perhaps known—but Victoria's experts have cost them something; and New South Wales, not to be outdone in the management of railways, got experts also, with a result that is probably well known to honourable members. Queensland followed also in the same lines: and it was so fashionable that New Zealand thought it a proper thing to do to get experts also. I have never ceased to think, speaking for myself individually, that one of the great objects of the

change at the time was to get rid of some objectionable—to some people, not to me—some objectionable officers in that department. That, I think, was pretty widely circulated all over the place at the time; and how far the change has been a success is a matter well known to every one. This Bill was introduced in December, close upon Christmas-time, when it became necessary to hurry a great many matters through the House. The Bill was introduced then, and it is a very curious fact that the present leader of the Opposition in another place and the present Premier, who was then a private member of the House, were in accord upon this question. They were of opinion that it was undesirable that a change should be made; but the clamour for the change was so great that it was considered that the railways should be handed over from the political control of Parliament and from parliamentary influence to a body irresponsible—I should say, to an irresponsible body. I would only refer to one portion of the honourable gentleman's speech, and I will not weary the Council by any very long remarks upon the question.

An Hon. MEMBER.—Hear, hear.

The Hon. Sir P. A. BUCKLEY.—I am glad to hear my honourable friend say "Hear, hear," because I am sometimes accused by him of not giving very full information on matters which come before this Council. I am pleased to see that my friend is still my friend, and comes to my assistance on this occasion as he has done on many others. I will, however, call attention to one short remark by Captain Russell, who, I believe, leads the Opposition in another place on the present occasion. This remark is, I think, worthy of the attention of honourable members. Among other things, he said,—

"Though I now think that it may be my duty to vote for this proposal, I cannot but think it is a serious reflection upon parliamentary government when we admit it is impossible our railways could be managed by the chief legislative body. It is as much as to say that we have been continually doing what we know to have been wrong, instead of insisting on what is right being done. I do not believe that under the proposed Bill we shall get much better results from the railways than at the present time."

Well, Sir, that was the view held by both honourable gentlemen, as I have stated, and that was the view held by many other members of that branch of the Legislature upon that occasion, and that is the view that was held by myself, although I said nothing in this Chamber, because I saw that it was impossible to do anything, as honourable members in another place approved of the measure. It was not carried unanimously, and a reference to *Hansard* will show how it was rushed through Committee in that House by force at an early hour in the morning until it reached this place. Sir, when it reached here the late Hon. Sir Frederick Whitaker, who was then Attorney-General of the colony, in a very able speech in moving the second reading.

of the Bill, said it was an experiment. It was an experiment, and the same reasons which exist now existed then for a change in the administration of the railways. Sir, at the last election public opinion demanded that the change now proposed should take place; that there had been nothing but dissatisfaction right throughout the whole of the railway service; and it is hoped, by the restoration of the control of the railways to a Minister of the Crown, that, at any rate, there will be more responsibility, such as has not existed during the last five years. I am not going to find any fault. I should be very sorry to find that any language of mine is misinterpreted. I have no fault to find with those gentlemen who have managed the railways. I believe many of them did their duty honestly and conscientiously; and I believe some are able men, though I am not going to individualise them. But the same reasons for a change that existed in 1887 exist now, and have caused the Government to introduce this Bill to restore possession of the property of the railways to Her Majesty the Queen to the same extent as before the change was made in 1887. Sir, there is only one feature in this Bill which calls for remark. Under the Bill of 1887 there was no Board of Appeal, but under this Act it is proposed to create a Board of Appeal, the Board to consist of a District Judge, a representative of the railway employés, and a representative of the officers of the Railway Department. That Board of Appeal will have authority to regulate every matter about which dispute may come, and which is brought under the notice of that body. There are other small provisions in the Bill which are of a mechanical or technical character, and do not require any comment at the present time, as they can more properly be dealt with in Committee. Honourable members will also notice that on the Supplementary Order Paper I have given notice of several amendments which, I think, will be beneficial to the Bill. These also are matters which can be considered in Committee. Sir, it is the fashion, I believe, in many places to allege that this Council is not in touch with public opinion, and that this Council resists public opinion. I have never been a party to holding that view, but I say that this Council has resisted what has been alleged to be public opinion until it has ascertained what was public opinion, and, having ascertained that, it has fallen in with it, and carried out the voice of the people as honestly and as earnestly as any other body. I do not think I have any more to say in moving the second reading of this Bill. It is practically a restoration of property, valued at over fifteen millions, handed over to a non-political Board, as it was called at the time: it is now to be revested in Her Majesty the Queen. I move, *That the Bill be now read the second time.*

The Hon. W. DOWNIE STEWART.—This Bill is very different from the one which was sent up here last year. The Bill last year was similar to the one which was introduced in another place this year, and it practically gave

control of the railways to the Government without throwing upon the Government responsibility in connection with their management. This Bill logically carries out what I know some people are in favour of—that is, that the railways should be under direct State control. Now, I think that this Council acted wisely last year in treating the Bill which was brought up then as it did; but I also think the time has now arrived—that is to say, there has been a sufficient expression of public opinion—to justify the change which is now proposed. I personally do not agree with that change. I think it is a retrograde step; that the colony will come to repent of it yet; and that, instead of its being in any way an improvement, it is a decided disadvantage. Now, the Attorney-General has referred to what took place in Victoria and New South Wales. If honourable gentlemen will study the Acts under which these Railway Commissioners existed there, they will find that they were very different from those which governed the Railway Commissioners in this colony. The Railway Commissioners in this country were placed in office not for the purpose of constructing lines or recommending their construction in any way—that is to say, it was not part of their duty; but they were put in control as experts, and as men above political and other influences, to carry on these railways in what may be termed a businesslike manner. Now, I venture to say they have been eminently successful in that. There has been a very large amount of traffic conducted, and there has been, practically, immunity from accident. The department, I think, has been well officered, discipline has been maintained, and I think the whole colony ought to be congratulated on the way in which the railways have been managed during the last five years. I cannot help thinking that this so-called cry for a change in the management is confined to very few. I say, relatively, to few: at all events, they do not represent those who are immediately connected by business relations with the Railway Commissioners, because the business-men and the settlers who have dealings with the Railway Commissioners, taking them as a body, I believe, have approved of the present management. It is perfectly true that complaints have been made from time to time by the farmers that they could not get their grain carried at such rates as they thought it should be carried at, and there have been other complaints made; but there is no public department against which grievances will not be raised, and respecting which grievances may not be supposed to exist. I maintain that the three late Commissioners—namely, Messrs. McKerrow, Maxwell, and Hannay—were eminently successful in carrying on this business in a satisfactory, successful, and enterprising manner. And I maintain that the change now proposed is one which is a retrograde movement, one which is brought forward merely to give expression to the clamour of a section of the community, and not in the direct interest of the colony. I

Hon. Sir P. A. Buckley

need not take up the time of the Council further on that question. There are several amendments which I think are necessary, and I see the honourable gentleman has given notice of certain amendments; but whilst this Bill vests all the property in Her Majesty the Queen—that is to say, removes it from the Railway Commissioners—I think there ought to be more distinct provisions making Her Majesty the Queen liable for all rights of action which now exist against the Railway Commissioners. The Bill is rather peculiar, as it states that all rights, powers, duties, *et cetera*, are to be vested in Her Majesty the Queen as against the Railway Commissioners; but with regard to the rights of workmen who may be injured, and the rights of persons who may have claims against the Railway Commissioners, it does not seem to effect a transfer of what I might call actions in tort or wrong done against the Railway Commissioners. The liability is not transferred to Her Majesty, and I think the honourable gentleman in charge of the Bill will see that in order to do justice it will be necessary to make that provision.

The Hon. Sir P. A. BUCKLEY.—Look at subsection (12) of clause 4.

The Hon. W. DOWNIE STEWART.—I have looked at it, and it states as follows:—

“All rights, powers, duties, and obligations now by law conferred and imposed upon the Railway Commissioners are hereby transferred to Her Majesty; and all references to the Railway Commissioners in any statute or regulation thereunder, or in any Order in Council, Proclamation, or other similar instrument, shall be construed as references to Her Majesty.”

It appears very much as though the existing obligations of the Railway Commissioners in regard to accidents—that is, injury to goods or harm done to passengers—will not be transferred. I think the Bill should provide something to this effect: that all rights and claims which might exist against the Railway Commissioners may be enforced as against Her Majesty. Although I do not approve of it, I shall not oppose the Bill, simply because I think the matter has been fairly ventilated, and the party in power are giving expression to the opinion of those who sent them there. I think, however, the measure is one which may be very dearly bought.

The Hon. Mr. RIGG.—Sir, the honourable gentleman who has just sat down has told us that the management under the Railway Commissioners has been eminently successful. Of course, that is a debatable point, and it is one which I am not going to deal with. But I might remark that the prosperity of our railways depends not only on their successful management, but to a great extent upon the prosperity of the colony as a whole. In dealing with a question like this we have to look at it in that light. The Commissioners may have been eminently successful, or they may have been the reverse; but the prosperity of our railways in itself would be no sufficient argument for or against the appointment of Commissioners, or a reason for the control of the railways revert-

ing to the Government. Sir, I support the Bill, and I am in favour of it for the reason that it proposes to put right a wrong that was perpetrated in 1887, because I think that such an institution as our railways should never have been put beyond Government control and placed in the hands or under the control of irresponsible persons. We have been told that one of the objects in so placing the railways in the hands of these people was to obviate the occurrence of political influence in respect of appointments. Now, if that is so, I think it is more desirable that the Government of the colony should have the power of making appointments to the service than that three irresponsible persons should have a like power. There is often a cry about political influence, and we hear occasionally about “the right colour” when appointments are made by the Government; but, taking all that into consideration, I say it is better that people holding responsible positions like the Ministry should have the power of making these appointments rather than persons who have no responsibility other than that which appertains to their office: the one might lead to political patronage, but the other might lead to nepotism. If there is anything at all in the argument that it is desirable that the railways should be continually under this independent control, I say all our Government institutions should be conducted on a similar basis. We should have Commissioners to run the Post and Telegraph Department, and Commissioners to run the Government Insurance—we had them at one time and they proved a failure; and we should also have Commissioners to run the Public Trust Office: but we have found from experience that the Government is quite capable of conducting its own enterprises without taking advantage of the services of persons quite outside, and who are irresponsible. Now I come to this: What are the New Zealand railways as an institution? If any one has seen the large railway institutions of other colonies or countries, the fact that strikes him is that our railway system in New Zealand is a mere one-horse show, and no more to be compared with the railway systems of other countries than a wheelbarrow is to be compared with a coach-and-four. As it is, if a man happens to miss a train he feels himself growing old while he waits for the next one. Yet, in order to run this one-horse show and to carry on this enterprise we have had three men doing the work of one. Let us look at the matter from a practical point of view, and from the point of view from which any business-man would conduct an enterprise. Would any man conducting such an enterprise employ three men to do one man's work? Sir, that is exactly the position in which the railway service of this colony has stood since 1887: so I welcome the return to Government control, because I think it is possible for the Government to appoint an Under-Secretary or a General Manager, or some officer of that sort, who will run the railways just as economically, and probably more so, and quite as much to the advantage of the

country, as the three Commissioners who have been running them during the past six or seven years. In looking over the Bill, there is one provision which I confess I do not quite understand. That is in regard to the appointment of a Board of Appeal. This Board is not a Board of final appeal, because it is provided that, though the Board of Appeal may give a decision, it must be afterwards ratified by the Minister. In the question of imposing fines the Board has no jurisdiction. The appeal is left to the Minister, and I cannot understand why that should be so. I think a Board so constituted should give satisfaction to everybody concerned.

The Hon. Sir P. A. BUCKLEY.—Look at the amendment on the Order Paper.

The Hon. Mr. RIGG.—I confess I have not read that amendment; I am going by the Bill.

The Hon. Sir P. A. BUCKLEY.—That is provided in the proposed amendment.

The Hon. Mr. RIGG.—Then, again, it is provided that the Board shall have power to decide any questions brought before it other than appeals against fines. But it is a very short time since we passed the Industrial Conciliation and Arbitration Bill, which is now a law, and, that being so, I think it is desirable that the questions on which the Board shall decide and determine should be set forth in this Bill; otherwise I think there is likely to be a collision between the Board so set up or the Minister and the Court of Arbitration set up under the Act I have referred to, passed recently. Under the Industrial Conciliation and Arbitration Act the railway servants have the power, if they think fit, to bring any grievances they have before the Court of Arbitration, and the decision of that Court is to be final. Yet, supposing that a decision of the Board of Appeal under this Bill is also to be final, it is hard to say in what position we should really stand. There, it seems to me, is an element of weakness. But these are matters, of course, which can be set right in Committee, and I rose for the purpose of expressing approval of and of supporting entirely the principle of this Bill, and I shall vote for it.

The Hon. Dr. GRACE.—Sir, of course I am very well aware of the political exigencies of this case. We are all well aware of the habitual ingratitude of all democracies, and we have had abundant experience in this colony of the injustice with which some of our best public servants have often been treated. Recognising all that, I do not exhaust myself in surprise at what some honourable members have said in relation to this measure; but I think we should do better to remember the old proverb, "It is well to be off with the old love before you are on with the new," and do justice to the servants we have had before proceeding to consider the kind of service that is to await us under this measure in the future. It is with a desire to contribute a quota to that view of the subject—one which, I think, is worthy of the consideration of the Council—that I wish to make a few remarks on this occasion. My honourable friend Sir Patrick Buckley, in in-

troducing the Bill, exhibited his usual skill. It is a very marked skill, for he touched the several subjects lightly, suggested a good deal, and committed himself to very little. But, Sir, I appeal from Sir Patrick Buckley, the advocate of this measure, to Sir Patrick Buckley, the just man, whose mental equipoise is, I think, undisturbed by party bias. I ask him now if Mr. J. P. Maxwell was not an invaluable public servant.

The Hon. Sir P. A. BUCKLEY.—I always said he was.

The Hon. Dr. GRACE.—I am glad of the admission. A comparison was established between our Railway Commissioners and those of Victoria and New South Wales. Sir, the Commissioners appointed in Victoria began by demanding nearly a million of money for the purpose of putting the railways in an efficient condition, and the Railway Commissioners in New Zealand from the first moment had the greatest difficulty in getting a few thousands of pounds.

An Hon. MEMBER.—They wanted £44,000.

The Hon. Dr. GRACE.—But they did not get even £44,000, and I wish to do justice in this matter; and I want my honourable friend to understand that I am not a partisan. I say we should not expect more from our institutions than we are likely to get out of them; but we ought to be fair to our public servants. As to the comparison, I have no hesitation in saying that the Victorian lines were run in a most extravagant manner, and yet, in many instances, the service was not as good as our own. Taking New South Wales, the system introduced into the management of the railways there was one of conducting them regardless of expense; and the principle laid down by the Chief Commissioner was that they had nothing else to do than to establish a splendid service, and it would attract traffic. What was the case with our Commissioners? They were left without means, and face to face with the problem of an extremely unpopular service, which had been conducted on political, commercial, and, I might add, romantic principles. With a hostile country, narrow means, and a rather feeble support from the Government, they set to work to effect reforms; and what was the result? They increased the efficiency of the service, they increased the returns, and they put the whole system, in the teeth of a great many difficulties, on a business footing. Now, Sir Patrick Buckley says that the original Act was introduced owing to the unpopularity of the service prior to the passage of that measure in 1887, and the inference clearly was that that unpopularity attached to the General Manager, Mr. Maxwell.

The Hon. Sir P. A. BUCKLEY.—He was put there by the Ministry who introduced the Bill.

The Hon. Dr. GRACE.—That has nothing to do with my case. I want to show that we should be just; and it is absolutely true that it was the intense unpopularity of Mr. Maxwell with a large majority that led to the passage of the Bill appointing Commissioners. We

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cannot doubt that. And what did the Government do? They retained him. And why? Because they could not get any other competent man. I know absolutely that they could not get any other competent man. I do not want to say they could not get any man, but they tried in England, in Victoria, and in America. The colony was not prepared to pay what was necessary in order to get an expert of equal merit. Why did not the Government, seeing that Mr. Maxwell was in its service, and was admittedly a first-rate man, under these circumstances make him Chief Commissioner? They hampered the unfortunate man with a surveyor—an honest, trustworthy, hardy Scot, but one who knew as much about railways as I do, and that is mighty little. They hampered Mr. Maxwell with a cautious and carefully-trained official who had worked in harness successfully under the inspiration and control of various Ministers of Lands—they put him in as Chief Commissioner to manage the railways. Was that giving Mr. Maxwell justice?

An Hon. MEMBER.—No.

The Hon. Dr. GRACE.—That is my case, as far as the Railway Commissioners are concerned. Now, what does all this show? Simply that Mr. Maxwell has been a wonderful public servant, for, although hampered on every side, he has effected administrative wonders; and we ought to be grateful to him. As for the dissatisfaction in the service itself, let us see what that dissatisfaction amounts to, and how it arose. The railway hands on the various railway-lines were absolutely taught that no man should have a salary of more than £500 a year, and that the higher branches of the service were constantly being fostered to the neglect of the others. I know the case of an official who was chief engineer in charge of the locomotives in this colony. His salary was a very small one, not more than £800 a year, and I do not think it was so much. I ask anybody to consider the enormous amount of wealth that was at the disposal of that man's judgment and wisdom,—to consider what economic results depended on his fitness—a man who, in any other country in the world, having such a valuable plant under his superintendence, would have been getting a very handsome salary indeed. The truth is, there are certain classes of servants whom you must pay well if you want economical administration; and the men working our lines must be taught that you cannot equalise salaries, but that they must, by merit and intelligence, make themselves worthy of the higher positions. I have as much sympathy with these men as anybody in the country, and I do not believe there was any great discontent among the great mass of these men, but what there was I believe was fostered by misrepresentations. However, I would say one word more in relation to this matter of Mr. Maxwell. No Parliament can administer a railway system; and it will be found by experience, as it has always been found, that you must have an empire complete in itself. You cannot be for

ever changing the machinery; otherwise failure will result. My honourable friend Mr. Rigg said that the appointment of these Railway Commissioners had led to the practice of nepotism. I should like to ask the honourable gentleman if these Railway Commissioners ever appointed any of their relatives to offices in the service. Can he tell me that is so?

The Hon. Mr. RIGG.—I might explain that I said no such thing.

The Hon. Dr. GRACE.—You used the word "nepotism."

The Hon. Mr. RIGG.—I said that the control of our lines being in the hands of irresponsible persons might lead to nepotism, and I thought that was just as bad as what is termed political patronage.

The Hon. Dr. GRACE.—I understood that you alluded to nepotism in connection with the Commissioners.

The Hon. Mr. RIGG.—No.

The Hon. Dr. GRACE.—It appeared to me to be so said in regard to appointments in the service. But I say there has been nothing of the kind, and that complaint is absolutely baseless, as are other complaints made against these Railway Commissioners. These men rendered invaluable assistance to the colony at a moment of great public difficulty, and we shall be fortunate indeed if the colony ever again gets officers like them.

The Hon. Mr. PHARAZYN.—The honourable gentleman who has just sat down referred to Mr. Maxwell; but on looking over the Bill I find that the two late Commissioners, Messrs. Hannay and Maxwell, seem to have been carefully excluded from the benefits which it appears will be given to the present holders of the office of Railway Commissioners. In subsection (5), clause 4, it is stated,—

"The two preceding subsections shall also apply, *mutatis mutandis*, to the persons holding the office of Commissioners at the date of the passing of this Act who were in the Civil Service of the colony at the commencement of 'The Government Railways Act, 1887.'"

That appears to carefully exclude the previous Commissioners, Messrs. Hannay and Maxwell.

The Hon. Sir P. A. BUCKLEY.—No.

The Hon. Mr. PHARAZYN.—I understand it does, and I cannot read it otherwise; but if it is not the intention it ought to be made clear, as this clause seems to exclude the former Commissioners while it includes the present ones. Of course, the effect is that, whereas Messrs. Maxwell and Hannay were paid Civil servants at the time they were appointed Commissioners, by this clause they are excluded from the benefits which might have accrued to them as Civil servants had they remained a certain time in the service of the colony, for they would have been entitled to a retiring-allowance based upon their length of service. I think the compensation is a month for every year's service. According to this Bill they are absolutely excluded, as I read the Act, from any benefits. But if the Colonial Secretary assures me that it is the intention of the

Government to consider the claims of those gentlemen I have nothing more to say on that point. Of course it can be easily amended in Committee. I will only say that it does seem to me that the colony has every reason to be grateful to those gentlemen for the very efficient way in which they managed the railways for years past. So far as I am able to gather, I believe that the colony as a whole is not in favour of the change proposed, and that, so far as the users of the railway are concerned, they would very much prefer having the services of the Commissioners. I refer to the late Commissioners, as I know nothing about the present Commissioners. The late Commissioners unquestionably did their work well in every way, and deserve the confidence of the colony, and, that being the case, I doubt very much whether there is anything like the general desire alleged to prevail for the change of policy that is here indicated. As the Hon. Dr. Grace said, of course there are always a certain section of the community who are anxious for change, and they will certainly clamour for it until they get it. But, as far as I am myself competent to judge, the people who use the railways are not at all anxious for this change, and certainly there has not been any general clamour for it. Take the different Chambers of Commerce all over the country, and you will find that, without any exception, they are strongly opposed to any change being made in the system of employing Commissioners to manage our railways. The Canterbury Chamber of Commerce, at a meeting on the 8th instant, passed the following resolution: "That, in the opinion of this Chamber, the interests of this colony will best be served by a continuance of the present system of management by Commissioners free from political control." That resolution was passed after a full discussion on the Bill as it originally came before the House. They examined it and discussed the question from a more difficult point of view than if they had been discussing it now, because one of their main objections was that the Bill as originally brought down proposed a sort of double control. The Bill, however, now before the Council is less injurious in that respect, as it proposes to do away with the Commissioners entirely. I myself would rather have had the Commissioners as we are accustomed to see them and the railways placed entirely beyond political control than have had our railway system made a political system under political control. The result, we shall probably find, will be mischievous, and if we decide to try the experiment I am afraid we shall have to pay for it. There can be very little doubt about that; but I should very much prefer returning to the system of direct Government control, rather than to revert to the half-and-half system originally proposed. I am glad to see that the alterations have been made in another place which have given birth to the present Bill. As to the argument against placing the railways under the control of an independent Board,—that if

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that system is good in the case of railways it ought to be applied in all other departments,—that by no means follows, for the simple reason that many of the departments are simply of a mechanical kind, and go on in a regular routine, such as the Post and Telegraph Department, and they are perfectly easily managed by the ordinary political head; while railway management does unquestionably require the services of experts—that is, of people who have to regard the whole question not only from a mechanical and technical point of view, but from the point of view of general business. It appears to me there must necessarily arise a very great evil in the management of our railways when that management is constantly subject to political pressure—the pressure of constituents who want grain rates lowered in one place, and who want rates on something else lowered in another, and who desire all sorts of changes in the timetable, and everything else, which, no doubt, locally, may be very convenient, but which, when considered in relation to the railways as a whole, must prevent their being really as useful to the country as they would be when conducted on different lines. I do not see how it is possible that railway management under political control can escape this political pressure. It is inevitable. We have already had the experience, and that experience has shown it was necessary to make the change which we made in 1887. I remember being quite convinced at that time that the success of the experiment would entirely depend upon the persons appointed to conduct the railways. All I can say now is that the experiment has been eminently successful. The railways have been conducted in a very efficient manner, as regards both the convenience and the safety of the public, and they have steadily increased in their net proceeds, so that last year we find they were paying something more than 3 per cent., and there is no reason to suppose that they would not continue to pay reasonable interest, of course subject, as the honourable gentleman properly observed, to the general condition of the country. Of course every one will admit that this condition would have a very large effect upon the success of our railways—certainly so far as their paying is concerned. Well, I can only regret that, having tried this experiment, as the honourable gentleman said, and having found it successful, we should now think it necessary to try another experiment—the experiment of reverting to the old system. I am not at the present moment prepared to oppose trying this experiment. I think that, under the political conditions of the country, it is an experiment which has become inevitable. I only hope that the details of the Bill may be altered in the direction I have pointed out, so as to do no injustice to the gentlemen who have given such valuable services to the country, and who certainly deserve to be treated with the utmost consideration by the Government and the people.

The Hon. Mr. JENNINGS.—Sir, several honourable gentlemen who have spoken on this

subject have entered into a defence of the Railway Commissioners. It is not my intention to say one word against the past Commissioners, good, bad, or indifferent. I think the Bill is one which deals with a wider question—that is, whether the railways shall be under political control or not. Personally, I am strongly in favour of their being under the control of the Government, and there are very few reasons, I think, that could be given why they should not be under that control. The Hon. Dr. Grace, in referring to the Bill, stated that no Parliament could regulate railway management. Well, there is a work with regard to Germany and its State railways, and I think my honourable friend will agree with me that it answers his particular objection very well. Herr Maybach, in speaking in the Reichstag, in 1888, of the control of the railways in Germany, said,—

“This year we have made a surplus of fifty-one million [marks] beyond the amortisation of three-quarters per cent.; and next year we expect a surplus of forty-nine millions, which can be applied to other State purposes. Last year we were able to make a surplus which exceeded by twenty-nine million marks the entire interest on the national debt [of Prussia], and we hope next year to make a larger surplus still when we have built several small lines in order to complete the railway network. This year we have laid aside 784,500 marks for the improvement of the salaries of the officials of private lines taken over by us—a total of 9,700,000 marks applied to this purpose. Moreover, we have made considerable financial sacrifices in order to give railway employes rest on Sunday. Go through the country, and ask the people whether or not the nationalisation of the railways has benefited them. You will hear from the overwhelming majority a loud ‘Yes.’ (Loud applause from the Conservatives.) When, after a few years, we have completely surmounted the difficulties of transition we shall be able to tell what the State railway administration can do. I am not altogether dissatisfied with what it has done already, but I think it will do better still.”

I could also quote instances of the very successful working of the railways in Belgium, which have been under State control for many years. The Hon. Dr. Grace also stated that the Railway Commissioners here had had very little money to work upon. Well, if he will hunt up the Public Works Statement of last year he will find that the Railway Commissioners demanded, in effect, no less a sum than £714,914. I think every one will admit that this is a fair amount in a small colony like this for three irresponsible gentlemen to have the handling of. But the main point in it is this: that the other place could not get any information whatever about the expenditure of that money. Therefore I think that is really a very strong ground indeed for the people's representatives requiring and demanding a change, so far as railway management is concerned. It is simply a question of whether the railways shall be under political control or no

control at all, for that is what it amounted to, so far as the Commissioners were concerned, during the last five years. There are several other points, but I do not wish to take up the time of the Council. I might refer to the many requisitions and demands that have been made to the Commissioners in the past. I will, however, only refer to one instance, and that is a small one. A number of people who reside at Avonside and Helensville wanted the trains altered to suit the requirements of settlers and working-men living in those places, but the Commissioners resolutely set their faces against it, and would not alter the trains to suit the great majority of the people. This is only one instance out of a great multiplicity that have occurred all over the colony of a similar character. I believe if the railways were under Government control these little irritations that have existed in the past would be done away with. The railways are not, in my opinion, to be run simply for the purpose of making a great revenue out of them. I think there is a greater object in the railways than that. The object should be to open up the country, and to suit the requirements of the people, and I think by having these railways under Government control we shall obtain that end. I should also, if I could in any way, further a scheme that has been promulgated by a very well known man in Auckland, and perhaps many honourable members have heard of him—that is, Mr. Samuel Vaile. I should certainly be glad if the Government could, now they are dealing with these railways, see whether it was not possible in some way to assist that gentleman in carrying out the views that he has so persistently and earnestly advocated year after year. Many great reforms and many great projects of honest people have been laughed at and ridiculed when first brought before the public. In fact, the very man who first took the system of railways into serious consideration—Thomas Grey, of Nottingham—was treated as a madman. Many people laughed at him, as many people laugh at Mr. Vaile; but I think that a man who has shown so much earnestness, and who has spent so much money out of his own pocket in trying to further his scheme, is worthy of the consideration of the Government, and if they could in some manner give him an opportunity of proving whether he is right or not I do not think it would be a very great tax on the colony if it were tried on one section of the railways. If the Government could see their way to do that, a very great object might be achieved. I have very much pleasure in supporting the second reading of the Bill.

The Hon. Mr. BOWEN.—Sir, we are going to have political management now. My honourable friend opposite has suggested that Mr. Vaile should try to get his views carried out now, for now is the time to have all experiments tried. There is the great danger, I take it, of political management—that we may be subject to every rash experiment that may be urged by politicians interested or disinterested. However, I am not going to discuss the question of Mr. Vaile's plans, except to say that I

think the chief fallacy at the bottom of his suggestions is that he wants to apply a system which has been tried with some success in a very populous country to a country that is not populous. Now, I must congratulate my honourable friends on the Government benches on having brought down a policy Bill which will be accepted by the Council. But the reasons for which it will be accepted are various, and very dissimilar in character. In the first place, there are a large number of members in this Council, as well as in another place, who believe that it would be advisable to keep the railways out of reach of political control. It has been found in Europe and elsewhere that political control has been most disastrous in the management of railways. An honourable gentleman opposite quoted Germany, but I would remind him that Germany is not exactly a country in which politicians of all shades can interfere directly with the management of the railways.

The Hon. Mr. JENNINGS.—But they do.

The Hon. Mr. BOWEN.—No, Sir, they do not. In France they do, and it has been found exceedingly difficult to manage the railways economically in France in consequence of this interference. In France some of the railways, as honourable gentlemen know, are in private hands, and some are in the hands of the State, and it has been found that interference, political interference, has led to great corruption and mismanagement.

The Hon. Mr. JENNINGS.—What about Belgium? They have State railways there.

The Hon. Mr. BOWEN.—Yes, in Belgium the railways are State railways, and they work better in Belgium than anywhere else. It is a remarkably small country, and the management is a strictly business one—not political. But the question before us now is this Bill, and I say I believe a great many honourable members feel, like myself, that the time has come when we must accept political control, lest a worse thing happen to us; because we have seen that it is possible to interfere, as we thought the Government could not interfere, with the control and management of the Commissioners. Sir, a little while ago, when we had Commissioners not directly subservient to the Government, the backbone was taken out of the Commission, deliberately taken out of the Commission, and since that time the Commissioners are simply the servants of the Government for the time being, and, I am afraid, are under other influences too. From what we have heard, the position of employes may be dependent on unacknowledged and irresponsible pressure from below. I must say that I would myself a great deal rather see the railways in the hands of the Government, who are directly responsible to the people, and who can be brought to book for what they do, than see them in the hands of a Commission which is nominally responsible, but which is really only a cloak to conceal from the public the real wielder of power. The Government have destroyed the independence of the Railway Commissioners. Let them openly take over the

responsibility. I should just like to refer to what has been said about the House of Representatives not having been able to get information from the late Commissioners. I think the honourable gentleman said that information could not be got in another place. Sir, if the honourable gentleman inquires, he will find out the reason that information could not be got there: if the House of Representatives had insisted upon getting information, they could have got it; it has never been shown that there was any intention or desire on the part of the Commissioners to withhold it. There was one expression used by my honourable friend the Colonial Secretary in bringing in the Bill which I must protest against, and that is, that the Bill has been brought down owing to the great dissatisfaction in the country with the management of the railways by the Commissioners. Sir, the Bill was not brought down at all in its present shape. It was brought down in a totally different shape, and I think honourable gentlemen will agree with me that it was brought down in consequence of a desire on the part of the Government to subordinate the Commissioners to the Government. I am not blaming the Government more than their followers for their desire to absorb power;—some people think that the Government ought to be omnipotent. It was not because of public dissatisfaction that the Government dismissed the late Commissioners; it was not because there was dissatisfaction on the part of the people who used the railways. There was singularly little dissatisfaction in the country. The system was gaining strength, and only required the loyal co-operation of the Government. This it did not get, and therefore it did not get a fair trial. The late Commissioners had a very difficult task to carry out, and I think they did it remarkably well under the circumstances. They could not possibly have been a very popular body, having such duties to perform. I think they did their work honestly and fearlessly, and I only hope it will be done nearly as well by the Government; but I have my doubts. I also hope that the Government, if they find that they are not able to conduct the railways as they were conducted before their interference last year, will come down here and tell us so honestly, and ask us to put back the control of the railways into the hands of a body totally and absolutely independent of political influence, or, at any rate, as independent as it is possible to make it.

The Hon. Mr. REYNOLDS.—I may say I am thoroughly opposed to the Bill now before the Council. I believe the change is one which will be very injurious to the interests of the colony. I would far sooner that the late Commissioners were there for two or three years longer, to see whether they had not the confidence not only of the Legislature but of the public. Hitherto, I believe, they have had that confidence. I consider they have done their duty, and that the colony is largely indebted to the Commissioners for the way in which our railways have been managed.

Hon. Mr. Bowen

An Hon. MEMBER.—The present Commissioners?

The Hon. Mr. REYNOLDS.—No; I do not know anything about the present Commissioners. I am talking of the late Commissioners, and I think that the colony is highly indebted to them for the manner in which they performed their duties. I hold that the present Bill will open the door largely to jobbery and corruption. There is no doubt there will be influences brought to bear on the Ministry of the day, whoever that Ministry may be, by members of Parliament, and the Ministry of the day will give way in all probability in order to retain their seats, and to secure the votes of certain honourable members. The result must be that the colony will be the sufferer. I believe, Sir, that if party government did not exist in this colony it might then be safe to leave the railways to the administration of the Government, because the Government, in point of fact, would not be selected as it is at present, under party organization, but would be selected so as to be composed of all the best and most capable men to carry out the duties devolving on our administrators. It has been said in another place that since the change of Commissioners has taken place there have been a number of dismissals and reductions in the railway service, and it has been proved by these statements that these reductions and dismissals certainly were not carried out with much credit to the parties concerned. I am not aware that as yet these statements have been contradicted, but I can understand perfectly well that there must be some foundation for them, otherwise they would never have been made. The honourable gentleman, a representative in the other House, who made these statements I know to be a thoroughly honourable man, and he would not have made the statements unless he was perfectly satisfied of their truthfulness. As I said before, I am thoroughly opposed to the principles of the Bill, but I should not feel justified under the circumstances in voting against its second reading. Such being the case, I shall not record my vote either one way or the other. I shall show my opposition by not voting on the question.

The Hon. Mr. KERR.—I am in favour of this Bill, and will support it. I cannot see that we should hand over the railways to Commissioners while we maintain all other services under political control. We have not suffered from having the Post and Telegraph Department under political control, or from having the public works of the colony under the same control; and I cannot see for my life why taking the railways under political control should have the damaging effect some honourable members would lead us to believe. Now, I am going to vote for this Bill, believing that it will be serviceable. I am rather surprised, after some honourable members who have taken part in this discussion have said all that it was possible for them to say against the Bill, that they wound up by saying that they will support it. One honourable gentleman I was very much surprised at,

because he is an old politician, and one who generally speaks and votes consistently. The Hon. Mr. Stewart regrets that the change must take place. He said that the change was only wanted by a few parties, that it was a retrograde movement, and not in the interests of the colony; and yet he concluded by saying he was going to vote to pass a measure that is not in the interests of the colony! That is something that I cannot understand. The Hon. Mr. Pharazyn spoke in a somewhat similar strain. He objects to the political control, and says that it will be mischievous, but, nevertheless, he is not prepared to oppose the Bill. I think those honourable gentlemen who entertain those opinions—that it is mischievous to the country, and likely to do the country a great amount of harm—ought to vote against the Bill. As I said at the commencement, I have not much to urge, unless I go over all the different views that have been explained by Councillors, not only to-day, but last session, and generally in conversation. It is generally admitted that it will be a good thing for the colony to have the railways worked as other departments are worked, under the political control of the country, and, seeing that every precaution is put in to relieve the workmen—such as a Board of Appeal—and that their interests are conserved in every respect, I think it is a piece of legislation in the interests of the general mass of the people, and that it will have a very beneficial effect, and give railway facilities to the inhabitants of the country. I have no doubt the wants of the settlers will be much better attended to, that freights will be reduced, and the traffic on the lines increased. Altogether, I think this Bill may be safely passed. The country will then have the management of the railways, and the people will be responsible to themselves. I have often looked into this matter, and considered that it was not in keeping with good government to give over our principal works to three or four men who have no responsibility. We might as well give over everything else to irresponsible people and get them to manage for us. What would be said supposing we appointed two or three men to look after public works, and gave them *carte blanche* to spend money as they chose without giving an account of it to Parliament? The thing, in my opinion, simply amounts to that, and I think it is time the railways were under the control of the people.

The Hon. Sir G. S. WHITMORE.—It seems to me to be quite forgotten that there is nothing new about this at all. We had this state of things before for a great many years, and it ended in failure. When we had it before we were so disgusted with it that we were willing to consent to the proposal to have an English Commissioner—a high-price man—sent out to put our railways in good working order, and have the best management possible. Instead of a Chief Commissioner being brought out three gentlemen who had the misfortune to be New-Zealanders were appointed; and that was quite enough, the fact of their being New-

Zealanders, to place them within the reach of everybody, and from the day they took office to the day they retired they never had fair-play in the country. Nevertheless, I think it is only due to Mr. Maxwell especially to say that he retires from his office with the respect of everybody, and with the name, well earned, throughout all Australasia of being by far the best railway manager in these waters; and, if it can be any satisfaction to him to know it, I think we are bound to give him that praise. Moreover, I think it was an unfortunate thing that a somewhat brusque manner, and nothing else whatever, caused the reaction against him that culminated, first of all, in his not being made the chief expert, and, secondly, in his having to retire at the termination of his term of office,—which has been, so far as I have always heard, eminently successful. It is quite impossible for a man to satisfy everybody, and any gentleman who looks into a newspaper published about the time referred to will see that it was one perpetual course of correspondence raised far and loud in various parts of the colony for certain concessions; and, of course, the refusal of these things, it not being possible to grant them, raised a certain amount of carping all through the country; and, even if the Commissioners appointed had endeavoured to grant the concessions demanded, I think that cry would not have been put down very easily. At all events, when their time came to an end, it appears they got into an impossible position on account of the ridiculous proposals of some of their servants, and, in order to get over the difficulty, and to consult the views of the people, and to scatter about large sums of money, even under parliamentary control, the original intention was set aside. At any rate we shall know who is responsible for the future, and, although the management of the railways in the past by Government was a failure,—and we can only hope that it will not be so in the future,—we shall have had the advantage of having had the railways under the control and management of experts for some years, and may hope that the result will be far better than it otherwise would have been. At present the benefit to all parts of the colony from the railways is not at all equal; there are parts of the colony which get all the benefit while the rest of the colony is handsomely taxed to pay for it. In many parts there are no railways, and yet those portions have to help to pay the interest of the debt; and I think our taxation should be more equalised. I wish to speak hopefully as to the future, and I shall be satisfied if the Minister of Railways is able to conduct things in the future as well as they have been conducted under Messrs. Maxwell, Hannay, and McKerrow; at the same time, I think a great deal of credit is due to those gentlemen, who have done so much. The case of the Prussian railways has been referred to, and their management by the Government, but there is not very much to crow about on these railways, as they give a very moderate result indeed; they are not so good as our own.

Hon. Sir G. S. Whitmore

An Hon. MEMBER.—They have been very much improved lately.

The Hon. Sir G. S. WHITMORE.—I can only speak about what I really know, and I do know that they were some years ago much inferior to our lines. I think they have the broader gauge, but they are very much more costly, and the Government control is a very poor one.

An Hon. MEMBER.—They pay better than the company lines.

The Hon. Sir G. S. WHITMORE.—I have no idea, but I think they do not pay so well as the company lines. A comparison made the other day showed that the private lines were far better managed than the Government ones. As regards this Bill, I did not desire to make any further remarks, but I wished to add my testimony to that of the other honourable gentlemen who have spoken as to the success of the administration of Mr. Maxwell, and I say, further, that our railway system has been enormously improved by him since the day we took it away from the Government control.

The Hon. Mr. KELLY.—With regard to this Bill, it seems to meet with general approval. Some honourable gentlemen are going to vote for it although they are in favour of the control by Commissioners, and others are going to vote for it because they believe in the Bill and hope it will pass. I shall vote for it also, because I have always opposed the appointment of Commissioners; therefore I can speak in favour of the Bill with a clear mind. It seems to me that those honourable members who think that a department of State of the magnitude of the Railway Department can be placed beyond political control are labouring under a delusion. Parliament is omnipotent in the matter; and it is simply impossible in this country, where every man and woman has a vote, to limit political control. The only way I know of by which railways could be placed beyond political control would be to sell them. Would that satisfy the colony? Certainly not. The railways then would pay, because the country would be taxed tremendously to make them do so, and because they would be run in the interests of the shareholders, and not of the country. The interests of the shareholders only are kept in view by private corporations. With regard to the late Commissioners, I have not a word to say against them. No doubt both Mr. Maxwell and Mr. Hannay were very good administrators. I came into contact with both gentlemen frequently during past years, and I always found them to be thoroughly good officers; but it is not on that ground that I oppose them, or any other Commissioners, but it is on the ground that Parliament must have the control of its own departments. That was why I opposed the appointment of the Commissioners. Parliament must have the control, and will have the control, in spite of anything that may be attempted against it. In America, which has a written Constitution, a department might be placed beyond the control of Congress, and it would be extremely difficult to restore it to such control, owing

to the rigid nature of the Constitution; but in a country like this, which is absolutely under the control of the people, I do not see how even the people can do away with the political control, and it is therefore very unwise to attempt it. What we ought to do is to put safeguards on the administration, and to put Ministers in power who have a little backbone—people who can face the country and resist the clamours for things that are not desirable. Under the system of direct political control it is, to my mind, inevitable that we ought to have a good departmental head. One of the first things the Government should do is to get a first-class man as General Manager, and we ought then to defer a great deal to his advice in respect to administration. Of course, Parliament must have a voice in the matter. We do not run the railways for the sake of making 3 or 4 per cent. profit, but we run them in the interests of the persons who use them. The General Manager must give way on points of policy, but on all mere details I think the Minister ought to be guided to a large extent by the General Manager's view of the matter. I do not see why this Railway Department cannot be managed efficiently by the Government and by a Minister, just the same as any other department. I shall therefore support the Bill, as I think we should never have taken the railways away from political control in order to place them in the hands of irresponsible Commissioners.

The Hon. Mr. RICHARDSON.—I wish to say a few words, and I do so because I had very much to do with the action taken in 1887 in connection with this matter, and previously. I was in the House of Representatives at that time, and I remember I strongly supported the appointment of the Railway Commissioners. I spoke, on the occasion of the passing of the Railways Bill in the other Chamber, under a sense of very great responsibility, having had control of the railways to a certain extent, as Minister for Public Works, for many years. From my own experience, I can only say, in reply to those persons who think it is very easy for a Minister to control the railways, that the next Minister who attempts to control them will find it a very different matter from that represented just now. I am not going into a long discussion on the question, and I only rose to explain why I am going to vote for the second reading and to support the Bill now before the Council. I think it is due to myself and to this Council that I should do so. The honourable gentleman, in introducing the Bill just now, stated, very correctly, that Victoria was the first to start placing its railways under the management of Railway Commissioners, and New South Wales followed suit, then Queensland; and, lastly, New Zealand, to be in the fashion, followed suit also. That is just what we did not do; for, unfortunately, we did not vote a sum equal to that voted by the other colonies for a Chief Commissioner. Parliament considered that the money voted was quite enough to command the services of

a very good man. I protested—I think it was about four o'clock in the morning—against the amount fixed, but the Government insisted on passing the Bill through, in the early hours of the morning, and they had their way. It is also quite true that the Government did make attempts to get a Chief Commissioner, and if the Government had had sufficient backbone they would have got one, and I feel sure that the country would have supported their action. They could have got a man, and more than one man, quite as good as any one of those they were getting for Victoria or New South Wales had they chosen to take the responsibility of offering a larger salary than that given. My object in supporting the Bill then was that we should have a Chief Commissioner from outside, and that the other two men should be got in the colony—to have a first-class expert from outside, in whom the outside world and the colony would have confidence; and, when that was done, to get two of the best local men in the colony. What railway expert did they put in? They put in a man who had not an iota of an idea about the management of railways, and they not only put him there, but, in the position he occupied under the Act, he had the right of veto on every single question, if he chose to exercise it. I am not going to say one single word against Mr. McKerrow; I believe that in the position he has occupied he has done the best he could; and I cannot add anything to what has been already said in favour of those two gentlemen—Messrs. Hanney and Maxwell. I believe in Mr. Maxwell thoroughly. He came out here with other engineers when we could not get any engineers in the colony, and from the very first day he was in the colony he showed a most remarkable amount of ability. Not only so, but before he left the shores of England, I believe, he was asked to remain there and take up a better position. I know, myself, that on various occasions afterwards appointments were offered him at a far higher salary in England had he chosen to accept them. If the Bill as introduced in another Chamber had come up here, I should have been found opposing it, and I think the Government have shown very good tact indeed in sending the Bill here in the shape they have; otherwise I should have opposed it. I shall support the Bill, and I only hope that who ever has the luck to be Minister of Railways will be able to withstand the frightful amount of worry to which he will be subjected day and night, from Christmas Day to Christmas Day; he will be worried and badgered for favours of every description. Whatever may be the position he takes up he will be bound to give offence, and eventually bring great odium on the Government. I shall support the second reading of the Bill.

The Hon. Mr. BOLT.—I only wish to say a few words, and I do so merely for the sake of demurring to some of the statements made by some honourable gentlemen. We have been told by Sir George Whitmore that the control by Government prior to the Commissioners coming into office was a failure. I demur to

that. I do not think it was; and, if it was not quite so successful as the Railway Commissioners' control, I think that can be fairly explained. The Government started with the railways very inefficiently equipped in many ways. There were lines that were not joined with one another, the system was practically incomplete, and it had only reached its present stage of efficiency when the Government surrendered it to the Commissioners. They entered into a field which was quite ripe for success, and we had every reason to expect they would be successful. The Government had no such opportunity. Again, the Hon. Mr. Stewart told us that this Bill is the result of clamour from a small section of the people. I demur to that statement also, for what he calls clamour is practically to be found to date from 1890, for in that year the first cry was got up against the Commissioners. I need not refer further as to the cause of that cry, as the main reason is known; but I do say that the opinion has been growing in strength that this department of the public service should revert to the hands of the Government again. My opinion is that it was a great blunder that the railways were ever put into the hands of the Commissioners, as I do not think that any large concern like this, in a democratic country, should be lodged in the hands of a few irresponsible men. The fact is that management by the people is the very principle of democratic government. We have a large annual expenditure on our railways, and the Government have no control over that expenditure, and on that ground alone, if on no other, the management should revert to the Government. Again, I would ask, for what purpose have we railways in a young country like this? The cry when the Commissioners took office was that our railways should be conducted on what were called commercial lines—that they should be conducted for profit-making; but now I think a great many people are beginning to see that, in a young country like ours, at any rate, the wisest policy with regard to our railways would be to develop the resources of the country as much as possible. You cannot carry them on on commercial principles if you carry them on to the greatest advantage to the country. I have no idea of casting, and I do not wish to cast, the slightest slur on the Commissioners in this respect, for they carried out the mandate of the people when they took office; but they have conducted the railways too much on commercial lines, and I think that may be seen from the fact that more encouragement should be given to many of our industries, which are still hampered. Even this session there has been a proposal to put a duty on fruit to encourage fruit-growing, and I venture to say that, if railway facilities had been given to fruit-growers in this country to bring their fruit to town at moderate cost, there would have been no necessity for any such proposal. That is one case in point as showing that the Commissioners have run the railways too much on commercial principles. I must say that the legislation which put this depart-

Hon. Mr. Bolt

ment into the hands of the Commissioners appears to be amongst the last of a long line of Conservative legislation, which practically closed in 1890, and which, I believe, was kept up mainly by the old cry to mistrust Government action. The other colonies also took up the same cry. But what do we see now? All round we see miserable failure in every respect with regard to this question. We also see failure such as the history of the world has never seen before in the commercial management of every institution, such as banks, *et cetera*. The opinion is fast gaining ground that if you want to have a thing properly controlled, honestly controlled, it must be controlled by the representatives of the people; and to say that we shall do away with political control, as the Hon. Mr. Kelly has pointed out, in a democratic country such as this, where every boy—at any rate, every youth—and girl of twenty-one has a vote, is nonsense. You have appointed your Commissioners, and they are appointed under certain conditions by the people, but you cannot get away from democratic institutions, for, as a last resource, it must come to political control. The Commissioners are created by the people, and therefore to say that you are going to manage the railways without any political control is a mistake. As to management, there is no difficulty in getting an expert if an expert is necessary, any more than in getting an expert, say, for the Defence Department. I think the theory holds good that if you manage your Customs, Defence, Post Office, and Public Trust Office under direct Government control you can manage this department also. There is a direct disadvantage in not having this department under Government control. It is quite true you may be able to avoid some of the evils connected with Government control by having a department under Commissioners, but you must also bear in mind that it is a great disadvantage for a country such as this not to be able to express its wishes, desires, and wants directly to the management. This can never be done through the Commissioners, as the people have no means of approaching the Commissioners directly—only an indirect means; whereas with regard to the Government the wants of the country can be expressed directly to the Government. I say that putting the control of this department in the hands of the Commissioners was a slur upon parliamentary institutions and upon parliamentary government, which should be remedied as quickly as possible. We are not going to hark back in this way to individualistic methods; we have seen too much failure already in those methods. I shall support the Bill.

The Hon. Mr. STEVENS.—I did not intend to offer any remarks on this Bill—and those I shall make will be very short—had it not been for the reference the Colonial Secretary made to the speech of the Minister for Public Works in 1887, on the occasion that the Act now about to be repealed was introduced. The impression the Colonial Secretary gave to the Council was that Mr. Mitchelson, in introducing that Bill,

was introducing a thing which was at variance with his own opinion.

The Hon. Sir P. A. BUCKLEY.—Up to that time.

The Hon. Mr. STEVENS.—Yes, up to that time. The impression conveyed was that Mr. Mitchelson was introducing a measure which he did not approve of in regard to the change in the railway management. I think there is no doubt that was the impression. The Colonial Secretary read only part of the speech. Let me read the first portion :—

"I myself have for many years been against appointing non-political Boards, fearing that by doing so we should be parting with too much power. I have during the past year considered the question very carefully, and I must say that I have reluctantly arrived at the conclusion that the only solution of our present difficulties is a non-political Board."

What were the circumstances which led to that conclusion? The speech explains them :—

"We are continually receiving applications from various parts of the colony for conveniences, extra accommodation, and other matters, and there are also complaints of inconsistencies and anomalies in our present scale of rates and charges, and repeated applications for reductions."

Again,—

"If it were possible that a Minister could be appointed to the position of Minister of Railways and Public Works for a definite period, then I should say, Maintain our present position; but, where we have Responsible Government, and Ministers are subject to come and go at the will of the House or of the people, it is a matter of impossibility for any Minister, no matter how clever he may be, to grasp the position or make himself thoroughly acquainted with the intricacies of railway management, which requires years of careful thought and study to thoroughly master. In the unfortunate position of Minister—who, perhaps, is only in office for a very short time—he has to rely, to a very large extent, entirely upon the advice and information he receives from the officials of the department: and this will always be the case so long as we carry out our present system of appointing Ministers to the position who have had no practical experience."

Now, Sir, these were really the views of Mr. Mitchelson—and they were the views of the Government of the day—who introduced that Bill, and it was in no light spirit of getting rid of Government responsibility that the Government of Sir Harry Atkinson, my late colleague, introduced the measure in 1887; but it was to get rid of what had become an intolerable burden—a positive danger to the country—with regard to the continual pressure that was brought from time to time, for a series of years, upon successive Governments with regard to a variety of matters, whether appointments, or tariffs, or traffic rates. My honourable friend Mr. Kelly talked of Ministers with backbone. Sir, what sort of a backbone can a Minister be said to have who has all his other limbs taken away from him—that is to say, who has been

quietly extinguished by his constituency because he thought right to agree to the restoration of the grain rates on the railways? Yet we have had that, Sir; and not only in one instance, but I think in more than one. Yet my honourable friend talks about a man with a backbone! I ask, what is the use of a Minister with a backbone if the constituency simply sends him out into the cold? Yet that is exactly the state of things to which you are going to return. As to that, I hardly think it possible that—I do not say any one person, but—any person of any real experience can ever have any doubt. I have been now a number of years in the Legislature—a great many years—and I remember my life was made almost intolerable by reason of the pressure upon me by persons in the employment of the Railway Department who had grievances, as they thought—many of them supposed grievances, I believe, but which they aired before the member of the district. If that is a desirable state of things to re-establish by all means re-establish it; but I think differently.

An Hon. MEMBER.—There is a Court of Appeal.

The Hon. Mr. STEVENS.—Yes, you have a Court of Appeal, and I think you may have that Court itself appealing to the Legislature before it is twelve months old. Then, my honourable friend Mr. Bolt has informed us that what we have now is antagonistic to the spirit of democracy—is inconsistent with democratic institutions. I wish that my honourable friend had had a short interview with me before the sitting this afternoon, and that I could have asked him to look at the division-list on the occasion that has been referred to in 1887. That Bill was carried on its second reading by a majority of forty-five. There were twenty-one, including pairs, who voted against it, and that was all. Nearly the whole House voted, and the majority was forty-five; and, Sir, it would harrow my honourable friend's feelings to look over that division-list. I hardly venture really to look over it, for some of his dearest political friends are there voting for that measure. It is not a perishable and transient thing, that division; it is one of the things that are embalmed in *Hansard*. It might be too much for me to call attention to all the names, but I will glance at a few of them. There is the present Minister of Lands, there is the present Minister of Labour—they are both in the majority; and I see there the name of a gentleman who, I believe, fills the important and honourable office of Government Whip, a gentleman named Lawry—he agreed with the majority; and the rest are so numerous that, as we see the newspapers inform us under certain circumstances, "they are too numerous to mention"; but I will leave the volume of *Hansard* on the table. I do really and seriously mean to say that I feel that the step that is now being taken is one of great public danger. It is perfectly true that, whether democratic or not, we can undo the evil we do; but there is something in the

saying that the evil remains. "The evil that men do lives after them," and I think that is just what is going to happen in the present case. I believe the evil which will be done by this Parliament in introducing so enormous an engine of political management as this means is going to inflict a very serious injury on the country and one which is entirely gratuitous—one that is utterly uncalled-for by all those who use our railways, whether they be the travelling public, or the importers who have signified their opinion, or the exporters—the producers of the colony—who, I know personally, do not want this. And all for what? If my honourable friend will forgive me for saying so, all for the sake of taking the opportunity of grasping at political power.

The Hon. Mr. JENKINSON.—I am very glad indeed that we have one honourable gentleman present who was a Minister in power at the time the change was made in 1887, and I am glad that that honourable gentleman confesses that the Government of which he was a member were not strong enough and had not courage enough to control the railways. I think that is the effect of the remarks the honourable gentleman has made in the very tragic speech we have listened to. He admits that the Government had not the stamina or the backbone to control the railways; and I believe that is the reason why the change was made. My honourable friend Mr. Jennings, in his speech, referred to Mr. Samuel Vaile, and I shall refer to the same gentleman, because I find that in a circular that has been addressed by Mr. Vaile, I think, to every member of this House there is a paragraph the sentiments contained in which are as so well in accord with my own opinion on the subject that I do not think I can do better than quote them. He says,—

"Railways, in every country where they exist, are pre-eminently its great highways. They are the channels along which its trade, commerce, and social intercourse must flow. No Government has the right to hand over the highways of its country to the supreme control of any set of men, nor would they dare attempt it in the case of the common roads. To keep control of intercommunications is one of the first duties of every Government."

Now, why did not the Government recognise that? Why did not the Government introduce a Bill to give effect to these sentiments? We know, from what took place in another place, and from the public newspapers, that the Bill—the Bill that now gives the Government control of the railways, or purports to give the Government control of the railways—is not the Bill that was introduced elsewhere; and I ask, why did the Government not introduce it in this form? Why did they not continue the bold policy of dealing with the railways that they started when they made the late appointment of Commissioners, instead of bringing down a sort of bastard measure that is neither one thing nor another? I am glad indeed that the Government accepted the amendments which are going to place the railways wholly under the

Hon. Mr. Stevens

control of the Government. But I was disappointed, and I think the Government were to blame for not bringing down a measure in the first instance that would give practical effect to the mandate of the people. The Government knew very well they had the country at their back on the question. They knew perfectly well, when the representatives of the people were returned, that this was one of the chief planks—that the railways must come directly under political control; and yet, instead of bringing down the Bill in the form they have it now, they brought it down in a sort of bastard form, which was neither one thing nor another; which gave the Minister a seat on the Board, but under which the Minister and the Commissioners would not, in my opinion, have worked amicably together for two months. The Government, I think, started a fairly bold policy when they made the late appointments. And, while on the question of those appointments, I should like to say that the criticism we have had on the Bill this afternoon has been animated, in my opinion, by nothing else than fond praise of one of the late Commissioners—Mr. Maxwell. We have heard that gentleman's name from almost every corner of the chamber, and most gentlemen who have spoken have spoken in praise of him. Well, I am not going to say a word to detract from the character of Mr. Maxwell; I believe that he is a good railway man. But the Hon. Dr. Grace referred to Mr. Maxwell as being the one man in New Zealand who had reformed the railway service and had put the service on a different footing, and who gave general satisfaction. Well, I should like to add that he is the one man in the railway service who has also given very general dissatisfaction. I ask honourable gentlemen here, why did not Mr. Maxwell give satisfaction for years before he was made a Commissioner? For years before that, he was the General Manager of the railways, with almost supreme power. We have been told by the Hon. Mr. Stevens that the Government of that day did not dare resist the applications made for the lowering of rates; but if they had such a strong, such a wonderful man in Mr. Maxwell at the head of the railways, as the General Manager, why did they not refer the applicants to him, and say, "There is the General Manager; we do not deal with details of management—we rely upon him for the management of the railways"? I do not think Mr. Maxwell was competent to give satisfaction, or perhaps it was from the fact that when he was the General Manager he seemed to take very little, if any, trouble to give satisfaction. On the other hand, when he got to be a Commissioner—when his powers were very much increased—he gave the very greatest dissatisfaction. There is just one other remark regarding Mr. Maxwell. Now that he is out of the service I do not think we should enter into anything that in any way might be construed against his reputation; but I say I was disappointed in Mr. Maxwell's action after he had ceased to be a Commissioner. As soon as the other Commissioners

got into power he seemed to take some trouble to make their path the most difficult imaginable. The present Commissioners were a very short time in power before the question of the grain rates—of lowering those rates—was brought forward in the country. Now, we find Mr. Maxwell, when this question was being discussed in the country, after he had been General Manager of the railways for years,—after he had been one of the Railway Commissioners for five years, with almost supreme control,—immediately he got out of office, writing a letter to the newspapers saying that, in his opinion, the grain rates should be at once lowered, and that the grain rates in Canterbury could be lowered without difficulty, and urging the Commissioners to lower them. Then, in a letter of a still later date, we find he agitated in a Wellington newspaper that the through service between Wellington and New Plymouth should be conducted on much faster lines. I do not say anything about whether we should have a faster or a better service there or not; but if it seemed necessary to Mr. Maxwell, or if he was sincere in his wish that the New Plymouth service should be better and quicker, why did he not inaugurate a better service?

An Hon. MEMBER.—How could he?

The Hon. Mr. JENKINSON.—He was a Commissioner with supreme control, but he never took these steps to improve the service, except those which were in the way of increasing the difficulties that were likely to come in the path of those who came after him. Before leaving office he inaugurated some most expensive works, and gave orders to the shops that certain locomotives should be built—I suppose, with a view to increasing the service. He also gave orders that some very expensive work should be carried out between here and New Plymouth in reducing the grade of one of the sections on that line, and it was in consequence of this extra expense that part of the present dissatisfaction reigns in the railway service, and that men have to go on short time—he swelled the expenses so much with those works. I do not know if they were necessary, but, whether he intended it or not, what he then did increased the difficulties of those who came after him. Then, Sir, we have the Hon. Dr. Grace saying that when Mr. Maxwell was appointed one of the Commissioners, in 1888, the Government could not get an efficient man to take his place, because they did not offer a salary large enough. Now, regarding the salary of these Railway Commissioners and of railway officers, we are told by a great many honourable gentlemen that unless we give very high salaries we cannot get efficient men. But we have also heard and know that the Manawatu Railway Company has a most efficient service, and that it is a well-managed company. Yet I notice that a few weeks ago they advertised for a secretary for that company—that means really a general manager for the company; and they offered a salary of £400 per annum. While our Railway Commissioners were being

paid £1,200 and £1,000, the Manawatu Company have offered their secretary £400. And who took that position? One of the late Railway Commissioners—one of those gentlemen we were paying £1,000 a year to. He stepped into the breach and accepted the £400, and will, I have no doubt, do as good work there as he did in the Government service. I hope for any sake honourable gentlemen will not say that the efficiency of men entirely depends on the amount of their salary. I do not wish to reflect for one moment upon Mr. Hannay's action. I think he is deserving of the highest credit for attempting to carry on the work he is accustomed to, and, because he has accepted the salary of £400 a year, I do not wish to reflect upon him for a moment; but I say that his action in accepting that salary, and the action of the Manawatu Company in offering such a salary as that, is quite sufficient to prove that the salaries on the Government railways are far too high. Now, there is another point respecting the Railway Commissioners that I want to touch upon—I think it was touched on by the Hon. Mr. Richardson—and that was in reference to the Chief Commissioner. I want to know why this particular Commissioner was retained when these appointments were made. He was kept in the place he occupied, the Chief Commissionership, and had the power of veto. If, then, there was dissatisfaction reigning in the country through the action of the Railway Commissioners, why were not all made to suffer alike? Why was this Chief Commissioner kept on, and with the same power that he had before? We know perfectly well that he knew nothing at all about railways, although he had been cradled in the public service from his babyhood. We know that Mr. McKerrow, although he may have been a good Government officer in his particular department—the Survey Department—had not the slightest idea of what was required in connection with railways, and had not the slightest knowledge of the business connected with the running of trains. His sitting on the Board was a perfect farce, and he did nothing, so far as I am aware, to prove that he had the stamina or the qualifications to be Chief Commissioner, except that I find, on reading back, this about him: that he made this report concerning the railways. He says, in 1892, "The Commissioners are happy to be able to inform the Government that the relations between themselves and the railway servants are quite cordial and harmonious." That, I think, is a most palpable falsehood, and that it was so is known throughout the country. I have before referred to the matter of these railway servants being on short time, and we are told that the workshops men being put on short time is caused by a shrinkage of the receipts and revenue of the railways. I should like to know why the workshops men should be the ones singled out to make good the deficiency that is arising from the depression and through prices going down of wheat, *et cetera*. Five or six hundred men in the railway workshops throughout the colony

are put on five days' work a week. Some of these men receive only 6s. 6d. a day, and yet their pay is reduced from £1 16s. to £1 10s. a week, and that not only for the few winter months, but for six months of the year, because they are not to be put on full time again until the 15th October. That is the latest news: the workshops are to be started on full time on the 15th October. But why was that date chosen? Because four weeks will bring it to the November holidays, which, in Christchurch, amount to a week, and so, following the 15th October, they would only have three weeks' pay. And in December we have the Christmas holidays. So that for six months continuously they will be on short time and short pay. Why did not the Chief Commissioner, who has the power, say, "We will decrease expenditure by decreasing the number of trains," instead of screwing the whole out of the men? And why should not those who are receiving high salaries lose something? But no; what they say is, "We will reduce the men who are at work at 6s. 6d. a day, and who, instead of getting £1 18s., shall only get £1 10s.; but we will not touch the highly-paid men. They are to go right on." And in this present Bill we find that something of this old style is to continue—these class distinctions are retained. We find in one part of the Bill that the officers are to have their usual leave of absence, which amounts to from three to six weeks, and even up to twelve months in some instances, but that the employés—the men on 6s. 6d. a day—are to be content with one week. That is three days in addition to the three days they already get, and I thank the Government for that concession. This is simply continuing the class distinctions that have arisen in our railways, and the class distinctions that have been pretty well pointed out by the action of the Commissioners in putting the men at the railway workshops on short time for so long a period. My opinion of the Chief Commissioner of Railways is this—and I do not want to go behind people to say so: that he is too mummified and wrapped up in red tape to undertake the working of this department. The Chief Commissioner, and many of the other officers, have been too long in the public service, and when the slightest difficulty arises they take the easiest way out of the difficulty, and cut down the working-men. That has been the practice in the past. I think the Hon. Mr. Bolt has also referred to it. Before the reaction came, in 1890, it was supposed to be a sacred expression, "Touch the working-men first if there is any reduction to be made." On inquiring why the officers of the railways were not reduced as well as the men, I was told that the officers gave all their time—that is, they worked on holidays or overtime without extra pay. That, however, is simply a myth. Few of the officers ever work overtime. And, then, we are told that the officers are always at the call of the Commissioners. Now, a short time ago I saw a complaint in the Wellington papers calling attention to the fact that the heads of many

departments of the Government were to be found lolling about the Wellington Quay at twelve o'clock in the day, when their understrappers were doing the work in the offices. And I know that that nefarious system is carried on in the railways, for I have only to go back about a week to a day when I found two of the heads of the department drinking champagne at eleven o'clock in the Central Hotel when they should have been at their work in the offices. Well, Sir, I trust that this Bill will pass, and that the Minister who is to administer and control the railways will work them in the interests of the country. I sincerely hope that he will make it his first duty to teach the country, or attempt to teach the country, that revenue is not the only object for which the railways are run—that the object for which the railways were built was, and should be, to benefit the country. The country has borne taxation for roads without the slightest demur; and why should it not to a great extent bear taxation for railways? Why should we always look at the end of every four-weekly period to the percentage of receipts over expenditure, to see whether these railways are managed well or otherwise? It is impossible to tell from these returns whether the railways are giving satisfaction. It is impossible that they should give satisfaction if we say the only object we have in running them is to make money. I hope this will be one of the first improvements the Minister will make when he takes over the railways: that he will manage them with the view of serving the country, and not with the view of making them pay. I hope we shall hear no more carping and dissatisfaction because the railways are not paying, and I hope sincerely that the Minister will see that the railways are run for the benefit of the people, whether they pay or not. It was said that the last railway administration gave satisfaction. Now, I called attention last year to the dissatisfaction caused by the late Commissioners owing to the express train which runs from Dunedin to Christchurch having so few stoppages, and, in reference to that, I have the greatest satisfaction in saying that since the late appointment of Commissioners the gentlemen appointed have gone over the railways inquiring into complaints and grievances, and they have given the greatest satisfaction to the people between Dunedin and Christchurch by allowing the express to stop at certain stations. I think that bears me out in saying that, if the trains were run in the interests of the people, and the question of serving the country were made of more prominent importance than the question of revenue, the colony would indorse the action of the Government, and say it was quite right for the Government to take over the railways. I say that the country, if it were only properly served by the railways, would be only too glad to bear extra taxation to make up for any loss of revenue that might accrue from the increased cost of a better service. I remember last year, in the debate that took place on this

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subject, reference was made especially to the Canterbury District, and to the competition carried on against the railways by the owners of traction-engines. Well, it appears to me that the Government could go further in the matter by serving the country more in connection with its roads and railways, and I think that if the Minister who is to hold the portfolio of railways were to go further afield, and make a feeder to the railways by establishing a system of carriage on roads by means of traction-engines, he would do a great deal of good to the country, and also increase the traffic of the railways. This would be the means of giving the railways more work, and the farmers and stationholders would find the benefit, because a traction-engine would come straight to their barn or woolshed, and get loaded up, and, if a special form of truck to suit rail and road were adopted, take the load right into town to the wool- or grain-stores. There would be only one loading and one unloading. At present the farmer has to cart his grain to the railway, first loading it at his barn, and again unloading it at the railway-station; then he has to do the same in the town, loading at the railway-station and unloading at the grain-stores. I cannot see much difficulty in the way of the State further extending a system of direct carriage, and if the State owned a few traction-engines I think the result would be—in fact, I am sure it would be—a very much better plan than building branch railways, as has been done in the past, which has proved such a failure. While on this subject, I may say that it was referred to in the last Commissioners' report. Speaking of traction-engines carrying to railway-stations, they say,—

"This fact should cause no surprise, when it is considered that the roads and bridges are free to the owner of the traction-engine. He has no contribution to make, either of interest on capital, cost of road, or for maintenance; the ratepayers do that for him. The railways, on the other hand, provide nearly 3 per cent. interest on capital cost, and bear the entire cost of maintenance, which averages £140 per mile per annum."

If it can be proved to be the case in Canterbury that traction-engines could do this work better than railways, it indicates that there is something radically wrong. I say, with a view of meeting the evil, and lessening the expense to the farmers, the Government should at once take in hand the question of feeding the railways from the settlers, and that could be done by means of traction-engines and trucks made to suit both road and railway. As regards the railway system generally, there is another point: In Canterbury last year there were hundreds of tons of potatoes rotting, and they were actually thrown away, while men in the towns were almost starving. Surely it is a pity that families should be allowed to starve in this country. Why should we have such a state of things existing, and why should not the railways be utilised to bring this produce into the towns? The same remark may

also apply to firewood. There are hundreds of tons of firewood rotting in this District of Wellington, on account of bushfelling going on; and within thirty or forty miles of Christchurch it is the same, and it is the same at Dunedin. Yet we cannot, so far, utilise the railways to bring this into town. If the Minister will take this into consideration—namely, that the towns must be fed by the railways—and let the whole country bear the taxation and give us cheap carriage, we shall have a much better state of things existing in the towns. There will be less unemployed, because a good many of these men would be able to get up country and earn some means of support, while the expense would be almost nothing. It would simply mean taking empty trucks out and loading them up; and I feel sure that many men in New Zealand would be only too glad to load up those trucks with firewood if they had the chance. We have heard a good deal lately as to the high price of coal, and I think this is a case where the Government should step in and minimise the evil that exists by carrying the coal free, and also firewood, or by reducing the freight to a very small amount. I also hope the Minister will deal with the matter of salaries in the railway service. I do not think it is exactly the case that in the matter of salaries any comparison can be made with the Manawatu Railway Company; because they do not pay high salaries. I am quite sure, if the Minister follows the course that has been laid down by the present Minister for Public Works, he will take some step to put the salaries of the railway service on a more equitable footing. But there are a large number of items in the cost of maintaining the railways that could be also saved. One is, the lines being so frightfully curved—I do not refer now to the politically-crooked ones. I think that the matter of straightening the different lines could be taken in hand at once by the Government. It would, no doubt, be an expensive work, but it would be reproductive work. If we look at the Wellington-Pitone line we find that it is almost like a corkscrew; and many other lines are as bad. Honourable members must know the line between Lawrence and Milton, which is, I think, one of the most striking examples of curvature that could possibly be found; I do not suppose that there are 2 chains of straight line in the whole distance: and I think the Government might certainly take the matter in hand and straighten these lines. In a very few years the expense would be saved in wear-and-tear, from the less cost that would be required to keep the rolling-stock in repair. Then, we have the Rimutaka incline. Of all the stupendous monuments of stupid and foolish engineering, that line beats all. I am not quite sure, but I believe it was built by Mr. Maxwell.

An Hon. MEMBER.—No.

The Hon. Mr. JENKINSON.—I heard it was Mr. Maxwell. That section should be dealt with by the Government at once. There is one point on the Rimutaka incline where two or three miles would be saved by the con-

struction of a short tunnel. But it is simply a question of time when the Government will have to take into consideration the question of building a new line to Featherston, or to the plains beyond Featherston, by some other route than by way of the Rimutaka. There is also the question of stations. On the main south line, at the junction of the Otago Central, we have a station at Wingatui; there was already a junction—namely, at Mosgiel—a mile further on, and it would be very easy indeed to run the Otago Central line from there. I think the people in the district agitated some time ago with a view to getting the Otago Central to start from Mosgiel Junction instead of from Wingatui. They have there sufficient loops and sufficient shunting-lines to satisfy all requirements of the Otago Central for some time. And now, Sir, I should like to take this opportunity to say a few words in reference to a report that has been spread by a member of another place as to some action said to have been taken by the Railway Society just before the appointment of the last Commissioners. I refer to what is now known as the "railway black list." I say most emphatically—because I have been blamed for it by one newspaper in Wellington—that I never had the slightest knowledge of such a thing being in existence. I can also say that the Railway Society had not the slightest knowledge of such a thing being in existence; and I can also say that one of the Commissioners—the one who has been charged with connivance in regard to this list—is a man of honour, and very much above descending to such a depth as making any arrangements of the character hinted at as to the removal or dismissal of any railway men. This is the same gentleman who has been appointed a Commissioner; and I am very glad to find that he has been so appointed, because last year, in the debate on the Railway Bill, I said that he—Mr. Ronayne—was then considered by the railway men to be the most efficient officer in the railway service. I am very glad indeed that the Minister for Public Works did appoint that gentleman, as his powers and qualifications for the appointment are, I believe, everything that could be desired. Mr. Ronayne was blamed for entering into a ring with the Railway Society which would result in the dismissal of some of the men and in the reducing of others. I knew at once, and say now, that such a thing was very much below a man of Mr. Ronayne's honour. I have also heard it said, and I believe it is on record in *Hansard* of the present session, that Mr. Ronayne was not an acknowledged expert in railway matters. As I said before, the railway men thought Mr. Ronayne one of the most efficient officers in the service, and any person who knows his past history knows that he is a railway expert of very long standing. In regard to this matter, the Hon. Mr. Bowen, in speaking to-day on the present appointments, thought all the backbone was taken out of the Commission when the late appointments were made.

An Hon. MEMBER.—Hear, hear.

The Hon. Mr. JENKINSON.—I ask the

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honourable gentleman if there is no backbone in the present Commissioners. Did they not show backbone on the occasion when the Minister for Public Works and the country said just a few weeks ago that the grain rates should be lowered? The Commissioners then took up a stand and said, "No; if we decided to lower the grain rates there would be a loss of £40,000 a year." And they absolutely refused to make any concession regarding those rates unless the Minister would bear the responsibility of such action. I think their action on that occasion showed that the present Commissioners have backbone, and are not to be regarded as merely a buffer for the Minister for Public Works. I do not think, in regard to this Bill, that there is very much matter to discuss in it, or any fault excepting in regard to that part where it makes a distinction between the persons employed. All through the Bill we find the word "employés" and the word "officers." I think that the whole of the servants on the railways as a class ought to come under the term "employés." And on that point I wish also to refer to the matter of the Appeal Board. The Bill says,—

"One person to be elected by the officers of the railway service in the North Island and Middle Island respectively, and one person to be elected by the employés of such service in the aforesaid Islands respectively."

If we set up a Board on this constitution to deal with the grievances of the service, if the grievance affected both officers and servants, and if the whole of the servants were dissatisfied, how could the country expect justice from a Board constituted of those men who were elected by the parties aggrieved? Under the Bill two votes, I think, will decide the appeal, and therefore the Stipendiary Magistrate will not have any voice in the matter. I myself would rather see a Board composed of one person appointed by the Minister and of another person appointed by the employés,—not by the officers, but by the whole of the employés,—with the Stipendiary Magistrate as Chairman. I certainly also object to the provision which says, "Every decision of the Board shall be submitted for the approval of the Minister before it takes effect." I think that provision completely nullifies any good that might be done, and I am entirely against this Appeal Board. We had one before composed of really competent people, and it was found to be a complete dead-letter; and I am very much afraid that this Appeal Board will turn out on the same lines, if it is provided that every decision of the Board shall be submitted for the final decision of the Minister. It simply nullifies what little good might accrue from the Board being appointed. I have not the slightest hesitation in saying that the Bill will be accepted by the Council, and that the change will be accepted by the country, and that the country will indorse what the Government have done—or perhaps I should say what a private member has done—in saying that the railways shall come back direct to Government control.

The Hon. Mr. SHRIMSKI.—Sir, I rise to compliment the Government upon the acquisition in this Chamber of the honourable gentleman who has just addressed the Council. We have heard him for, I suppose, about two hours—for an hour and a half before the adjournment and for half an hour afterwards—and it seems to me that if there is one man in this country who is fit to conduct and carry on the railway system of the colony it is the honourable member who last spoke. The honourable gentleman has been lecturing us and advising the Government upon what is best to be done and how to do it; upon the straightening of the Rimutaka line, and upon taking the twists out of the lines from Dunedin to Lawrence, and from Wellington to Pitone. He has told us how to take these lines through the high mountains and bring them into proper shape and form. The honourable gentleman seems to me to be very sore; something must have hurt him during his lifetime to make him speak so ill of every officer in the Railway Department; but I might remark that it is a matter of record that if any officers were well used they were the officers of the Railway Department by the late Commissioners—Messrs. McKerrow, Maxwell, and Hannay. I am not in love with those gentlemen, but it ill becomes any man who occupies the position of the honourable gentleman to run down gentlemen who have endeavoured to do their best in the interests of the colony. They may have erred, but they erred for the benefit of the whole community in not giving way to one or two individuals who desired to benefit themselves. I say that the sole reason that these gentlemen have been disposed of is on account of the cry got up amongst the working-classes in the department against the Commissioners because they did not raise the wages to that extent that those classes expected they should be raised. With regard to Messrs. Maxwell and Hannay, we can simply say that they were two gentlemen who were well qualified for the positions they were called on to fill, who were able men in their profession, and who did their best in the interests of the Crown. As I have already stated, it ill becomes any one who has left the service to speak ill of them. With reference to the remarks made about the high wages paid to some officers in the department, the honourable gentleman referred to the position Mr. Hannay has lately accepted in the service of the Manawatu Railway Company and the salary he is to receive as compared with his salary as a Railway Commissioner; but the honourable gentleman did not point out the difference in his work and responsibility as compared with the work and responsibility of the position he formerly occupied in the Government service. When Mr. Hannay was in the Government service he was responsible for two thousand miles of railway, and he had much greater responsibility than he will have under the Manawatu Railway Company. He has now nothing to do with the outside working, but only to attend to office-work, for which he is to receive £400 a year: and I think, if an honourable

member rises here for the purpose of bringing charges against a man, and says that he was not worth high wages, he should be truthful in the matter. However, I was not at all surprised when I heard the honourable gentleman making that speech, for I well remember one he made on a former occasion, which I do not wish to refer to now. I have been in Parliament now twenty years, and I have heard a great number of speeches delivered in my time, but I have never listened to one more degrading to the position the honourable gentleman occupies in this Council than the speech the honourable gentleman delivered this afternoon.

An Hon. MEMBER.—Oh, oh!

The Hon. Mr. SHRIMSKI.—You may "Oh, oh!" as much as you like, but I will show my reason for what I say. The honourable gentleman referred to two officers of a certain department and said that, instead of being in their offices, he found them in the Central Hotel drinking champagne. Well, Sir, I did not know that we had a detective amongst us.

An Hon. MEMBER.—You were not there.

The Hon. Mr. SHRIMSKI.—If I had been there you would have found a gentleman, and you would not have heard me talking about men whom I saw taking a glass of champagne. It is a wonder to me that the honourable gentleman did not give their names. The honourable member also went into a long rigmarole as to the way we should manage the railways, and he asked, as we did not use the roads and bridges in order to make a profit out of them, why should it be necessary to make the railways pay a return? I say it is a different thing. The roads and bridges are constructed by the local bodies, and they must get the money for them by means of local taxation direct from the people; but in the case of the railways it is entirely different, and the railways ought to be made to pay, to bring in a return for the money invested in them. If the railways are to pay nothing, I should like to ask where the money is to come from. The roads take very little to maintain; but the railways, after they are constructed, require a great deal of money for maintenance; and if they return nothing where is the money to come from? The honourable gentleman contradicted himself a great deal on that point, and I trust that, in future, when he gets up to speak he will make himself clear. I do not wish to go any further into this matter, but I think the honourable gentleman should in future adopt a more modified tone before he makes further statements of the kind in this Council: and I think the railway men should watch the kind of individuals they have allowed to get into the railway society. I intend to support the Bill, but I would rather have in the control one Commissioner who would sit in the other Chamber and answer any questions that might be asked relative to the railway service. As, unfortunately, that cannot be done, the next best thing is for the Government to take over the railways, and therefore I shall vote for the Bill. All I can say is this: that I pity the Govern-

ment for the trouble that will be put upon Ministers, through the pressure of honourable members to bring all their friends of "the right colour" into the service. I have not the slightest doubt that my honourable friend the Colonial Secretary, before he is very much older, will very much regret having introduced this Bill.

The Hon. Sir P. A. BUCKLEY.—Sir, I have a word or two to say to my honourable friend Mr. Jenkinson. I listened with pain to many of his remarks, and I listened with very great pain to the language he used about certain high officials. That, Sir, is not a question that is before this Council. It is not a question of the character of those men; they were selected for their positions, and I am quite sure they would not go to my honourable friend for a character if they wanted one. Sir, there has not been a single Government measure introduced into this Council which that honourable gentleman has not attacked, not excepting even the Shop-hours Bill. Everything is wrong, and this Bill is wrong from head to foot. There is no single clause of the Bill worthy of consideration, if we except one or two points which the honourable gentleman seems to think fit to approve of. The honourable gentleman has lectured the Government here to-night, and I am satisfied that this Council will not tolerate such language from any member of the Council, and, above all, will not tolerate from any young and inexperienced member of this Council attacks upon the characters of officials of high standing, when those officials have not any opportunity of reply. Sir, I am not in favour of those gentlemen; I never was in favour of these Commissioners; but I say it is a monstrous thing for any member of this Council so to attack any official. How can an official put his heart in his work if attacks of this character are made upon him? I am sorry to hear any one holding the high position of a member of this Council attacking officials in that way. As I stated, I was opposed to the Act taking the property in the railways from the Queen and handing it over to Commissioners. I was opposed to that from the first; I thought it a mistake, and have never ceased to think so, and that is the reason I wish to have it restored. But we made a great mistake in this colony. We have been looking round for an expert for military purposes, and we have found one; but we made the biggest mistake in that we did not discover in the honourable gentleman who has been lecturing the Government on every Bill a railway expert who could have straightened the whole of the lines by a stroke of his pen; and yet that honourable gentleman knows very little of the merely mechanical part of the duties which he had to perform! He little knows the trouble a Minister has regarding these matters. He little knows the amount of labour to be performed, or what work has to be done. The honourable gentleman sits confidently there, and knows nothing whatever about the labour or the nature of the work that has to be done by men who have the interests of the country at heart, and who, I

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undertake to say, have the interests of the very people he pretends to favour more at heart than he has himself; and I say that I am one of them, and that I will yield to no man in this Council in my honest desire to see the working-classes put on a proper footing. I have been one of those who have favoured more than any other the working-men of this country, and I venture to say there is no one they have more confidence in, though I say it myself. I am obliged to speak so warmly, because the honourable gentleman's attack has been made in such unmeasured language. He, first of all, characterized this as a bastard measure.

The Hon. Mr. JENKINSON.—Will the honourable gentleman allow me to ask in what way I attacked the measure?

The Hon. Sir P. A. BUCKLEY.—I have explained, and am explaining, that the honourable gentleman informed the Council that this was a bastard measure, in the way the Bill was introduced by the Government in another place.

The Hon. Mr. JENKINSON.—Pardon me, I did nothing of the sort.

The Hon. Sir P. A. BUCKLEY.—I took the honourable gentleman's words down, and I ask *Hansard* to record them. He said it was a bastard measure, introduced in another place.

The Hon. Mr. JENKINSON.—Yes, the Bill was introduced in another place.

The Hon. Sir P. A. BUCKLEY.—I am not going to be interrupted by the honourable gentleman, and I trust that you will protect me, Sir. He said this was a bastard measure, but the Bill was introduced in the other House, and was a Bill of the same character which the Minister had before the elections told the people the Government intended to introduce into Parliament—that was, a measure to give to the Minister a controlling or, at least, a responsible position on that Board. The Government placed alternative proposals in the measure. They placed that proposal and an alternative one. This was the one that was adopted by the representatives of the people; and the Government, feeling that the representatives of the people preferred that they should introduce the measure in its present shape, accepted it. Yet this is what the honourable gentleman calls a bastard measure! Sir, it was in direct obedience to the will of the people, in direct obedience to the will of the representatives of the people in another place that the Bill has reached this Chamber in the form in which it is now. I say this to the honourable gentleman: He has from time to time charged people with not having the courage of their opinions—with speaking against a measure and voting the other way. I ask him now to vote against this Bill, if he has the courage of his opinions. I dare him to do so, for he has spoken against it as much as any one. I ask him to vote against the measure. He would not dare to go down to Christchurch if he did. There was one argument he used that I will briefly refer to. He said that the Government should make them-

selves the possessors of the traction-engines. Sir, is there to be no private enterprise? Are we to have our meals regulated, our time for going to bed regulated, by the State? Is everything to be done by the State? What nonsense, to be sure! If we get the traction-engines, and have the honourable gentleman regulating them, the country is to go right. That is the position. And, then, the enormous and magnificent argument in favour of that was that there were men starving in Christchurch, and farmers were prepared to give them potatoes, but they would not go to the farmers for the potatoes, and the farmers must bring them to the men! That was the argument the honourable gentleman used. Well, Sir, a man deserves to starve if he cannot go for his own potatoes. My honourable friend Mr. Shrimski has anticipated pretty well everything I had to say to him in other respects, and so I will now leave him to the consideration of the Council. I wish to say a word or two about some of the remarks made by my honourable friend Mr. Pharazyn. He has referred to what he considers the injustice of a subsection of a clause of this Bill. Sir, there is no injustice in that; it is for the purpose of protecting the rights of those who are entitled to them; but he was under the impression, wrongly, as he informed me afterwards, that the rights of some officials who had left the service—that is, of the two Commissioners—were not protected in the same way. This afternoon I was informed officially that every right to which they were entitled on leaving the Service was granted to them on leaving the Service, so that the object is really to protect precisely the same rights of one or two others who are still in the Service and entitled to be considered as Civil servants. My honourable friend also, with that—I was going to unsex him and call him Cassandra, but that would not be right—he is hardly that; but my honourable friend is always gloomy; everything is going to be wrong; but still he is going to vote for the Bill. I have never known him to take any other view than that of melancholy foreboding and a Cassandra-like fear. I have noticed that often; but still the colony has survived, notwithstanding his prophecy. I was under the impression, when my honourable friend Dr. Grace spoke this afternoon, that, in my anxiety to place before the Council the fullest information with regard to the measure, I had used some language which might in some degree be taken as reflecting upon individuals who have been connected with the railways. That was the last thing I had any intention of doing, and if any language of mine could have conveyed that idea to the honourable gentleman I must certainly say it was not intended. Sir, it is all very well to attack public servants. I myself, like many other people, before I came in contact with them had very peculiar notions of them. But when you see these men at their duties, the assiduity they bring to bear upon the labours they are engaged in, the loyalty they give to any Government, no matter what Government it may be—Sir, I speak as having

had some years' experience amongst them, and I venture to say that no living man has a higher opinion of the Civil Service of New Zealand than I have, for a more faithful, loyal body of men there could not be, even though they may not feel with you, or may be opposed to you politically. Now, I have just one word to say to my honourable friend Mr. Stevens, and I hope he will give me the same permission that I gave him. He said he hoped he would be permitted to use the expression that this would be used for the purpose of grasping political power. I would say that no Government ever grasped more political power than the Government my honourable friend was at the end of, for he was not originally one of the Continuous Ministry, but joined it towards the close of its career.

The Hon. Mr. STEVENS.—Why imitate our example?

The Hon. Sir P. A. BUCKLEY.—Well, evil communications corrupt good manners, or morals. I have no fault to find with my honourable friend, but I will ask permission to use the same language that he did, and I say that no Ministry grasped political power so ardently and effectively as the Government of which my honourable friend was one. Sir, I have nothing more to say.

The Hon. Mr. JENKINSON.—May I make a personal explanation? The honourable gentleman has put words into my mouth which I did not use. He said that I called this a bastard Bill. What I said was that the Bill as introduced into the other Chamber was a bastard Bill. The Bill we have now been discussing I am in favour of, and will vote for.

Bill read the second time.

SHOPS AND SHOP-ASSISTANTS BILL.

IN COMMITTEE.

Clause 2.—Interpretation.

The Hon. Mr. ORMOND moved, That the following subsections be added at the end of the clause:—

“‘Office’ means any building or place used as a banking office, insurance office, or for any other business or commercial purpose:

“‘Office employé’ means any person employed in any office as defined in the preceding paragraph.”

The Committee divided on the question, “That the words proposed to be added be so added.”

AYES, 14.

Acland	Jennings	Shrimski
Bolt	Ormond	Stevens
Bonar	Pharazyn	Swanson
Bowen	Reynolds	Williams.
Grace	Rigg	

NOES, 11.

Barnicoat	Kelly	Montgomery
Buckley	Kerr	Richardson
Dignan	MacGregor	Whyte.
Feldwick	McCullough	

PAIR.

For. Oliver. Against. Jenkinson.

Majority for, 8.

Amendment agreed to, and words added.

The Hon. Mr. REYNOLDS moved to strike out from the definition of "shop-assistant" the words "or any member of the shopkeeper's family."

The Committee divided on the question, "That the words proposed to be omitted stand part of the clause."

AYES, 11.

Bolt	Jennings	McCullough
Buckley	Kelly	Montgomery
Dignan	Kerr	Rigg.
Feldwick	MacGregor	

NOES, 14.

Acland	Ormond	Stevens
Barnicoat	Pharazyn	Swanson
Bonar	Reynolds	Whyte
Bowen	Richardson	Williams.
Grace	Shrimski	

PAIR.

<i>For.</i>	<i>Against.</i>
Jenkinson.	Oliver.

Majority against, 3.

Amendment agreed to, and words struck out.

Clause 3.—Shops to close on one working-day at one o'clock.

The Hon. Mr. RIGG moved, That the words "one working-day" be struck out, in order to insert the word "Saturday."

The Committee divided on the question, "That the words proposed to be struck out stand part of the clause."

AYES, 20.

Acland	Grace	Pharazyn
Barnicoat	Jennings	Reynolds
Bolt	Kelly	Shrimski
Bonar	MacGregor	Stevens
Bowen	McCullough	Swanson
Buckley	Montgomery	Williams.
Dignan	Ormond	

NOES, 3.

Feldwick	Rigg	Whyte.
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Majority for, 17.

Amendment negatived, and words retained.

The Hon. Mr. MONTGOMERY moved, That at the end of the first paragraph the following words be inserted as the second paragraph: "It shall not be lawful for any hawker, pedlar, or itinerant vendor of other wares than fish, fruit, vegetables, or confectionery to ply his trade in any city, borough, or town district on any afternoon on which shops are required by this Act to be closed."

The Committee divided on the question, "That the words proposed to be inserted be so inserted."

AYES, 9.

Acland	Dignan	McCullough
Bolt	Feldwick	Montgomery
Buckley	Jennings	Rigg.

NOES, 14.

Barnicoat	MacGregor	Stevens
Bonar	Ormond	Swanson
Bowen	Pharazyn	Whyte
Grace	Reynolds	Williams.
Kelly	Shrimski	

PAIR.

<i>For.</i>	<i>Against.</i>
Jenkinson.	Oliver.

Majority against, 5.

Amendment negatived.

Clause 4.—Particular exceptions.

The Hon. Mr. SHRIMSKI moved, That the word "may," in subsection (2), be struck out, for the purpose of inserting the word "shall."

The Committee divided on the question, "That the word 'may' stand part of the clause."

AYES, 13.

Acland	Dignan	McCullough
Barnicoat	Jennings	Montgomery
Bolt	Kelly	Ormond
Bowen	MacGregor	Rigg.
Buckley		

NOES, 9.

Feldwick	Reynolds	Swanson
Grace	Shrimski	Whyte
Pharazyn	Stevens	Williams.

PAIR.

<i>For.</i>	<i>Against.</i>
Jenkinson.	Oliver.

Majority for, 4.

Amendment negatived, and word "may" retained.

New clause 9.—Mode in which day for closing shops to be fixed.

The Hon. Mr. BOLT moved, That the following subsection be added:—

"In the event of any day other than Saturday being appointed by the local authority as closing-day under this Act, then any shopkeeper shall be entitled to close his shop on Saturday in lieu thereof, on giving notice to the Inspector of his desire to do so. Such notice shall be lodged with the Inspector during the month of January in each year, and shall be taken as proof of the facts therein stated."

The Committee divided.

AYES, 12.

Acland	Dignan	Rigg
Barnicoat	McCullough	Stevens
Bolt	Ormond	Swanson
Bowen	Pharazyn	Williams.

NOES, 7.

Buckley	Kelly	Reynolds
Feldwick	Montgomery	Shrimski.
Jennings		

PAIR.

<i>For.</i>	<i>Against.</i>
Oliver.	Jenkinson.

Majority for, 5.

Subsection added to the clause.

Bill reported, with amendments.

The Council adjourned at a quarter to eleven o'clock p.m.

HOUSE OF REPRESENTATIVES.

Friday, 21st September, 1894.

First Reading—Taekata te Tokoiti—Taita Constable—North Island Trunk Railway—Wellington Land-sales—North Canterbury Charitable Aid Board—Fruit Duty—Local Bodies' "Thirds" and "Fourth"—Awamoko Dairy Factory—Amalgamation of Colonial Bank and Bank of New Zealand—Feilding Library—Graduated Taxation—Tax on Mortgages—Otago Central Railway—Lands Improvement and Native Lands Acquisition Bill.

Mr. SPEAKER took the chair at half-past two o'clock.

PRAYERS.

FIRST READING.

Tramways Bill.

TAEKATA TE TOKOITI.

Mr. W. KELLY asked the Native Minister, If the recommendation of the Native Affairs Committee of last session on the petition of Taekata te Tokoiti has been carried out? If not, is it the intention of the Government to give effect to the recommendation—namely, that this petition should be referred to the Government, with the recommendation that an inquiry should be held into the matter at Rotorua? The matter had been before the House on several occasions. Last session the Native Affairs Committee had made a recommendation that an inquiry should be held into the matter. Nothing, however, had been done, and he wished to know what the Government intended to do.

Mr. SEDDON said nothing had been done as yet, but the recommendation of the Committee would receive every consideration at the hands of the Government, who would go into the matter carefully.

TAITA CONSTABLE.

Dr. NEWMAN asked the Minister of Defence, If he will appoint a constable for the Taita district, in the Hutt County? This was a growing and important district, and he had been asked by some of the residents to move in this matter, as there was a considerable distance between the Lower Hutt and the Upper Hutt.

Mr. SEDDON was afraid that the Government would not be able to comply with the honourable gentleman's request, for, from information received, it appeared that the Taita was included in the Lower Hutt police district, the distance from the Lower Hutt station to the Taita being only three miles and a half. The Lower Hutt constable, who was a mounted constable, visited the Taita four times a week. No complaints had been received of want of police supervision in the district, and it was not considered necessary at present to open a police-station there. Taking the population, and comparing it with other parts of the district, and seeing that the residents there really, as far as he could gather, were very law-abiding, he did not think there was any necessity for a police-station: in fact, he believed it

would be rather a reflection upon them to open a station there.

NORTH ISLAND TRUNK RAILWAY.

Mr. MITCHELSON asked the Minister of Lands, If he will inform the House of the amount now owing to the North Island Main Trunk Railway Loan for moneys used for the purpose of acquiring Native land under the provisions of the North Island Main Trunk Railway Loan Application Act; and if he will, out of the £250,000 that is now annually, for a period of three years, to be devoted to the purchase of Native lands, repay to the credit of the North Island Main Trunk Railway such sums of money as have been taken from it under the above-named Act, and thus enable provision to be made upon this year's estimates for the further construction of the railway for which the loan was originally "ear-marked"? He would point out to the honourable gentleman that it was absolutely necessary a further sum should be provided for the construction of this railway. The Financial Statement showed that the only sum available out of the loan for this work was £79,000, and against that there were liabilities amounting to £29,000, leaving only £50,000 for further works on this important railway. Seeing that the Government were providing sums of money for the construction of railways in other parts of the colony which were not of so much importance from a colonial point of view as this one, something ought really to be done for this line, in order that the Wellington Provincial District might be connected by-rail with the Auckland Provincial District.

Mr. J. MCKENZIE said the honourable gentleman would see, by the Bill which was presently to be discussed, that the Government were only asking for £250,000 for the purpose of purchasing Native lands. From a return which he held in his hand he noticed that £220,000 had already been taken out of the North Island Main Trunk Railway Loan for the purpose of buying Native lands. The present Government had not taken that money: £100,000 had been taken by the Stout-Vogel Government and £120,000 by the Atkinson Government. If the present Government were to be called upon to restore these two sums of money, amounting to £220,000, out of the £250,000, it would leave them only £30,000 with which to buy Native lands this year.

Mr. MITCHELSON said it was to be distributed over three years.

Mr. J. MCKENZIE said the Government were asking, in the Bill he had referred to, for money for one year. The money had been taken out of the loan by Act of Parliament, and to restore that money he thought it would require another Act to be passed. He was of opinion that it would be far better if the honourable gentleman asked the Government if they were prepared to pass another Bill to raise this £220,000 for the purpose of paying back the money. At any rate, he might inform the honourable gentleman that it would be impossible to refund the £220,000 out of the

amount of money which the Government was asking the House to authorise.

WELLINGTON LAND-SALES.

Mr. PIRANI asked the Minister of Lands, If he will instruct the Superintending Surveyor and Under-Secretary for Lands to consult the Commissioner of Crown Lands with regard to the dates of land-sales in the Wellington District before printing the plans, so that such sales will not clash, as at present, with the monthly meetings of the Land Board? He would point out to the Minister that the last three land-sales held in the Wellington District had been fixed for days appointed for the meetings of a Land Board. The result had been great inconvenience to a number of people who had come in from the country to attend the meetings of the Board. He thought that some arrangement should be made by which these sales would be held on other dates.

Mr. J. MCKENZIE said the dates of the land-sales in the Wellington District were fixed by the Commissioner of Crown Lands, who was also Chairman of the Board, and he thought it would be for that gentleman to fix dates which would give satisfaction to the members of the Board. However, it was sometimes necessary for plans to be prepared, and Proclamations to be issued, and so forth, so that it was not always possible to fix the exact dates on which the sales should be held very far in advance of the meetings of the Board. He was informed by the department that it was not necessary for the members of the Board to come in contact with the general public.

Mr. PIRANI said he referred to the Commissioner.

Mr. J. MCKENZIE said he would communicate with the Commissioner and see if some better arrangement could not be made.

Mr. PIRANI said that some of the sales of land were held outside the Town of Wellington—for instance, at Waverley and other places—and when the Commissioner of Crown Lands was away at those sales he could not preside at the meetings of the Board.

NORTH CANTERBURY CHARITABLE AID BOARD.

Mr. COLLINS asked the Government, Will they appoint a Commission armed with full powers to inquire into the serious allegations made against the North Canterbury Charitable Aid Board (1) with reference to the high salaries paid to officials, and (2) as to the manner in which charitable relief is dispensed; and so satisfy themselves and the public that, if untrue, an unjust stigma may be lifted from the Board, and, if true, that such steps may be taken as may be necessary to insure speedy and effective change in the administration of charitable aid? His attention had been drawn to the necessity of placing a question of this kind on the Order Paper by reason of certain correspondence, and also certain editorials, which appeared in one of the Christchurch papers; and, furthermore, the allegations made in those articles and letters were borne out to some

extent by repeated complaints made to him by certain persons in Christchurch. If the allegations were unfounded, it was only a matter of justice that the Board should be relieved of the stigma which had been cast upon it.

Mr. REEVES said the Government could not appoint a Royal Commission because there were certain rumours in the air. He might say that efforts had been made more than once to ascertain whether there was anything in the statement made, anonymously, concerning the Charitable Aid Board, but they had never been able to get any evidence. Were specific charges made, he would certainly have the greatest pleasure in asking the Cabinet to appoint a Royal Commission, or he would take some other means of having the matter inquired into.

FRUIT DUTY.

Dr. NEWMAN asked the Colonial Treasurer, If the Government intend this session to bring in a Bill to increase the duty upon fruit, as announced in the Financial Statement, or if this part of their policy has been finally abandoned?

Mr. SEDDON said the Government would endeavour to give effect to the policy propounded in the Financial Statement. If circumstances prevented their carrying out the whole of that policy this session they would regret it, but whatever they did would bear good fruit.

LOCAL BODIES' "THIRDS" AND "FOURTHS."

Mr. G. HUTCHISON asked the Colonial Treasurer, In what account annexed to the Financial Statement is included the sum of £28,799 8s. 10d., held on account of local bodies in respect of "thirds" and "fourths" on the 31st March last?

Mr. WARD said the account was not included in any table attached to the Financial Statement.

Mr. G. HUTCHISON asked the Minister of Lands, If he has yet had the opinion of the Law Officers as to whether moneys deposited on account of surveys on the selection of unsurveyed land should be subject to contributions of "thirds" or "fourths" (according to tenure) to the local bodies interested; and, if such opinion has been obtained, whether the Minister has any objection to inform the House of the effect of such opinion?

Mr. J. MCKENZIE said he had not yet received the reply of the Law Officers of the Crown. When he did receive it he would let the honourable gentleman know.

AWAMOKO DAIRY FACTORY.

Major STEWARD asked the Minister of Agriculture, Whether, in accordance with the request of the settlers in the district of Awamoko, North Otago, he has given or will give directions to one of the dairy experts to proceed to that locality to advise the settlers as to the best steps to be taken with a view to the establishment of a dairy factory? He had the honour on the previous day to hand to the

Mr. J. McKensie

Minister of Lands a telegram from a gentleman well known to the honourable member, asking that some assistance should be given to the settlers in that district in establishing a dairy factory. He need scarcely point out that, owing to the low price of grain, farmers in Canterbury had had to change very much their system of farming, and go in more for dairying: in fact, he thought that was going to be their salvation. As the honourable gentleman took very great interest in his department, he did not think it was necessary to press him to comply with the request of the settlers.

Mr. J. MCKENZIE said he had already given instructions, and an officer of the department had been sent to Awamoko.

AMALGAMATION OF COLONIAL BANK AND BANK OF NEW ZEALAND.

Mr. O'REGAN asked the Colonial Treasurer, If, before Parliament is asked to consider the proposed amalgamation between the Colonial Bank and the Bank of New Zealand, the Government will place clearly before this House the present value and nature of the assets of each bank, and the amount each has invested in real estate (1) within the colony and (2) without the colony? Also, will the Government obtain, for the information of members, an approximate estimate of the present value of such real estate? Also, if the Government will at once refer the memorandum of amalgamation of these two banks to the Public Accounts Committee for investigation and report? He was prepared to hear the Colonial Treasurer say this was too large an order. No doubt it was a very large order, but it would place before honourable members some idea of what they were asked to undertake if it was proposed to amalgamate those two banks. Although it might be somewhat difficult to get this information, still honourable members should have it before they were asked to discuss, much more to sanction, the proposal to amalgamate the banks. He might state that there was a slight inaccuracy in the question. In the assets of the Bank of New Zealand he meant also to include the value of "the globo assets." Even if the question were not answered so satisfactorily as he should like, still it would show the House what a gigantic matter this was, and his fellow-members would see that they were asked to take a step in the dark, unless placed in possession of the information he sought.

Mr. SPEAKER said the honourable member was introducing matter highly argumentative, which would be quite suitable in making a motion, but not in asking a question.

Mr. O'REGAN did not wish to introduce argumentative matter, but he wished to point out that unless they had the information alluded to they would be taking a step in the dark.

Mr. WARD said he had stated the other day that the Government had this matter under consideration, and until they had come to a decision he could not give an answer to the question.

Captain RUSSELL asked if the Government would give the House more information as to when they intended dealing with this question. A circular had been issued calling a meeting of shareholders of the Colonial Bank for the 26th instant.

Mr. WARD hoped the Government would be able to give the House the information before that date.

Captain RUSSELL.—And the Bill?

Mr. WARD said they had no Bill at present. Perhaps the honourable gentleman had better wait till the information was given.

Captain RUSSELL wished to know what was the answer of the Colonial Treasurer to the last part of the question—namely, if the Government will at once refer the memorandum of amalgamation of these two banks to the Public Accounts Committee for investigation and report.

Mr. WARD said his reply must be on the same lines as the reply he had on a previous occasion given to a question put by the honourable member for Palmerston—namely, until the Government had considered the memorandum and had arrived at a decision upon it they would not refer it to the Public Accounts Committee.

FEILDING LIBRARY.

Mr. STEVENS asked the Minister of Justice, Whether the Government will vest in the Feilding Borough Council, for the purpose of erecting a public library, an area of land sufficient for that purpose out of the land upon which the Courthouse stands in the said borough? The Courthouse stood in an allotment of about half an acre, which was a great deal more than was necessary for the purpose. He hoped the Government would see their way to vest a small portion of the land in the library committee.

Mr. REEVES said the land surrounding the Courthouse was only a quarter of an acre, and Feilding was such a flourishing township, surrounded by such a growing district, and

3.0 it was so obvious that the town must progress, and that a larger Courthouse would be required there, that the Government did not think it desirable to part with any portion of the reserve.

GRADUATED TAXATION.

Mr. LARNACH asked the Colonial Treasurer, Whether he will consider the equity and justice of applying the graduated system of taxation to all properties held in this colony of a higher value than £210,000, so as more equally to distribute taxation on the shoulders of those better able to bear it?

Mr. WARD might say that there were three taxpayers in the colony with lands of a higher unimproved value than £210,000. One of them paid graduated tax on £812,982, another on £676,243, and the third on £346,811, the rate in each case being 2d. in the pound. The Government had not considered as to whether it was desirable to increase the amount beyond £210,000. It was not proposed at present.

TAX ON MORTGAGES.

Mr. LARNACH asked the Colonial Treasurer, Whether he will consider the propriety and fairness of relieving taxpayers of payment on mortgages under the graduated system of taxation, in like manner as the primary and ordinary taxation under the direct system?

Mr. WARD said this matter was one which was under the consideration of the Government, and he might say it was proposed to make an alteration in connection with this matter. That alteration would be seen when the Land and Income Assessment Bill was circulated.

OTAGO CENTRAL RAILWAY.

Mr. LARNACH asked the Government, If they will supply correct information of the actual balance now due and owing from the several large sums set apart by different Governments, and specially placed under the supposed *bond fide* scheme of being "ear-marked," for the purpose of promoting and carrying on the Otago Central Railway-line, after deducting all moneys that have been really expended on the said railway-line since any of the moneys referred to was first "ear-marked"?

Mr. SEDDON said, with a view of assisting the honourable member to obtain the necessary information, and so as to save a return being asked for, he had requested the department to give him some details as to the amount "ear-marked" for expenditure on the Otago Central line and of the amount expended. The only amounts specially borrowed and "ear-marked" for the Otago Central were as follow: "Loan Act, 1882," £300,000; "Loan Act, 1886," £140,000; "Loan Act, 1888," £85,000; permanent way, *et cetera*, £80,000: total, £605,000. The total expenditure on the line to the 31st March last amounted to £621,719, in addition to which a further amount of £15,504 was chargeable for rolling-stock, making a gross total of £637,223: so that not only had the total amount "ear-marked" been expended upon it, but £32,223 had been found in addition.

LANDS IMPROVEMENT AND NATIVE LANDS ACQUISITION BILL.

Mr. J. MCKENZIE.—In rising to move the second reading of this Bill, I may say it is one of those peaceful measures which I have no doubt every member of the House will support. Honourable members know that in the Financial Statement brought down by my colleague the Colonial Treasurer he outlined the fact that the two sums of money necessary for the preparation of land for settlement and for purchase of Native land were to be asked for under the Bill now before the House, and I think, of all the measures indicated in that Statement, this one ought to be the most acceptable to the House. Therefore it is unnecessary for me to occupy the time of the House at any great length in expatiating on the profits and benefits to be derived by the colony through the passing of this Bill. Honourable members must be aware that it is almost impossible to carry on the work of colonisation in a young country

like this out of the ordinary revenue of the country, and there has been no period in the history of the colony when it was more necessary to make ample provision for roads and bridges in the colony than it is at present. In evidence of that, I would point out to the House that at the present moment applications are before the Government for three times the amount of money that is set forth here as being proposed for roads and bridges. In connection with this matter, and to give even anything like justice to the various claims that have been made on the colony to open up Crown lands by roads and bridges, it would be necessary to have this amount of money along with the other sums we have at our disposal. Sir, there are provisions in this Bill not only for roads and bridges to open up Crown lands which we are at the present time disposing of, and which are already being surveyed for the purpose of being disposed of, but also for the purpose of opening up lands we may acquire at any time. There is also provision in the Bill to the effect that a certain proportion of this money may be used for the purpose of improving land before putting settlers on it. Last year we took a vote for that purpose, and we have made a commencement in that way, and so far as that commencement has gone it has been very satisfactory, and we intend to extend that system of improving land by felling bush, grassing it, and then disposing of it to settlers, who can get work, so that we may help these men and give them a start on their own farms, after which they will have to pay to the Crown interest on the value of the money so spent in making improvements, and which is to be added to the capital value of the lands. Then, we have in contemplation in this matter the starting of several others of these improved farm settlements, some of them in the North Island, some of them in the extreme north, some of them in the Wellington District, some in Otago, and, in fact, all over the colony we wish to have a few of these settlements. Honourable members will understand that the amount of money we can use for this purpose will, to a certain extent, be limited. It cannot be a very large sum, and the work cannot go on very fast; but still we think it is one of those works which will pay the colony eventually very well to go into, and one of those works through which we shall be able to get a large number of people placed on the land. Then, there is the question of village settlements. We are getting a good many more village settlements established throughout the country, and they want some assistance to start upon the first year or two, and that also will be provided for out of the moneys in the first part of this Bill. Then, Sir, with regard to this Bill, honourable members will see that it is divided into three Parts. The First Part provides for a sum of £250,000 for roads and bridges, and for improved lands, as I have already stated. Honourable members will see, moreover, that all the money under this Part of the Bill will have to be voted by Parliament. The Minister of the day will have to bring estimates

before the House, and the approval of the House will have to be given before the money can be expended, and the House itself will have full control over the expenditure.

Mr. MITCHELSON.—What about clause 9 and the proviso to it?

Mr. J. MCKENZIE.—Clause 9 states where the money is to be put when raised. It is to be placed in a certain fund called the Lands Improvement Account, and in order to be paid out of that account it must first be appropriated by Parliament. Honourable members will see by sections 3 and 4 that Parliament will have first to approve of the money before any of it can be paid to any one. This Part of the Bill does not apply to Native lands. It is in the Second Part that we make provision for the purchase of Native lands, and honourable members will, I am sure, agree with me that there is no object to which we could better apply any money at our disposal. And, when I explain to the House that we have at the present time under negotiation very large areas of Native lands, it will be seen by honourable members that it is impossible to close these negotiations for the purchase of these Native lands without having the means to do it with. We have in the King-country an area of from seven to eight hundred thousand acres under negotiation, and we have in the Gisborne and Waiapu district from five to six hundred thousand acres under negotiation. We have of the Awarua Block a balance of a hundred and thirty thousand acres, over and above what we have already purchased, under negotiation. We have under negotiation in the Wanganni district three hundred thousand acres. These are some of the larger areas that we have under negotiation. But in addition to these there are areas in other parts of the colony, not so large in extent, but which will be of very great importance with regard to settlement to those parts of the colony where the land is situated. Then, to complete these negotiations, and to successfully carry out the desire which I am sure this House must feel—namely, to bring these large areas of Native land into a more productive state than they are in at the present time—it will be necessary to set aside a portion of this money for the purchase of Native lands, for the purpose of roading the land and making it accessible for settlement, to pay for surveys, and so forth. Part III. makes provision for raising these funds, and states how the moneys are to be provided, and so on. On the whole, Sir, I think honourable members will agree that this Bill will meet their views, and I have no hesitation in saying, in connection with the roads and bridges, honourable members will admit that we have endeavoured to meet the demands in the various portions of the colony; but we find that there will not be sufficient funds to go on without some assistance of this nature. I may say it is useless, in my opinion, to place people on the land unless you provide them with the means to get to and from their holdings. You may place settlers on a block of bush-land; but to keep them there successfully, and to enable the district to progress, we

shall have to give them the means to get into their country. Without that, I am afraid it will simply mean a lingering death to them. Several amendments will be necessary in Committee to provide for the more easy working of the measure, which were somehow overlooked when the Bill was drafted. I shall also be prepared to accept any reasonable amendments that honourable members may see fit to propose. I hope, Sir, there will be no objection to the second reading of the Bill.

Mr. MITCHELSON.—Sir, I do not rise for the purpose of offering any opposition to the Bill, which I consider is a desirable one, and one that will meet with approval in all country districts throughout the whole of the North Island and parts of the South Island. But to judge from the remarks of the Minister in moving the second reading, we should be led to suppose that the money proposed to be raised under the Bill for the purposes of roading and bridging is not as it was originally intended to be—namely, for the purpose of constructing roads and bridges through lands acquired by the Crown for the purpose of settlement, or to give access to such. The Minister stated that he had received applications for votes for three times the amount proposed to be raised under the present Bill. I notice that clause 3 says,—

“The Minister shall, as soon as conveniently may be after the opening of each session, lay before Parliament estimates of the cost of such of the aforesaid works as he proposes to construct out of the funds available and appropriated therefor, as hereinafter provided.”

And in clause 9 there is a rather peculiar proviso, which I think ought not to be allowed to pass as it is. The proviso is as follows:—

“Provided that any payments on account of the construction of works under this Part of this Act, begun or completed since the thirty-first day of March in the now current year, may be made from the said Lands Improvement Account under this Act, notwithstanding that such payments may have been advanced out of the Public Works Fund or out of the Consolidated Fund, and the amount of such payments may be transferred accordingly.”

Mr. J. MCKENZIE.—You had that before you this session in the estimates.

Mr. MITCHELSON.—Where is the estimate?

Mr. J. MCKENZIE.—It is meant to cover the expenditure that has been going on in connection with opening Crown lands and for roads and bridges.

Mr. MITCHELSON.—What I want to understand is, whether the money proposed to be raised under the Bill is to be used for the purpose of constructing roads and bridges in settled districts, or is only to be borrowed to make roads and bridges through Crown lands, and to give access to such.

Mr. J. MCKENZIE.—Yes; to give access to Crown lands.

Mr. MITCHELSON.—I think it should be made a little more clear, because under the Bill it seems that it is to be used for construct-

ing other roads and bridges; which I do not think is at all desirable. As to the means to be raised for the purpose of acquiring Native lands I entirely agree, and I also agree with the proposition of the Minister of Lands that a portion of the money so raised may be used for opening up roads and making bridges to give access to those lands, because the Minister would not be able to carry out the work of colonisation without such power. There are several matters of detail in connection with the Bill that need to be amended, but these are simply Committee objections, and I shall endeavour to help the Minister in every way I can to make the Bill a workable measure. Although it is to all intents and purposes a loan Bill, it will enable good work to be effected.

Sir R. STOUT.—Sir, it cannot, at any rate, be said that this is not a borrowing Bill. We heard of other Bills that they were not borrowing Bills—they were simply raising money for a specific purpose. This is a Bill providing for the borrowing of half a million: and the House seems to take half-millions nowadays very lightly. Sir, I would point out one or two things that I am surprised the Minister of Lands did not explain to the House. This is apart from the question of borrowing, which I shall refer to later on. I should like honourable members to read sections 4 and 5 of this Bill. Do they see what these sections mean? They are these:—

“Any person may by agreement with the Minister settle upon any Crown lands for the purpose of clearing or otherwise improving the same upon such terms as to advances or otherwise as may be agreed on, and the Colonial Treasurer may, when authorised by Parliament, make all such advances out of moneys available under this Act.

“Any person who settles on and improves such lands pursuant to any such agreement as aforesaid has a prior right to a license or lease, under Part III. of ‘The Land Act, 1892,’ of so much or such portion of those lands as may be defined by regulations under this Act, but not of any area greater than that prescribed in the said Act.”

That means that the Minister may agree with any person he likes.

Mr. J. McKENZIE.—It means the improved farms we are carrying on now.

Sir R. STOUT.—If the honourable gentleman will listen to me I will tell him what it means. It means that the Minister of Lands may under this Bill set aside for a man 640 acres of first-class land, and that the Treasurer may make any advances he chooses to make to him out of this money to be borrowed, and when the improvements are made this man is to be allowed to get this piece of land without competition.

Mr. BELL.—The Treasurer has paid for them, not the man.

Sir R. STOUT.—Exactly. But he is to have a prior right. It is an amendment of the Land Act. It is giving the Minister power to allow a man to take over lands for any term, and

on any terms, and receive part of any money that the Minister and the Colonial Treasurer please, and without complying with the Land Act or any other Act in existence. I say, Sir, there never was such a section proposed in an Act before. Why, the Czar of Russia would not propose such a thing without consulting his nobles. And yet not a single word was said about it when the second reading of the Bill was moved.

Mr. J. McKENZIE.—I suppose the House will agree to it.

Sir R. STOUT.—The Minister has the power, I quite admit. He has a majority in the House, and this is called a policy Bill, and so their followers will swallow anything that is proposed, no matter what their opinions may be, or what their pledges may have been. I ask this House to look at these sections. Is it right to give any Minister of the Crown power to make such an agreement without any proper safeguards being provided? There should have been some explanation given when the second reading was moved. I now want further to point out this: that this Bill is not limited in regard to its roads and bridges to opening up Crown lands. I do not know if the House knows the history of this roads-and-bridges construction system that we have seen on the floor of this House. It was originally proposed in 1877. Prior to that it was stated that we should not hear the name of roads and bridges in this Parliament except for the purpose of congratulation. I think I am quoting the words of one Financial Statement. This road-making was all to be managed by our local bodies. The Counties Act was to deal with this work, and it was to cease to be a function of the Legislature. In 1877 it was pointed out that in dealing with these lands that were far removed from settlement there was absolute necessity for spending a sum of money for opening up Crown lands for sale, and the sum of £50,000 was asked for by the then Minister of Lands, Mr. Donald Reid, for that purpose. What has this amounted up to now? Year after year it has increased; and now we are to have no less than a quarter of a million of borrowed money spent absolutely for this purpose. How has such money been used? I am not making any charge against this Ministry, but I say that ever since almost 1877 the money has not been spent on roads for opening up Crown lands in the strict sense of that term. Moneys have been sometimes spent on roads miles and miles removed from Crown lands. Now, it may be said that if you make a main road it is bound to open up Crown lands. There is an old proverb which says all roads lead to Rome, and I suppose if you make a main street in a town miles away from Crown lands it would be said that that is opening up Crown lands. But that is not the strict meaning of the provision in this Bill for I venture to say that, when the public works estimates come down with allocations for roads, more than half the money that is to be voted for this year will not be spent to open up Crown lands for sale at all, but will be

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spent in various parts of the colony. We have only to take up the public-works estimates for the last ten years and it will be found that vote after vote for roads and bridges is not to open up Crown lands at all. Now, I want to point out how this Bill is drawn. I understand that the honourable gentleman talks of getting the drafting altered. Will honourable members look at clause 2, and then go down to clauses 8, 9, and 10? From a draftsman's point of view they are all wrong. All that need have been said in this Bill was simply this: that the sum of £250,000 was to be raised for roads and bridges and other works for opening up Crown lands for sale. That ought to have been put into one clause. How does this clause 2 read?

"The works contemplated by this Part of this Act are the construction and maintenance of roads and bridges, the preparation of lands for settlement, and such other works incidental thereto as the Minister of Lands, hereafter called 'the Minister,' may, with the approval of Parliament, think necessary."

Well, then, section 8 provides that—
3.30. "Out of the moneys hereinafter authorised to be raised, two hundred and fifty thousand pounds shall, as and when raised, be paid into the Public Account, and be thence transferred by the Treasury to the credit of a separate account, called 'The Lands Improvement Account.'"

And then, section 9 refers to the application of the money, as follows:—

"The moneys in the said Lands Improvement Account are applicable only for the construction of the works and the payment of the sums for which money is appropriated by Parliament for the purposes of this Part of this Act."

Then comes the proviso which the honourable member for Eden referred to, and the object of which I shall mention in a minute. I submit, Sir, that the getting of this money is to be done in a very peculiar, roundabout way. I submit that if the money is to be borrowed for such a purpose it ought to be so defined, either for opening up Crown lands for settlement, or the amount ought to have been stated for general contribution to roads and bridges. That is not done. Under this Bill there is no limit. The Minister may spend the whole £250,000 if he pleases, and not spend a penny on roads opening up Crown lands for sale. I apprehend that is not the meaning of what this Bill should be. The money is to be borrowed in the first instance from the Post Office, the Government Insurance, and the Public Trust. If they cannot supply it, then it comes from the Public Works Fund: there is not much there. Clause 10 reads,—

"Any moneys appropriated to specific roads or bridges under this Part of this Act may be paid over wholly or partly to the local authority in whose district the works are situated, or under whose control such works are usually performed, upon such terms and conditions as the Minister may in each case determine by agreement."

The point is this: Under this section, where

is the specific appropriation? There is none in the Bill. Then, there is the other point about raising the money. Half a million is to be raised locally. Well, what will happen? It is to be raised locally at 4 per cent., and then power is taken to convert this in London. That is what is called "sly borrowing": you may create the debt here, hold it only for six months, and then take it to London, convert it, and instead of calling it borrowing you call it a conversion operation, and the London people are asked not to lend you money, but to convert your bonds. The same thing that was done in regard to the Cheviot purchase will be done here. I do not see why we are going in this roundabout way. Why not go to London at once and borrow the money at 3½ per cent.? Why issue bonds here, and then go to London and pay for the conversion of those bonds? You can do it much more economically by going at once to London and asking for a loan at 3½ per cent. This scheme is what has been properly termed "sly borrowing." I do not think we need half a million for this purpose. We cannot afford it. What does it mean? It means that we are to pay £20,000 of interest annually. We are to practically add to our interest account £20,000 per annum, saying nothing about sinking fund. Now, it has been said we shall get Native lands for it. No doubt you do; but what becomes of the money you get from the Native lands? That money is taken into the Consolidated Fund and used for your ordinary purposes. It does not go in redemption of your debentures; and hence this will come to be a permanent debt on the colony. You get nothing in return for the money you spend upon roads and in the purchase of Native lands, so far as redemption of your debt is concerned. It becomes a permanent debt. It is true that under this Bill this is to be for only one year. But what does that mean? It means that next year we shall need the same amount of money; and what is the House asked to do? The House is asked to add to the permanent debt of the colony half a million a year. It means £20,000 in interest in each year. It is all very well to say you will get a return from that in the lands, and in your roading. No doubt, if the money is spent on roads, *et cetera*, it increases the productive-power of the colony; but can the colony afford to go on increasing its permanent debt, and pay £20,000 a year more for these purposes? I do not think you can, and therefore I do not think it is wise that such a large sum as this should be borrowed; and I hope that when the Bill gets into Committee the honourable gentleman will agree to reduce the amount. If he says our ordinary Consolidated Fund cannot afford sufficient money to be spent on roads and bridges and the purchase of Native lands, then I think the honourable gentleman ought to limit the amount now asked for. I am not aware that any Government has ever asked for such a large amount to be spent in one year on such a purpose. This is the first time in this colony when £250,000 has been asked for for roads and bridges out of borrowed money, and £250,000

for the purchase of Native lands. Go and look at all the past borrowing Bills, and you will not find any such large sum as this set apart for these purposes in one year.

Mr. SEDDON.—I had thought that, at all events, this Bill would have met with the approval of the senior member for Wellington City, but it appears there is nothing the Government can do, no measure that they can bring forward, but meets with his hostility and adverse criticism. The honourable member knows very well that this is not borrowing. They say, of course, that laughing is catching, and so is crying: probably the honourable member may not laugh when I have finished. I say that, if the honourable member had taken the House into his confidence as he should, he must know that under the Native Land Purchases Act now we are entitled to raise £50,000 a year for the purpose of purchasing Native lands.

Sir R. STOUT.—Not £250,000.

Mr. SEDDON.—That, I believe, runs for this and another two years, and consequently we are entitled by law to raise £150,000 for this purpose. Now, what is asked for this purpose I say in justice to the North Island must be done. We have the land offered by the Natives. The opportunity is there. We can get the land at prices which are fair to the colony and just to the Natives; but while we go on with this dribbling process that has been going on in the past, not merely are the Natives injured, living a life of misery and degradation, but our own population is driven away. Let the honourable gentleman listen to me for a moment, and he will see the necessity for at once dealing with this question. Here is a telegram just received by me,—and all honourable gentlemen in this House who have the interests of the country at heart will say that it is time something should be done:—

“Secretary, Labour Department, Wellington.

“Departures for Sydney: ‘Tasmania’—129 saloon, 95 steerage; ‘Rotomahana’—164 saloon, 94 steerage; ‘Mararoa’—243 saloon, 180 steerage: total—596 saloon, 369 steerage: 905. Return tickets, 68 saloon, 2 steerage: total, 70. This return includes both sexes—company could not give separate. Fares: saloon, £1; steerage, 10s. Of course, nearly all would try and go saloon. The whole talk was Coolgardie, and no doubt but the gold-fever is somewhat on. It would be difficult to tell capital, but it is generally acknowledged that a man to go to Coolgardie would require about £20, as it would take nearly £10 to get there, and a prudent man would want £10 on arrival. On the other hand, many will go if they can only manage to arrive. Passengers comprised all classes—solicitors, clerks, tradesmen, labourers, speculators. There is no doubt but many have gone on spec. just to see the place, and stop or return as inducements offer. To this is added the enticement of such cheap trips that men are tempted, as they could not live on shore for treble the sum. I heard some were heard to say they had a lingering cold and would try the trip for a change. You can take

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this as an instance, and conclude how a large number are going just for the trip, careless how it turns out. If good, so much the better, and, if not, well, they had a cheap and pleasant outing.

“H. FERGUSON,

“Labour Bureau Agent, Auckland.”

A total of 905 persons leaving. What does all this point to? It points to this: that if we had the land opened for them,—if we had it roaded, so that they could get upon the land,—the chances are they would not be wanting to go to Australia, but would be permanently settled on the lands of our colony. And here is at once—if the honourable gentleman desired to do what was just—the answer to the question: Are we under the circumstances to permit this drifting policy—neither more nor less—this losing of the population of our colony, to continue—or are we at once to firmly grapple with the evil, take a bold course, and take the necessary means for placing the people on the land? That is the difference between what the honourable gentleman is contending for and the course the Government are following. Now, with regard to this Bill, as with regard to nearly every Bill we bring before the House, when there is nothing else to be found fault with, the drafting is defective. So says the honourable gentleman. I should not like to tempt the honourable gentleman, or to place anything before him in the way of temptation, in case there should be a violation of the Disqualification Act, but if a Bill draftsman were wanted in the colony, and if the honourable gentleman would take up that position, then thanksgivings would be offered, and I think our troubles would be over. I wish to say this: that when the honourable member was in my position he was very much troubled with the same complaint, because the Bill-drafting from 1884 to 1887 was no better than we have at the present time. As to the Hospitals and Charitable Institutions Act, the Judges have said that no man who reads it can understand it. At all events, Sir, there may be, as the honourable gentleman says, room for improvement. But that is purely a Committee objection. When we get into Committee on this Bill I hope the honourable gentleman will give my honourable colleague his able assistance, and then, no doubt, we shall make the drafting perfect.

Sir R. STOUT.—What is the meaning of section 4?

Mr. SEDDON.—The honourable member is very anxious to get me away from the point I am dealing with at the present time. The honourable member asks me what is the meaning of section 4. Well, I simply say this: The honourable member said we could take the moneys raised for the purpose of giving assistance to any person settled on the land; that we may take the whole of this money, and that this power was given solely to the Minister of Lands.

Sir R. STOUT.—No; I did not say that.

Mr. SEDDON.—That is as I understood the honourable member. He may not have used

the exact words, but that was the meaning of what he said. He meant that this Bill was giving a personal power to the Minister of Lands to take public moneys, and that favouritism could be exercised, to the disadvantage of the State. We have been carrying out this policy. We have been assisting settlers who have gone upon the lands. We found that the demand for work was very great this winter, and that it was necessary to give some assistance to these people—deserving men, men ready and anxious to work, men who in time will make splendid settlers. Were we to allow them to remain in the towns, a charge on the ratepayers, living, I say, a life of misery, their wives and children suffering, whilst we had a public estate there? The trees wanted felling; the men were there to do it; every tree felled meant the improvement of the public estate of this country. We have therefore taken those means. We have placed those men on those lands. They have felled the bush. It is ready for burning. We shall have the land grassed. And, as my honourable colleague says, we have a school now in one district. These very men are independent; they are hewing homes for themselves, and they will become permanent settlers, and will increase the products of the country. Then, for such a purpose we propose taking a portion of the money so raised, and to pay these men for the work they have done, at the value of their labour to the land, and ultimately they will pay back to the State a fair interest on the money we have raised for this purpose. The capital value of the land has been increased, therefore the security is good; and I am sure I am voicing the opinion of this House when I say I do not think there are half a dozen members who will not approve of the Government taking this course—in settling people on the land. The sooner we admit this fact the better: that it is of no use taking a man simply with nothing but his hands and putting him in the bush in the hope that he will become a settler. You cannot do it. You must have public works going on, at which he can earn sufficient to pay for his food and clothes; and married men with families must be assisted, or they are a burden on the ratepayers under the Charitable Institutions Act. Therefore it is necessary to adopt this course, and the sooner we go to work in a practical shape the better it will be. I suppose my colleague will take a certain amount—perhaps £20,000—for this purpose. This is a fair allocation, and will not be objected to.

Mr. BELL.—He ought to take the whole.

Mr. SEDDON.—I am afraid we must not go to extremes; but, at all events, there ought to be a fair and liberal proportion.

An Hon. MEMBER.—£20,000 is not enough.

Mr. SEDDON.—I am pleased to hear honourable members say they approve of this course that is laid down. But the senior member for Wellington City takes exception to what we propose to do under section 4, and the manner in which it is to be done, because it gives too much power to the Minister, and

may be abused. I say, so long as we have Responsible Government, and with the senior member for Wellington City in the House—and I hope he will be here a long time—I do not think my colleague the Minister of Lands, or any one on these benches, will be able to do much wrong without its being exposed. There is a check on Ministers—the members direct, and the people in the country. If a Minister is not to be trusted in matters of this kind he has no right to be on these benches. You must trust him. And not only this: you have the Land Boards—are they corrupt? Who deal with the details of settling the people on the land? The Land Board; they do not come to the Minister direct. And there is another safeguard. There are the Minister, the Land Board, and the Commissioner of Lands: are they corrupt and not to be trusted? I say an argument of this kind will not hold water for a moment. Not only that, but, as regards these very roads and bridges which the honourable gentleman says so much about, every vote has to come before the House. In the Public Works Statement there will be a schedule showing, item by item, on what particular roads and bridges the Minister of Lands proposes to expend the money. There is a safeguard. It is not to be left to the Minister's own sweet will and discretion to spend this money on particular roads and bridges—the responsibility rests with the House. The senior member for Wellington City will have the opportunity, if he finds a road or bridge which does not lead to Crown land, or which does not open up Crown land or Native land, of moving that the item be struck out, and calling on the Minister to explain in detail the particular item. Surely that in itself is a safe guard; and there is not any weight whatever to be attached to his argument in that respect. Then, my honourable friend the Minister of Lands has been compared to the Czar of Russia. Well, Sir, I do not know the Czar of Russia, but I know the Minister of Lands, and I know he is not threatened; he is not afraid of the assassin; there are none of these bombs placed in his way; there is nothing going on to compass his destruction, and I at once say that if the life of the Czar of Russia was as happy as that of the Minister of Lands, and he was as well satisfied that he had done justice to his people as the Minister of Lands to the people of New Zealand, he would have nothing to fear. The Minister of Lands has nothing to fear, and he is not entitled to have that said of him. Now, Sir, the honourable gentleman took occasion—and I do not think he was warranted in saying this—to say that, where it is a matter of policy, the Government supporters swallow it, and do precisely what they are told. I undertake to say that if the honourable gentleman challenges a division on this Bill he will find the Opposition members will come with the Government and do their duty to the country.

Sir R. STOUT.—To their districts.

Mr. SEDDON.—No; I say, to their country; and if the honourable member does not see his

way to do what I believe is his duty to the country—and particularly to his constituents, and to the North Island in particular—I must express my regret; because I say that the one way possible of helping settlement, or developing the resources of the North Island particularly, is by putting in exercise the provisions of the Bill before us. The honourable gentleman told us that it was said some years ago—in 1877 and after that year—that we were not to hear roads and bridges mentioned on the floor of the House.

Sir R. STOUT.—Before that year.

Mr. SEDDON.—I suppose the honourable gentleman is alluding to the abolition of the provinces. All I can say is this: I have been in the House since 1870, and I have always heard roads and bridges mentioned on the floor of the House. We have general politics and the higher branches of politics discussed at the commencement and in the middle of the session, but the keenest interest in any matter coming before the House is in the public-works estimates: in fact, party and the higher branches of politics vanish into thin air before the Public Works Statement.

Captain RUSSELL.—When are we going to get it?

Mr. SEDDON.—As soon as it is ready.

Mr. T. MACKENZIE.—Not ready yet?

Mr. SEDDON.—It is impossible. Here we have these proposals, and we have to depend on our supporters and on the Opposition to assist us in passing this Bill, and by doing that we shall be expediting the Public Works Statement. It is of no use for us to say that we are not going to have a road or a bridge mentioned on the floor of this House. It is unavoidable; you are bound to have it. The honourable gentleman is one of those who are constantly urging extension of the functions of the State. Now, I say one of the functions of the State is promoting the settlement of the country, and you cannot promote the settlement of the country without roads and bridges, and you cannot construct roads and bridges unless you have money, and you cannot get money except from the people through the House. The Parliament holds the public purse-strings. The honourable member for Wellington City (Sir R. Stout), when Premier, tried his hand in 1886: he is responsible for the Counties Act of that year: that is the local-government measure the honourable gentleman and his Ministry placed on the statute-book. Did they do anything in the direction of preventing a road or bridge from being mentioned on the floor of the House? If ever there were measures that took from local governing bodies their revenue, and left the districts dependent upon allocation, it was the very legislation he promoted. If he had gone back to the old provincial system and given the local bodies a certain revenue that they could depend upon, and from that revenue could construct roads and bridges, I could have understood it; but when he had the opportunity he did not do so. Therefore he should not blame the present Government because we have simply had to

deal with some questions of greater importance; and I do hope, at all events, we shall to some extent minimise what is a growing evil—that is, small amounts, small roads and bridges in our settled or unsettled districts, coming before Parliament. But it can only be done by depleting the general revenue. We must give to the local governing bodies the revenue wherewith to construct roads and bridges which are necessary for the promotion of settlement in the counties and Road Board districts. Now, the honourable gentleman says half this money might be spent in opening up or constructing roads and bridges in no way whatever connected with Crown lands or with the settling of Crown lands. I say the power is given to the House itself, and there is not the slightest danger—no chance whatever—of anything wrong being done in this respect. It may be that there may be a block of Native land beyond the main road which the Government have purchased from the Natives. We may not be able to approach the land. Upon the honourable gentleman's contention, it would be unwise to spend money because this Native land was there. I say you must not consider that; you must consider the fact that you have the land beyond, and unless you connect that land with the arterial road you cannot promote settlement. I am not going to cast a reflection on the last Administration, but I say that in purchasing Native lands it would pay better to have given £1 10s. an acre and bought lands adjoining roads and bridges, and close to settlement, than to get it miles away, giving, perhaps, 2s. 6d. or 3s. for it. But, this policy having obtained, we are called to make the best of it. For the future I should say, Buy as close as you can to the roads—buy the best land, and get it as near to white settlement as you can. This is a wiser policy. These are matters we must under the circumstances take into consideration. As regards the question of sly borrowing, and this bogey that has been raised time after time in the House, every measure that comes before the House now is met with the exclamation, "Oh! that is borrowing." I say that this is not borrowing in the general acceptance of the term. I say that where you are buying an estate, and have the value of your money in exchange, you have your debenture in the one hand and the land in the other. That is quite a different thing altogether from borrowing money for public-works purposes—and some of the works anything but reproductive—many being political and not in the interests of the country. That is the distinction; and we can say honestly this is no loan. You do not find any loan Bills brought down by Government; not for six years has there been one on the statute-book. Will it be said that the money raised for the purpose of purchasing the Cheviot Estate was borrowing? Never a word was said about it; and what is the difference between acquiring the Cheviot Estate for the promotion of settlement in Canterbury and acquiring Native lands in the North Island? We are simply going under this Bill

Mr. Seddon

to use the money in the same way as in the case of the Cheviot Estate. Neither is it sly borrowing nor borrowing in any sense of the term. I thought on this Bill we might have had just a speech from my colleague explaining the details, and, if there were any defects, I am sure my colleague would be only too glad of the assistance of the senior member for Wellington City and of any honourable member in the House. I was pleased to find the honourable member for Eden admitting the necessity for the Bill and promising to support it. It is when bringing measures of this kind forward, and they are received as this has been, that we receive encouragement, and the country under such circumstances will appreciate the action of the Opposition in taking such

4.0. a course. But if they follow the lead of the honourable member for Wellington City (Sir R. Stout), and carp and cavil at every measure no matter what its benefits to the country may be, then their criticism will fall flat, because the people will say, "The Government cannot always be wrong." This is one of those cases in which I thought every member would have said we were going in the right direction, and that the benefits to be derived from this legislation would have been such as to commend themselves to every right-thinking man in the country.

Mr. BELL.—The honourable gentleman appears to be inspired with hope that the members of the Opposition will be bribed to come into this profligate scramble for the borrowed money which he throws on the floor of the House. The honourable gentleman read a telegram just now, stating that large numbers of men are leaving the colony. Does he remember the speech which he made in the last Parliament about our fathers and brothers leaving the colony?

Mr. SEDDON.—There was no Coolgardie at that time.

Mr. BELL.—If it is Coolgardie, what does the honourable gentleman read the telegram for?

Mr. SEDDON.—We ought to have a counter-attraction in the way of land-settlement.

Mr. BELL.—Why, people in all parts of the country are in distress, and not one single thing is being done for them by this Government. Money is to be borrowed for the people who are able to borrow money upon the security of their leaseholds and freeholds. Money is to be borrowed for the purchase of Native land; but not one single penny has been proposed to be devoted to the purpose of making provision for the employment of labour. This money is to be dissipated without helping the labourers.

Mr. SEDDON.—Out of what funds are the two thousand men paid who are now employed on various works?

Mr. BELL.—The honourable gentleman knows perfectly well that, when money was formerly used for public works, labour, at all events, was being employed. I do not say it was always a good thing; but that expenditure did employ labour. This expenditure does not employ labour. It will simply go into the

pockets of the well-to-do class. I should have been glad if I could have stood beside the honourable member for Eden and said, "Here, at last, is the expenditure of money for the improvement of our lands and for the employment of labour." The honourable gentleman says that £20,000 out of £250,000 is to be used in the employment of labour.

Mr. SEDDON.—No; that is for bushfelling.

Mr. BELL.—The proper course which this country should take in respect to its land is this: This country is the landlord of its own land, and it ought to remain the landlord. Every acre it sells is a wrong. It has been said that I stated in one of my election speeches that I drafted a Bill for the Minister of Lands. That is not correct. I said that the Minister of Lands was beginning, and I hoped he would continue, to adopt what I had been preaching for years from the platform—namely, that the country should undertake the improvement of the land, and then settle the land; that it should not send people in misery into the bush without funds. Now the honourable gentleman comes down with a Lands Improvement and Native Lands Acquisition Bill. The real policy of the country is patent for a Ministry which is willing to undertake it; but this Ministry will not undertake it. We own the land, which is in great part covered with bush. We know that people will not leave the towns and go into the bush. It is a life of misery.

An Hon. MEMBER.—No.

Mr. BELL.—Yes; it is a life of misery. For a long time the men cannot earn a shilling on the land; the land has to be cleared, and then grassed. But the country has it in its power, without adding a shilling to its debt, really to do all the work for them. It can employ these men, and then make them pay for the improvements afterwards. There is no difficulty about it at all. The thing can be done on a large scale just as it is done on a small scale. I am speaking of a thing which has been thoroughly thought out, not only by myself, but by men far more competent to deal with this subject than I am. The Minister of Lands has recently tried the experiment. Has it or has it not been a success where he has tried it? I understood the Premier to say that it has been a success. If it be successful for a number of isolated men to clear small sections and then settle the country, it must necessarily be more advantageous to clear the country in large blocks and put the men upon cleared land, where they can earn an income. The Premier says these clauses have been drafted for that purpose. The senior member for Wellington City has pointed out that they will not effect anything of the kind. Take some possible successors of the honourable gentlemen: How will it be possible to trust them with such powers as are given here in clauses 4 and 5? It is easy to use language which will enable the country to do the work; but this Act provides that the colony shall enter into an agreement with these people, and make advances to them, when it should itself expend the money and employ the people.

Mr. J. McKENZIE.—That is what we are doing.

Mr. BELL.—I know that, and that is what the Government ought to continue to do. I approve of what the honourable gentleman is doing in this respect, and hope he will continue in that way. Then, the honourable gentleman proposes that the House shall pass a measure retrospectively authorising expenditure to be incurred out of the loan which is to be raised for the construction of works under this part of the Act. If the honourable gentleman has already taken funds under this Bill in anticipation that it will be passed, no doubt Parliament would condone that once or twice, but if the honourable gentleman does that kind of thing often the Government will find themselves defendants in the Supreme Court at the suit of the Auditor-General. If the honourable gentleman would say, "I am going to borrow money,"—and I should not object to the word "borrow" at all—if he would say, "I am going to borrow money for the purpose of enabling this Government, the people of this country, the landowners of the country, to improve their estate, and thereafter to settle the people of the country on an improved estate"—they would have no greater supporter in that proposal than myself. That is part of the policy which I myself have long advocated.

Mr. J. McKENZIE.—Making a good road?

Mr. BELL.—I consider that making a good road into a block is a necessary part of the business of the country, but I believe in being repaid the money which we use for that purpose. But under this proposal we are adding to the permanent debt of the colony for works which we ought to pay a portion of ourselves. Take the case of the North Island Main Trunk Railway Loan. We were told that the money might be just as well spent in the purchase of Native land, and that such purchases would be for the benefit of the railway. The money was expended on Native land instead of in the construction of the line; and the money has all gone—it has disappeared.

Mr. SEDDON.—Not quite.

Mr. BELL.—The land is there, but the proceeds go in "thirds" and "fourths," and all the rest of it. Part of the land is disposed of for special settlements, and part of it is let, and the money goes into the ordinary revenue. To give the land on 999-years leaseholds, and to make no provision for the refund of the capital, is to increase the debt of the country with the mere chance of the rent providing for the interest. Any landowner who entered upon such a programme as the present Government has entered upon, making no provision for repayment, would find himself landed in the Court of the Official Assignee; and the objection, at all events, on my part—I speak for none but myself—is this: that the provision is one under which, as the honourable member tells us, he is going to buy land without having anything with which to replace the money, and he is also going to dispose of the land so that in the end we shall have a debt and nothing for

it. I say we have been told before in this country what the honourable gentlemen now tell us, and the result has been that we have a debt and no assets to represent it—the land that was acquired is land that has simply gone; we have paid off no debt. But the conversion of these debentures into stock means an addition to the permanent debt—it means that, if you take the debentures here which might possibly have been redeemed—which we might possibly have made an effort to redeem—and convert them into stock elsewhere, the burden will become so great to ourselves as well as to our successors in this country that we shall, unless we are particular, have this Parliament held up to execration in future years. I know very well how ineffectual is our protest; yet we are speaking with a sense of the gravity of the occasion when we indicate that which is of the essence of the most ordinary rule of business. If you enter upon an arrangement, or a policy, or a course which will inevitably lead to the expenditure of capital money, then you must make provision for the filling-up of the hole in your affairs, or you must come to inevitable ruin. It was said the other day that the provision of a guarantee on two millions was to add an enormous sum to the coffers of the Bank of New Zealand. Why, any one can see that two millions appears on one side of the account, and two millions appears on the other, and that unless provision be made for the repayment of the money the bank will be exactly in the same position as regards its balance-sheet years hence as it is now. That is the position of the country, and I maintain that if we go on borrowing million after million, adding to the public debt, and making no provision for reduction by annual sinking fund, however small, we are continuing a course of wicked and profligate extravagance which, I am sure, will lead to this Parliament and this Government being held up to the execration of the people of the future.

Mr. PIRANI.—It is surprising, after all we have heard in the past from the Opposition about money being driven away from the country, causing loss to the working-men, to find the argument that cheap money in the country will not give or will not cause more employment is advanced by the honourable member for Wellington City (Mr. Bell). We know this: that if the settlers can get cheap money,—if they can get money at a cheap rate to be expended in improving their lands,—the whole of the money spent on these improvements goes to the working-men; and nothing will do more to improve the position of the working-men than will the expenditure of this cheap money by settlers in improving their lands. With regard to the Bill itself, I think it is a wise step on the part of the Minister of Lands to introduce such a measure as this in regard to improving lands for the use of the settlers. But I fancy he has gone rather too far when he allows the area of land to be taken up under this system, and to be improved under this system, to be the area defined in Part III. of the Land Act. That means that the assisted

settlers will be able to take up 640 acres of first-class land, or 2,000 acres of second-class land; and if a man wants to take up that area he does not want the assistance laid down in this Bill. Already we have two settlements, I believe,—one at Pemberton and the other, recently formed, on the Hautapu Block,—based pretty well upon these lines. The bush is felled and the land grassed, and after that is done it is divided up into small areas, so that those doing the improvements will be able to take up the land to better advantage than if they attempted to take it up in the first instance. But the mistake the Minister has made is this: that, while cheap land close to the main trunk lines of railway—like that piece of land at Levin, which is now called the Horowhenua Village Settlement, and the piece of land near Waverley called Momohaki—is available, land which is eminently adapted for small settlers and for settlement on the same lines as are laid down here, he has gone into the back blocks. He has gone, for instance, to places like Pemberton, where these small settlers have to plough their way, I might almost say, through tons of mud, and where it is impossible to have any vehicular traffic; and I have not the least doubt, if the settlements are not a failure under these circumstances, it will be owing to superhuman abilities on the part of the men living there. It is an essential for the success of small settlements to place the men who are to make a livelihood out of these lands near to the centres of population, and, if that is made the first consideration, I have not the least doubt it will mean very much more successful settlement than if you put them in remote parts of the district. In regard to the second part of the Bill—that dealing with Native-land acquisition—it seems to me that from the first purchase of Native land by the colony until the present day the colony is really no richer; and until we alter our system of acquiring Native lands, and acquire them for the purpose of settlement, and not for speculation by the State, we shall never have a satisfactory system of acquiring Native lands. If the State were to administer the lands on behalf of the Native owners, and to use the lands for the purpose of settlement merely, placing altogether on one side the question of the money to be derived from those lands, we should not only get land without having to borrow money for it, but we should prevent the jobbery and corruption with which the Native Department has reeked so much ever since it was instituted in the colony; and I say that it is impossible to altogether separate from the acquisition of Native lands in the way of purchase that sort of jobbery and corruption. It is in the nature of things that it exists, and it will never be improved off the face of the colony until we abolish that system of acquiring Native land. I trust this Bill will be carried, and that, at any rate, the part dealing with the improvement of lands for settlement will be passed, and such safeguards given, and such limitation of the area made, as will im-

prove the measure, and make it more in the interest of the small settlers than it appears to be on the face of it.

Mr. T. MACKENZIE.—The honourable gentleman who has just sat down prefaced his remarks with a short dissertation on the value of cheap money to farmers, but it was not at all applicable to this Bill. He went on to denounce the past system of acquiring Native lands, and he declared that lands ought to be bought near the centres of settlement, and that Native lands in the future should not be bought for speculative purposes but for settlement. Well, I hold that the Government are only doing their duty in buying Native land for speculation. They require to go into the remote parts of a district, and to rail and road the country to these lands, and, if they are not to gain the advantages of the increased value that they thus confer upon the land, then I should like to know who are to gain those advantages. The Government should, of course. I think, therefore, it is part of the duty of the Government to take advantage of the land which they may acquire in such places as were referred to by the honourable member for Palmerston, and the revenue from which will yet form a considerable fund in this colony. Now, I quite agree with the principle of the measure itself. I quite approve of allocating money for the purchase of Native lands. The more quickly we purchase Native lands and bring them into utility the better. Regarding that part of the Bill which provides that £250,000 shall be raised for improving Crown lands, I may say that, personally, from my experience of the Crown lands in the South, I do not think a great deal of it. Perhaps these settlements may be more successful in the North, but it appears to me that the system of employing labour in improving bush-farms is a system which adds a great cost to the land when it comes to be taken up either by the men who cleared the land or by other settlers. The honourable member for Wellington City (Mr. Bell) seemed to dwell for some considerable time upon the absolute necessity there was for providing a fund for the purpose of repaying the sums of money to be borrowed either for the purchase of land or for roading. He said that a small amount should be reinvested to provide a fund for that class of security. I altogether disagree with the honourable gentleman's conclusions. I hold that the people of the colony should not be required to reduce the principle; if they succeed in paying interest on the moneys so borrowed they do very well indeed. We know that if posterity inherits the liability it will also enjoy the advantages of the improvements that have been made. I cannot quite agree with my honourable friend in his contention, to that extent. I think the Bill in some of its clauses requires modification, or perhaps I shall better express my meaning by saying that some of the clauses might be more carefully defined. Clause 4 is of this description. It really appears, as drafted, to read as if people may squat almost everywhere, and have a right to the lands on which they squat. I

shall be prepared to assist in amending the Bill in Committee.

Mr. MILLS.—I have very much pleasure in noticing that this Bill has been brought before the House, and I generally find that those who have the least experience of some of these measures are usually anxious to give their opinions. I now allude to the senior member for Wellington City, and to the medium, or second, member (Mr. Bell), the middle man. He generally gives expression to opinions on nearly every subject. But I venture to ask him what practical experience he has had in connection with land. Now, when he gives us some of his experience with regard to his own profession, I always listen to him with the greatest attention, because I know he is one of those capable men whose opinions on legal matters are worth listening to. But when he gets up to read a lecture to the House on matters appertaining to land I merely take his remarks at a discount, and think to myself that what he knows about the subject is not worth taking notice of. Sir, it is very amusing at times to hear—either during a debate or just at the termination—the introduction of the common conjunction “if”—“If so-and-so is altered I shall be found a warm supporter.” However, the “if” is always there. The honourable gentleman ought to be a warm supporter of the measure, and the criticism he has brought forward against it has certainly not been of that nature which will carry conviction to the mind of any one who has been listening to him. To my mind, such criticism weakens the position he takes up. Sir, I am glad to say that this is a Ministry that has the courage of its opinions. They bring something forward, I admit, that is somewhat new. All the better. If we are going to run in the same old groove year after year, we shall still hear people complaining of the depression here and the want of work there. Something must be done, everybody must admit that, and so it is for the Government to come out with a policy that will be beneficial to the colony, and it is the duty of this House to improve whatever measures they bring forward. They cannot be perfect all through, but there is evidence of good faith and of the great interest they take in the work they have before them. They are doing their best to place before the House such measures as will tend to improve the position of all those who reside in the colony at the present time. Now, taking clause 2, which relates to the construction of roads and bridges: I venture to say that roads and bridges are the mainstay of the back-country settlers, and we shall have to find something in the way of reasonable accommodation for them if we want to do them any good—that is, if we want them to remain on the land. And, if we acknowledge that the lands will require the outlay of a large amount of capital and labour to improve them, the greater facilities we give the settlers the better; and there is very little doubt that in time they will encourage others to come and take up land alongside of them. I know that in a great part of the district I represent the

Mr. T. Mackenzie

people have very poor roads: in fact, they are miserable tracks to their holdings, and I recognise that there is something required in the direction this Bill shadows forth, not only to improve the Crown lands, but also to improve the lands held by other people as well. With regard to the objections raised by the senior member for Wellington City against clause 4, he overlooks the fact that the points he raised are to be provided for by regulations, and I assume the position of a man coming under these regulations will be the same as that of a man who takes up land under the village-settlement system—that is, that he will be required to comply with the regulations under the system before he is entitled to take up a lease of the land. Sir, I assume that this Bill does provide for borrowing for suitable purposes, and my only objection to it is that it is only for a quarter of a million for the purchase of Native lands, and I think it should be a great deal more. Some people have an objection to the idea of purchasing land for settlement under any circumstances; and we must all acknowledge that the purchase of land near any settlement—that is, an old settlement—costs a great deal to the colony. But if we purchase Native land at a reasonable figure, as the Minister has told us, and then road it, to my mind Parliament is doing a good thing. We are encouraging settlement, and locating on the lands people who would otherwise remain about the towns. I do not view a settler's life in the same deplorable light as that pictured by the honourable member for Wellington City (Mr. Bell). The bushman has hard work, but his greatest trouble is as to what he is going to get for his dinner, and if he can keep the flour-bag supplied he can look forward with hope to gaining in the future some of those advantages of civilisation we consider necessary to us. There are many little troubles, of course, to be put up with, but at the same time there are many pleasures in a bush life that those who live in towns do not have; and therefore I do not think we should attempt to discourage people from becoming settlers; we should rather attempt to draw a brighter picture and persuade those who live in the towns to go and settle in the country. Before sitting down I should like to say that this Bill has, to my mind, made provision to supply a long-felt want, and I hope when we go into Committee to consider the details of the Bill we shall all have this object in view—namely, to improve, as far as possible, the important measure before the House, and endeavour to buy as much of our Native lands as will be required for settlement in the colony.

Mr. WILSON.—I cannot help carrying my mind back, Sir, to about the year 1882, remembering that the first member who suggested that the Crown lands should be improved before sale was the late Mr. Macarthur. Now so much is said in favour of first reading land and then settling it that the originator of the system should be remembered. In those days he had a great deal of experience of the sale of improved lands, and the company with which

he was connected was the first to settle land successfully in that way. I think the settlement obtained in this way in that district, by its success, proved that to be the proper way. I am glad to see that the proposal is first of all to expend money on roads, and I agree in the main with the Bill. I believe that for no better purpose could money be raised than for the purchase of Native lands. There are still some few lands in my own district that could be purchased if the Government go the right way about it. They are now distinctly a bar to settlement. And, further, towards the centre of the Island, where the land is not quite so good, there are still large areas, on which I am quite certain they will never get settlers unless they make roads there first. I intend to vote for the second reading of the Bill, and I probably should not have made any remarks had it not been for the Premier saying that we could not banish roads and bridges from the House. There is no harm in discussing roads and bridges in the House; but what I object to is the way in which the money is allocated for the roads and bridges. If we are going to have any money spent on roads and bridges it should be by Act of Parliament; if you are going to provide any money for the purpose of roads and bridges, you should lay down the principle by Act, to allow all portions of the colony to participate in the advantages, so that no member may gain an advantage over another by backstairs influence. Now, the Roads and Bridges Construction Act laid down the principle clearly; but it went too far, it was too generous, but main roads under it were subsidised. To my mind, it was an Act that was very suitable to the North Island. On the West Coast during the last ten years the local bodies have had to settle the whole of their lands, and to devote most of their rates for the purpose of making main roads, and they could not get any assistance from the Government to do it. The Roads and Bridges Construction Act enabled them to get Government assistance to make roads and bridges. And some such assistance should be given to local bodies where main roads are yet to be made. The Surveyor-General in his report tells us that the time has arrived when the Government may be called upon to take over some of the main roads of the colony; and when the question of the allocation of funds is going through I hope the House will insist on some means being adopted whereby all people may participate in the moneys available. I shall certainly vote for the second reading of the Bill. There are some clauses that I think might be amplified, but I shall, at any rate, say nothing more until the Bill is in Committee.

Mr. G. W. RUSSELL.—Sir, like the honourable gentleman who has just sat down, I shall strongly support the principle of this Bill, and for this reason: I think the roading of the colony is a most important matter, and one which has been very much neglected in days past. In regard to what has fallen from the honourable member for Wellington City (Mr. Bell), I agree as to the necessity of the country

being improved before settlement. I, however, differ from him in one respect. I gather from what he said that he considers that it is proper that there should be connected with this expenditure something in the nature of a sinking fund, so that the money spent could be paid back. But, if that method is brought about, I do not see how we can avoid something in the nature of the cash system of selling our lands. If that is to be the result of what the honourable member proposes, then we certainly should not be able to carry out that idea. I am one of those who think that no more land should be sold. I think all our land should be on perpetual or eternal lease, provided it is revalued from time to time, and while I am in this House I shall always advocate that course. I think the Government should, in letting its lands, in the first place give an opportunity to small settlers who take up sections to find employment in making the roads and in opening up further blocks of land. The settlers should then have an opportunity of enlarging their holdings. I think if that principle were carried on it would be a great success. My principal object in rising in connection with this Bill is to object in *toto* to clauses 4, 5, 6, and 7. Clause 4 provides that any person may, by agreement with the Minister, settle upon any Crown land. This Bill is not confined to bush districts in the North Island; it relates to wherever there are Crown lands to be opened up, and any person can, by agreement with the Minister, go and settle upon those lands; and, having done so, power is given to the Colonial Treasurer to advance to those particular persons money with which to improve the block. I ask honourable members to notice particularly that—

“Any person may by agreement with the Minister settle upon any Crown lands for the purpose of clearing or otherwise improving the same, upon such terms as to advances or otherwise as may be agreed on, and the Colonial Treasurer may, when authorised by Parliament, make all such advances out of moneys available under this Act.”

I say, if these clauses are to remain in the Bill, you will be bringing back the very worst evils that have been caused by the gridironing in Canterbury in past days.

An Hon. MEMBER.—Nonsense!

Mr. G. W. RUSSELL.—An honourable member says “Nonsense!” It may be nonsense so far as he is concerned; but we all know what the evils of that system were in Canterbury; and we say this: that if any man is to be allowed to go and pick the eyes out of a valuable block of land, and thus cause difficulties with regard to the future settlement of that block, it is bound to be disastrous in its effect on large portions of the country. I say, Sir, that any enactment which permits of anything in the nature of gridironing being carried out will be disastrous in the future. The Government should themselves, in the first place, improve the land, and when it is improved they should throw it open for sale under the ordinary clauses of the Land Act, and let everybody have the same opportunity of select-

ing the land. No person should be enabled to get the ear of the Minister and make a private agreement with him to secure special portions of a block. If that provision is to be carried out in this Bill you have got a worse form of gridironing than ever existed in Canterbury. Honourable members talk of safeguards, but I object altogether to the necessity of safeguards where a matter of principle is involved, and I sincerely hope the House will throw out this portion of the Bill. I should like to ask why clauses like these are incorporated in this Bill. This is an amendment of the Land Act in a most important matter, and one that ought to have been brought down in a general Act, and not in a Bill of this kind. It has no business in this Bill, because it is asserting a new and general principle, and I shall do my best to have this clause excised in Committee.

Mr. BUCHANAN.—I am very glad to be able to give the Minister a general support to the principle of this Bill, although, as a matter of fact, it does not largely interest the district I represent, because it happens for the most part to be an old-settled district. Now, with regard to the purchase of Native lands, I was much astonished at what fell from the two members representing Wellington City. My honourable friend Mr. Bell complained that there was only £20,000—so the Premier said—to be allocated to the improvement of the land, and that there was no sinking fund provided to prevent the cost of the land from being added to the permanent debt of the colony. Now, there is only one way in which that can be arranged, as far as I know, and that is by a reversion to the freehold system, against which both these honourable gentlemen are strongly opposed. I think, if they will look to the history of land-settlement in this colony, they will fail altogether to find any profit which has been made by the State on the purchase and settlement of Native land out of which any fund could have been established for extinguishing the debt. Are settlers to be charged a rate beyond that which they can afford to pay out of the products of the land? I feel satisfied settlers generally are heavily enough taxed already, without any further burden being imposed upon them; and it would be impossible that any such fund as that named by the honourable member for Wellington City (Mr. Bell) should be established. The senior member for Wellington City must also realise this. He objected to the purchase of Native land.

Sir R. STOUT.—No; I did not say so.

Mr. BUCHANAN.—I understood the honourable gentleman to mean this at all events, as he objected to the large addition which would be made to the debt of the colony by the purchase of Native land.

Sir R. STOUT.—Hear, hear;—out of borrowed money.

Mr. BUCHANAN.—Perhaps the honourable gentleman will indicate how he could avoid creating this debt in perpetuity, if he insists that the freehold land shall not be parted with by the State.

Mr. G. W. Russell

Sir R. STOUT.—Take the Native Land Act of 1886.

Mr. BUCHANAN.—That did not mean that the Crown was to buy Native land at all; the Crown was to act as agent for the Natives, who would still remain the owners of the land. The honourable gentleman must see that that is altogether inconsistent with the land-nationalisation which he supports.

Sir R. STOUT.—No.

Mr. BUCHANAN.—Well, if the Natives are to remain the owners of the land, I cannot see how the State can at the same time be the owner. The honourable gentleman would then have a system of landlordism under the Natives in the same way as if the Government parted with the land to Europeans, who would afterwards let it to farmers, as is the custom in Great Britain. As regards the roads-and-bridges section of the Bill, as a representative of the North Island, what comes home to me is, if the settlers in a bush district are to pay their way and make homes for themselves I cannot see how they are to establish dairy factories and settle as they ought to do upon the land unless they have roads to carry their produce. I hope the Minister will take my criticism in no unfriendly spirit; but when we had £30,000 allocated in 1891, I think, for roads and bridges without any schedule whatever, he was severely condemned, and rightly so; and now we have no less than £250,000 under this Bill. If the honourable gentleman were on this side of the House he would be the first to criticize and condemn such a system of uncontrolled expenditure as this.

Mr. J. McKENZIE.—You will have the estimates for all these roads.

Mr. BUCHANAN.—Unless there is such a schedule it leaves the distribution of the money to the sweet will of the Minister, exposing him to accusations of all sorts, which in many cases may be justified, of allocating this money according to the "colour" of the applicant. Then I come to the remarks of the Premier where he condemned the dribbling system that had obtained in the past in the settlement of lands, and he read to the House a telegram he had received from Auckland as to the large number of people who had departed to Australia by the steamers he mentioned. I am glad to say we have now an opportunity of saying to the Premier, and to the members of the Government, that their own chickens have come home to roost. How often, both inside and outside of this House, on every platform throughout the colony, have we heard them denounce the Atkinson Government for the exodus of our population about four or five years ago! He pleads the Coolgardie goldfields and cheap steamer-fares as the loadstones that are withdrawing our population by the hundred; but what about the public-works expenditure which was going on in Victoria and New South Wales during the years of the Atkinson Government? Are we not aware of the millions of public and private money that were being poured into those colonies during that time, and that the returns from Coolgardie are but a drop in the

bucket compared with them? We shall now see what the present Government—the Government that was to cure all labour troubles, that was to find employment for all the unemployed, that was to inaugurate an era of prosperity that would be a landmark in the history of the colony—with Parliament sitting and a strong majority at their back, we shall now have an opportunity of seeing what they can do with the exodus and the “unemployed” difficulty. The honourable gentleman has already done a great deal of harm to the colony by suspending the sword over the most enterprising settlers in New Zealand, and utterly destroying all confidence; and the working-men are the greatest sufferers. We have inquiries now from Sydney and the Australian Colonies generally as to what the effect of the honourable gentleman’s policy is, and the reply can only be in one direction. The Premier told us that we had thousands of men willing to work, and that all that was required was to open the lands to these people. What are men without money to do upon the land? With only their swags on their backs, and nothing to commence the arduous work of settlement, what can they do? They can do very little until they are first able to save some money and make a commencement. The honourable member for Wellington City (Mr. Bell) was good enough to describe in piteous terms the hardships of settlers in the bush; but the honourable gentleman himself has never had much experience in the bush or in the real work of settlement. I have myself gone through a little of it in an experience of nearly forty years in the colonies, and I never thought life in the bush to be a miserable life, and I deprecate the idle talk of men whose experience is altogether confined to the towns. I have mislaid some evidence that came before the Labour Bills Committee during the last few days, but the purport of the evidence given by one of the witnesses—Mr. Allan Ward, the president of the Trades and Labour Council—is that “he would be very sorry indeed to send his boy out to a country district to go cow-spanking, and work for sixteen hours a day.”

Boys in factories who are apprenticed for a term get in most cases something like 5s. or 6s. a week to commence with, their wages increasing very slowly during the term of their indentures, and their food and lodging cost much more than that, even although they live with their parents. My experience of country boys is that they start at 5s. to 10s. with board and lodging, and their wages increase as they grow to be more useful; and they are thus able to save money from the very beginning. I should like to know how a boy in the towns is to save money out of his 6s. a week, after finding food, clothing, and lodging. Then, Sir, we had a ludicrous attempt by the Premier to deny that the £500,000 to be raised under this Bill was in any sense borrowing, because it was to be used for roads and bridges and the purchase of Native lands. The enormous borrowings of the past have been to a large extent used for the same purposes; yet we never think of

separating the sums so used when totalling up the amount borrowed in the past. That the Premier, with the responsibility attaching to his office, should calmly get up and talk such nonsense as this is really most extraordinary.

Mr. J. McKENZIE.—That is unparliamentary.

Mr. BUCHANAN.—Is it? When did it become so? I agree with the honourable member for Palmerston and the honourable member for Riccarton in their opinion that clause 4 is a very dangerous one. I can understand that good use might be made of it if modified, but I shall be compelled to vote against it as it now stands. I do not think it is a power that should be vested in any Minister of Lands.

Mr. WILLIS.—As my own district is very much interested in this question of acquiring Native lands, it might not be out of place for me to say a few words on the subject. We have heard from various members the expression of opinion, with regard to these intended loans the Government are proposing to raise, that when the people of the colony hear of these proposals they will be very indignant indeed at money being borrowed in this way. In regard to myself, I may state that, if members think the country is opposed to loans for the purpose of promoting settlement, I say in my case it is altogether different. When I stood on the platform at Wanganui I advocated strongly that if ever there was a time when the Government should borrow money for the purpose of opening up the lands of the colony it was the present. So it cannot be urged that I am one who would be afraid to face my constituents when I advocate that it is necessary that money should be borrowed for the purpose of acquiring Native lands and the construction of roads and bridges for the promotion of settlement generally. For a long number of years—forty or upwards—in the district which I represent, we have been confined to a narrow strip of land; we could not go back a distance of fifteen or twenty miles without being in the midst of Native land. While we have seen other parts of the colony progressing—roads being made, and settlement taking place—we have been in the unfortunate position of knowing that by no possibility could settlement be stretched away back, and settlers planted on the back-country. I am glad to say that times have been changing. The Government have seen the necessity of purchasing lands; they have succeeded in purchasing the Waimarino Block and various other blocks, and land-settlement is going on: but it has been going on too slowly, the Natives holding land in large quantities, but it could not be acquired because the Government have not had the money with which to make the purchase. By this proposed loan of a quarter of a million for the purchase of Native lands—which I consider altogether too small, but it will still give the Government the means of assisting settlement to a large extent—by means of this quarter of a million, large numbers of people may be placed on lands that are at

present useless alike to Europeans and Natives. You can go over miles of land and see nothing but bush—very beautiful for scenery, but useless for a people to acquire a living upon. When this money is raised, matters will be changed; the Government will have the means to buy land from the Natives, and plant people upon it. We were told by the honourable member for Wellington City (Mr. Bell) that this was a profligate scramble for borrowed money. I resent this language altogether; it is not a profligate scramble, but an honest effort to see that the people of the country are properly settled. The honourable gentleman went on to say that people were leaving this colony in enormous numbers because the Government was not giving them employment. The Government is twitted that it is not spending money in legitimate employment. I say, if money is to be spent in legitimate employment, it should be in opening up these lands. The charges made by the honourable gentleman utterly fall to the ground. The Land for Settlements Bill has been discussed at great length, and I am glad to say it received a large measure of support, the object being to raise money by which large blocks of land could be bought back for the people. The part of the colony that will benefit by that measure most is the South Island. And rightly; I do not grudge the large sums of money being spent there. But I say that members from the South Island should be glad to see the North Island members having opportunities of getting lands purchased from the Natives for the same object for which they themselves desire land. I very much regret that Native lands are going through the Land Court so slowly. I should like to see the Government using more energy in the way in which land is put through the Court. Whether there is a difficulty in getting Judges I cannot say; but, no doubt, it is going through altogether too slowly for settlement purposes, and I do hope greater efforts will be made in the future to have titles defined more quickly than they have been in the past. It has been urged that the price paid for Native land is too small—that the Natives have been robbed. But it has not been taken into consideration that the small price paid is on account of the land being situated away from centres of population: the roading that has to take place, and the surveys having to be done in a most expensive manner, necessarily causes this land to be of very small value indeed as compared with land near settlements. The Premier said to-day that it should be the object of the Government to buy lands near settlement, not to have them so far away. I only wish the Government were able to do that, but I am afraid they will not be able. The land is far back, and far away from where people can get those comforts they should be able to get. But I do not think the country people want all these comforts. A deplorable picture was painted by the honourable member for Wellington City (Mr. Bell) about their miserable life. I have been among them and have seen them, and,

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though their hardships are very great, I have never met a class of men more cheerful, more hopeful, in looking forward to making homes for themselves. The picture painted by the honourable member was altogether different from what I have found the circumstances to be. What can be happier than for a man to look forward to the time when he has got the timber off his land and the grass down? If he has only a little whare, no matter how small, he feels he has got a home where he can look forward to living happily, instead of being oppressed by the strikes and struggles that take place amongst those in the cities. Therefore, instead of looking at this as a gloomy picture, it is quite different from what the honourable gentleman pointed out. Of course the position of some of them might be a great deal improved, and I do not think it is altogether the success it should have been. I think a mistake has been made in planting these settlers all together in a mass, where they have not opportunities of getting employment. I should like to see the larger holdings mixed up with the smaller, so that these men might get employment. I think the Government, before placing men on these sections, should, in the first place, improve the sections—at any rate of, say, twenty-five acres—by cutting the bush down, and thus save time, so that these men could go to work at once, instead of having to wait a long time before they get the bush down and the grass on. If this were done the Government would be improving their own freehold, increased value would be given to the land, and they could afterwards get the increased value from the tenants. It would be the means of assisting, to a large extent, a number of settlers who are only too anxious to help themselves if opportunity is given. Every opportunity should be given to assist land-settlement; and, in my opinion, this scheme of borrowing a quarter of a million of money is as good as many of the other schemes which the present Government have introduced. Why, even the approval of the honourable member for Wairarapa ought to be sufficient to prove to honourable members that these are good proposals.

Mr. BUDDO.—I am bound to admit that I have very little sympathy with settling small settlers on bush-land. I consider that a man without capital, except under special conditions, cannot thrive on bush-country. I am somewhat surprised that in this Bill no provision is made for the leasing of Native lands. I think that would be a much easier way of acquiring those lands, and it would also safeguard the interests of the Natives, who we know are, as a rule, not thrifty, nor do they take care of money, especially when they get it in large sums. In the debate on the Financial Statement I indicated very clearly that I should not approve of the large sum of half a million being borrowed for this purpose. I consider half of that sum, in the present state of our finances, quite sufficient for the purpose. Am I to understand that the Government, in introducing this Bill, intend to inaugurate

a progressive public-works policy? If so, I think it will be the duty of the House to determine whether there is a necessity for such a policy; and also if it is judicious, in the present state of the labour-market, to attract large numbers of men from the other colonies, who when these works are done will be thrown on the labour-market of this colony. As to the necessity for roads and bridges in the North Island, I believe that every one who has travelled in the North Island will admit that many of the roads are in a wretched state, and that bridges are urgently required. But to build bridges in remote districts, and attract a population there that is not at all likely to be a settled one, is, I think, inadvisable in the present state of our finances. What is wanted is land-settlement—giving the settlers the right to make their own roads, and so provide for their present wants until their land becomes reproductive. I am not going to traverse the public-works policy of the past; but the general consensus of opinion is that a large proportion of those works were entirely unnecessary. In regard to our position, I may point out that there is not a single export of the colony which has a ready market at payable prices, if we except dairy produce. The finest wheat in the world can be had f.o.b. at Adelaide at 2s. 1d. a bushel, and at the same time we have news that the Argentine and India have enormous increases in their wheat yield over last year's. In wool at the present time there is a small improvement: and I think we must admit there is very great room for improvement, considering the low prices which have been ruling. Dairy produce is expected to be at least 25 per cent. cheaper in the coming season than it has been during the past season; while our frozen-meat industry, although it is paying its way, cannot be said to be yielding a profit. This Government is quite strong enough not to add large sums to our public debt. I think we shall have to run the colony more strictly on business lines, and I consider our policy should be to increase the amount of settlement on improved land, giving to the settlers the right to make their own roads. I have always been strongly against putting settlers without means on bush-land. If we do as I suggest we shall lay the foundation of a sturdy yeomanry, and keep the labouring population away from the towns, where they cannot get anything else to do at the present time but purely relief-works. I shall vote for the second reading of the Bill, but in Committee I shall do my best to get the amount to be expended reduced by at least one-half.

Mr. STEVENS.—The honourable member for Wellington City (Mr. Bell) led the House to infer that it was he who first advocated the opening-up of lands by roads before settlement takes place. Why, that policy has been advocated not only by that honourable gentleman, but it was also advocated by myself twelve or thirteen years ago. I have always been of opinion that in settling a block of land the most economical way of proceeding is to drive an arterial road through that land.

In the matter of bush-settlement, I have always held the idea that it is absolutely necessary, before placing men on bush-land who are not possessed of money, that certain things should be done. Say, for example, that a man is going to occupy a hundred acres of land: it is a great benefit not only to the Government, but to the intending occupier, that at least 25 per cent. of the bush should be felled and burned, and the land sown in grass, so that the occupier may live in a proper and comfortable condition, as compared with what he has to do if he has, upon entering on his land, to cut away round the root of some huge tree before he can get a sufficient clearing in order to establish a home for himself, or pitch a tent for himself and his wife and family. That occurs in a great many instances in the settlements which are now progressing. I would also impress upon the Government the necessity of having these improvements made in accordance with the experience of bush-settlers who have had twenty or thirty years' experience of felling bush and sowing it with grass. Instead of practising the improper system of felling only trees of a certain diameter, and allowing the others to stand—which is a great mistake—I think the Government would be consulting their own interests, and the interests of every one who goes on the land, if they caused every tree to be felled, with the exception of some trees such as the rata and totara. The latter tree may be required for fencing and other purposes, and should not be burned; and the rata will often burn down without being felled. I can assure honourable members that if I were offered land with the bush standing, or to have the bush partially felled, I should prefer to have the standing bush. I speak from practical experience in this matter, because I have had a great number of acres of bush felled, and have seen it done. I have heard it said that clause 4 of this Bill will give such powers to the Minister as will enable him to permit his friends to go on to the land in the North Island, and either gridiron it or take the eyes out of the blocks. That is putting a wrong construction upon the Bill. Let us take this position: We have the North Island Main Trunk line: hundreds of men are employed there with their families. They are constructing this line of railway through Crown lands. Many of them have been there for two, three, or four years, and they have not yet been able to acquire a small piece of land upon which to found a home for themselves and their families. I say, while they are working in the locality of Government land, it should be the privilege of these people, who are the pioneers of the country, to have a sufficiency of land upon which to make a home; and, whether the land be surveyed or unsurveyed, the Minister or his officers will carefully see that they are not permitted to monopolize or take any undue quantity of good land. If the Government wish to encourage settlement of good land in small areas they must offer every possible facility for it, and not allow red-tape to hinder such settle-

ment. There are at the present moment a very large number of people in my electorate who are anxious to go upon the land, and take up any area of land almost, in order that they may make a home for themselves and their families, instead of being compelled to live in tents on the roadside, just as if they were so many gipsies. That is not the manner in which the people of this country should be treated. From my own point of view,

7.80. what the Government should do in the matter is to carry out the law which is intended to be provided by the Bill now under discussion. It is contended, Sir, that the Government should acquire Native lands by lease, and sublet it to the people of this colony. Now, I have the most decided and positive objection to any such course being adopted. We have on the one hand given effect to legislation for the purpose of preventing the moneyed people of this colony from becoming our landlords, and we say the Crown should be the only landlord. If this applies to the case of Europeans, why should it not also apply in the case of Maoris? The honourable gentleman says we have not the money with which to buy land. I say, without much fear of contradiction, that the Government have already acquired from the Maoris, and have in their possession, as much Native land as it is possible to settle, and settle judiciously and properly, within the next five or six years without acquiring another acre. But wherever land is offered for sale, and at such prices as the Government can acquire it, it is their duty from time to time to acquire land; but they need not expect that they are going to extinguish the Native title over the lands of the colony within one, two, or three years. Therefore it is the duty of the Government to utilise with every reasonable expedition the land that they have already purchased. And, if the Government do as they intend to do under the Native Land Bill that is before the House, I say there will be little fear indeed of the land being taken up by private individuals. The Government can proclaim any block of Native land as being under negotiation for purchase, and so prevent any private dealings, without any legislation other than that which we have at present. But on that head I would say this: There has been a very great deal of noise made in this colony, and especially in this House, for purely party purposes, not by the present Opposition or by the present Government, but for the last twenty years, and the outcry that has been made has been very like demanding the locking of the stable-door after the horse is lost. Now, what do the Native lands consist of, or, rather, that portion which still remains in Native hands? They consist chiefly of forest; and lands which are not forest lands can only be occupied with any prospect of profit whatever in areas varying from two thousand to twenty thousand acres. But there are honourable gentlemen who talk as if any one acre was equal to another. Such is not the case, and I do hope that a reasonable and fair estimate will be made of the present situa-

tion as compared with what the situation was some twenty years ago. Providence bestowed down upon us one of the greatest blessings any colony in the world ever had, especially on the coast where I live, when it clad the whole country with forest. Had it not been for that, the whole of the land would before now have been mopped up and monopolized in runs varying in extent up to a hundred thousand acres. Where now thousands of people are living there would only have been as many sheep; and what the Government should do is to offer every possible inducement for people with capital to come and make their homes and settle down amongst the people who require capital to utilise their labour. It is a physical impossibility for a country to prosper with capital only or with labour only. One of the greatest political economists has laid it down that capital and labour must run hand-in-hand. Let us take the millions of acres in the back-country along the west coast of this Island especially, and I venture to say it is a positive wrong, and an absolute absurdity, and will retard the progress of the country, to have any such legislation passed in this House as would prevent men with £5,000, £6,000, or £10,000 from investing their money there for the purposes of *bonâ fide* settlement, which would give employment to people who are only able to occupy small areas, but require work. That is the way to settle the remainder of the bush-country, and, if the bush-country is only to be settled in small areas up to two hundred acres, we shall have placed ourselves in a situation which will render it necessary to bring down further legislation in the direction of permitting the holders of these small areas to acquire a sufficient amount of land in order to live upon the soil without outside assistance. At present there are only two classes of industry which are suitable for our bush-country. They are the growing of sheep and cattle and the dairy industry. These are the only industries. There is a great deal of talk about fruit and many other industries that might spring up if they were only fostered and encouraged; but I say that, owing to the geographical position of the colony, it is impossible we can profitably utilise our lands for any purpose to any extent other than those for which they are now utilised. Let us see what amount of profit one can make out of, say, five hundred acres of land that is suitable only for running sheep or cattle. Why, Sir, about £400 per annum, under the very best circumstances, is what one would get from five hundred acres of land. Such being the case, for a man with a family of five, six, or seven children I say that is not sufficient, especially when those children have grown up. If he chooses to subdivide his land he should be permitted to do so, and he would therefore require a greater area. With respect to the very terrible state in which the bush-settlers live, as described by the honourable member for Wellington City (Mr. Ball), when he said that they live in unhappiness

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and discomfort, I should be very glad if the honourable gentleman had visited perhaps the most outlying settlement in my electorate, or, indeed, on the west coast of this Island, as some honourable members and myself did the other day, when there were forty children drawn up in a line, who would do credit to any country or colony. These children, I can assure him, are equal in happiness, in health, in intelligence, and in every other way to any of the children in the cities. And what is required for the purpose of making these settlements prosperous is that these children shall have the fairest and best opportunity of obtaining an education that will fit them for any calling in life. This should be done, but I regret to say that in the past such has not been the case. This colony has looked to the larger centres for educational institutions, and the advantages of this education are only available in the educational institutions that exist in the large centres, but these large institutions are not available for the children placed in the position of those of whom I have just spoken. It was only twelve months ago that those settlers began to move out to the locality in which they are now living; and at their own cost and expense they are erecting their own schoolhouse, and providing their own teacher, and they are not in the position at present of waiting for promises to be fulfilled by the powers that be. I say that the Government should make every possible provision, and not mete out to Boards of Education a specific sum for educating the children in the back-country. It may be there are thirty or forty families assembled or set down probably in two or three months, and the Board of Education has no opportunity of knowing anything about them, and it can make no provision; and therefore I say the Minister of Education should be in a position to grant a special vote at any time it may be required, rather than allow children in these places to go for six or twelve months without education. Now, Sir, the object of this Bill is a very desirable one indeed. It is one which I believe will bear good fruit, but it is one which ought to be administered with the greatest possible liberality. There should be every liberty given to the *bonâ fide* working-men who are working on public or other works, and who, on account of what work is likely to be done in the vicinity in improving the land, need sections for themselves. I say these men should have a fair opportunity of making their selection if they choose out of the particular block, and of settling upon it, without the necessity of having to wait for several years, as they have had to do in a great many cases. I assure honourable gentlemen these are men who are as able and willing as any man in the colony to hew out homes for themselves in the bush, and live and prosper upon the land. Very small pieces of land will suffice for the purpose while they can receive wages from the Government for their services on public works; but immediately these public works cease it is an impossibility that they can make a living upon ten acres of

land—nay, upon fifty acres of land. I say they should be permitted to acquire such land as will enable them to live within the four corners of the district where they find their work, without troubling to run all over the colony to obtain work for the support of themselves and their families. Now, I hope the Government will carry out what it is intended by this Bill to effect, and not merely put it on the statute-book. If we are to enact laws in this House for the benefit of the people, they should be active laws, and not dormant laws; and I am sorry to find that a great many of the laws that we have made are dormant laws and not active laws; and I am under the impression that we might even have done without some of these provisions in connection with the Bill before the House, which honourable members on this side of the House, and occupying the Ministerial benches, have put in, wishing to place themselves beyond the suspicion or derision of those who are opposed to them. But any Minister of the Crown who exercises that which he believes to be reasonable justice in cases which come before him at once finds petitions laid before the House from those who are supposed to be injured, and honourable members on the other side of the House characterize the Minister as anything but of the purest water. And therefore it is necessary to have a great deal in our laws which would otherwise be unnecessary for the purpose of giving effect to the desires or requirements of those to whom we must look for the future prosperity of the country, and those people who are going to hew out homes for themselves in the bush. I would draw the attention of the honourable member in charge of the Bill to this: I do not think it will serve any good purpose to have the whole of the improvements made upon the land by the Government before asking those people to occupy them. I say, if one-fourth of those improvements were effected on the land, the occupier could then utilise his time in making the remainder of the improvements while he is out of work. This is really what they desire. What they really require is the nucleus in the shape of clearing and good roads before they are asked to take possession of the property. I know there are a number of honourable gentlemen in this House who think that it is impossible for people to go and live in the bush. That is quite a fallacy. And it is also a certain fact that there are a great number of people who have left a most admirable locality for future settlement because up to the present time they have been unable to acquire the land they desired, though they have been walking over it every day. It is held back for the purpose of carrying out the red-tapeism of the Act, which I think quite unnecessary. Now touching again on the subject of Native lands, I contend that any person who wishes to acquire a piece of Native land of an area laid down by the land-laws of the colony should be permitted to do so, provided it is intended for *bonâ fide* occupation, just in the same way as Crown lands are intended for *bonâ fide* occupation. I know in many places in this Island there

are sons of desirable settlers who would be glad to acquire lands from the Natives, and pay even a higher price for it than the Government would pay. And, Sir, I ask, in the name of Heaven, what objection can there be against two settlers, both of whom are citizens of New Zealand, both understanding the nature of their undertaking, entering into an engagement? It is simply because a cry has been got up to the effect that any one who deals with a particle of Native land is a speculator or a land-shark, or is dishonest. Now, I hope the Government will remember my views on this subject, and, if I should have the pleasure of being here two or three years hence, or probably longer, I feel as certain as possible that, if the Natives are prevented from disposing of their lands to Europeans under the system I have described, settlement in this country will be very much slower indeed than it otherwise would be. With these few remarks I will conclude, in the hope that this Bill will become law, and, having become law, that the Government will make it an active measure and not a dormant measure. And, notwithstanding all that has been said with regard to clauses 4 and 5, it is my humble opinion that these clauses only give a Minister of the Crown that liberty to which he is entitled as a Minister of the Crown. It is surrounded with the greatest possible safeguards, because not one of those transactions can be ratified until ratified by Parliament. It states here most particularly that authority of Parliament is to be obtained,—in section 4. Therefore, if anything that may be done by the Minister is done unjustly or unfairly, his action may be reversed by a vote of this House.

Sir R. STOUT.—No.

Mr. STEVENS.—Well, that is my view of it, and, if it is not so intended, I hope the senior member for Wellington City will, in his generous kindness, assist this House to make it as good a measure as this House and the honourable member, I am sure, desire to see it.

Mr. THOMPSON.—Before the Minister replies, Sir, I should like to say a few words on this Bill. We have had two or three very extraordinary speeches this afternoon, but we have heard very little about the Bill. The honourable member for Wellington City (Mr. Bell) gave us a lecture on bush-settlement. He evidently sets himself up as an authority on everything pertaining to farming, and he drew a very doleful picture of a settler's life. If we have many speeches such as his in this House it will probably prevent a great many of our young men from going into the country and becoming settlers. Sir, that honourable gentleman has taken very good care to divest himself of all his own property, and he is now an extreme Radical so far as the land-laws are concerned. In speaking of the life of a bush-settler, I take a very different view from that expressed by the honourable gentleman, and I venture to say that it would be much better if a large number of those young men who now remain in the towns, and go into factories and such places, and eke out a very miserable existence, where they get half-poisoned with

foul air, were to go into the back-country and become bush-settlers. They would not find it at all the miserable life depicted by the honourable member for Wellington City this afternoon. Any man who has spent a few years in the bush-settlements in this or the neighbouring colonies will admit at once that there is not a class of people who enjoy a pleasanter life and better health than the pioneer settlers of our colonies. It will be a very bad day indeed for this or any other colony when our young men become so effeminate that they will prefer to loiter about the street-corners of our towns and spend their time in frivolity and amusement instead of going back into the country districts and becoming settlers. However, I will pass from that to the few remarks of the honourable member for Riccarton, who gave us a lecture upon gridironing. I have no doubt that that honourable gentleman, like some others in Canterbury, has got gridironing on the brain. I believe it is a very popular subject in Canterbury; but any one who uses that term in reference to the North Island does not know what he is talking about. To imagine for a moment that anything approaching gridironing could take place under the control of the present Minister of Lands is a great stretch of imagination. The system under which these bush-settlements are formed is this: A number of men can apply for a number of sections under this system, and, so soon as the Minister can acquire a block of land suitable for that class of settlement, the block is surveyed in sections by the Survey Department, and the applications are received publicly from those who are prepared to take up the sections. As for anything approaching gridironing, the very idea of such a thing taking place is the utmost nonsense. I am not prepared to say I am greatly in favour of that particular system of settlement. It is a new experiment, however, and has not had a fair test yet—that is, improving bush-lands first, and letting them afterwards to the men who fell the bush. I would suggest to the Minister of Lands that he is now entering upon a class of settlement with which he can have had very little experience. He has been accustomed, principally, to the opening-up of lands in the Middle Island, and when he comes to deal with the bush-lands under this system he will find that it is necessary to exercise the utmost care and caution; else very grave mistakes will be made. For instance, a number of men may be employed to fell bush at a good rate of wage, and, unless this bush is properly felled, in our wet districts in the North, it will be impossible to get a good burn; any one who has had anything to do with that bushfelling or clearing knows by experience that, unless the undergrowth and everything else is properly felled, and everything done in a proper way, it is impossible to get a good burn, with the result that the land on which the bush is felled may have to lie for a number of years before you can get it burned off. Another thing I should like to state to the Minister is that this class of work should

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be confined entirely to six months of the year. No bush should be felled in the summer months in the North Island, because in the dry season the chances are that some one may drop a match accidentally, and the fire may be carried through the bush, which may not be burnt out properly; and the result may be that a lot of trees may be there for years before they can be properly burned, and the cost of felling the bush is practically lost. So in dealing with this class of settlement I would suggest to the Minister that he will require to be very careful indeed, otherwise very grave mistakes may arise. Then, coming to the proposal which is to give a man who fells the bush the pre-emptive right of selection, I think that is a very good proposal, in this way: If the man who is felling the bush intends to take up the land he will have a particular interest in felling it properly, and there is no danger of the work being slummed. In this work it is impossible for any inspector to be appointed by the Crown merely to visit the blocks to tell whether the work is done properly or not. The only safeguard by which they can secure that object would be by compelling the man to go through the bush first and fell all the under-scrub. If that is not done it will be impossible to tell whether the work is done properly or not. So that the Minister will need to be very careful. In reference to what the honourable member for Wellington City said in criticizing the amount of £20,000 as the probable sum to be expended on this class of settlement, the honourable gentleman argued that there is a large expenditure proposed in this Bill for road-works,

8.0. independent of bushfelling altogether; but, in fact, I myself would sooner see the whole of the money spent in roading the land than even in felling the bush; for this reason: We have any number of farmers' sons in the country—practical men, who understand how to farm bush-land. If the Crown will only road these lands there will be no difficulty whatever in getting these lands taken up; they will be taken up immediately. A great many persons will be in a position to take up that land, and they will be able to employ a great number of men who are at present depending upon the State for employment. If you put on bush-land a class of people who are not accustomed to bush-work, depend upon it those men will be a failure. Bush-farming cannot be learned in a day or two. It requires some years' experience to enable men to become bush-farmers, and I hope the Minister will be very careful in carrying out his system of settlement under this Bill. I hope it is not intended to establish the system of farming now established up at Levin. There the settlers expected to be provided for by the State as long as they lived; and the last speaker, I think, intended something approaching that in his speech. He said it was impossible for small settlers to get a living on twenty or even fifty acres of land unless the Government supplied them with work. My idea of settlement is this: that if a settler gets assistance for a few years he ought not to look to the Government

for assistance any longer. I would not give a fig for the settler who is always looking to the Government for assistance. Unless they have sufficient self-reliance they will never become good settlers. Therefore suggesting that the Government should put on these bush-farms a class of men who expect always to fall back upon the Government for work is a mistake; no greater mistake could be made by any Government. If we want them to succeed we must put upon these bush-farms a class of men who possess a knowledge and experience of bush-farming. Now, Sir, in reference to the question of purchasing Native lands: that is perhaps one of the most important proposals that have been brought before the House this session. I do not know whether the Government are going to be successful in their operations or not. There is a strong feeling at the present time in the Native mind against selling to the Government. I do not think that for the last twenty years feeling was ever so strong or so intense as it is now in the North Island. There is an agitation going on amongst the Natives to this effect: that they should be allowed the pre-emptive right; and I believe the Government will find they will be able to secure very little Native land for some time. The Natives are agitated, and consider they have a grievance, and they object to the Government refusing to give them the right of free trade in their own lands; and that will be the great difficulty the Government will have to deal with. But I hope the Minister of Lands, in dealing with this measure, as I presume he is going to have charge of that department, intends to appoint a Land-purchase Board. If he wants to make this a success he must shake himself clear of the pakeha-Maori element—an element that we find hanging about every Native district in the North Island, and an element that seems to live and fatten upon the Natives. If he wants to make it a success he must shake himself clear of the pakeha-Maori element, and must set up a new Native Land Purchase Board, consisting of men who will be responsible to him for the valuation and purchase of Native land; and I hope he will, as far as he possibly can, bring to a conclusion the purchase of blocks now partially purchased. I understand that a large number of blocks in the North Island have been partially purchased for some years past, but until these purchases are completed it is impossible to deal with these lands and open them for settlement. If he succeeds in doing that, then he will receive the thanks of the whole of the people in the North Island. The whole system of Native-land purchase in the North Island for years past has been a system of bungling, and I hope the honourable gentleman will take a new departure in that respect. Then, Sir, I would suggest to the honourable gentleman that he should have a return prepared every year showing the operations under this Bill. I think we should know where the lands have been purchased, the quality of the land, the amount that has been paid for it, and when the purchase of the block is likely to be

completed. I venture to say there is no one in this House at the present time who can tell what quantity of Native land we have purchased within the last five or six years, the number of blocks the purchase of which has been completed, or what position these blocks are in. I fear a very poor account could be given of the money that has been spent under that system. If the Minister will take a new departure and set up a new Native Land Purchase Board—I do not suggest that he should set up the same Board as is provided in the Bill for purchasing private lands, but there should be two or three gentlemen on this new Board in whom the Government could place the fullest reliance as to their good judgment, and these men should visit and inspect every block before it is purchased, and see that we get fair value for our money, because I believe that a number of blocks that have been purchased in this Island will never be fit for settlement purposes. In dealing with this question, I am sure the Natives are pretty well able to take care of themselves, although the honourable member for the Northern Maori District sometimes complains of their being hardly dealt with; I think in many instances during past years they have been able to hold their own in selling land. But I would suggest, when the Native Land Purchase Bill is brought down, that in all our settled districts—such as we have in the northern parts of Auckland, where the Natives own blocks of land not of any great extent—they should have the fullest liberty to deal with those lands as they like—that the Government should not claim the pre-emptive right over these lands. In that part of the colony for many years the Natives have been in the habit of dealing directly with the settlers. Most Native lands have been bought from the Natives by settlers. There has been no difficulty, no disturbance; the Natives and Europeans live upon the most friendly terms, and I think these people may be allowed to deal with their lands as they think proper; and, as land is always sold in small areas, there is no danger of the aggregation of large estates. I have great pleasure in supporting the Bill, and I cannot see anything in the measure which any honourable member could take any objection to. If the Bill is passed and the Minister gets the necessary powers to get the money to carry out the provisions of the Bill, I feel certain that under the honourable gentleman's careful administration the Bill will be a great success. It is very much needed in the North Island: in fact, at the present time we have scarcely any land open for settlement, and I am sure every settler in the North Island will be pleased when this Bill becomes law. I have no fear of any abuses cropping up under this Bill as long as the honourable gentleman has the administration of it. I am sure the Bill will be carefully administered, and I have therefore the greatest pleasure in supporting the second reading.

Mr. E. M. SMITH.—As this is a very important Bill, dealing with half a million of money, and as it traverses the public-works

policy of the Government, I think it my duty to say something about it. This is the Bill of all Bills that I have been waiting for, because I think it will do more good for the North Island than all the other Bills put together. I am surprised beyond measure to hear any honourable member representing a constituency of the South Island getting up and speaking against this Bill, and I hope they will not be found voting against it. Did we not tell them this: that we supported the Land for Settlements Bill because we who represent the North Island knew that none of that money would be spent in the North Island, but that its expenditure would be confined strictly to the Middle Island, and that we did not wish all the money to be spent in the North Island? That is the sop in the pan we gave you to get your support to this Bill. We do not want to lure young men from the Middle Island, and bring them up to the North Island to settle on the bush-lands. But what we do want, and what the Minister is desirous of doing, is to settle these lands properly, and he cannot do that without roads and bridges, so he must have the money asked for in this Bill. Now, if honourable members were to go up into my district and I were to show them the deplorable condition of the country for the want of roads, they would come back to this House and support this Bill. I believe that the Minister will lay every penny of this money out wisely and well. I believe he will road the lands and bridge the most dangerous rivers, and then settlement must progress. When honourable members talk against this Bill it shows me they have not been on an electioneering tour through those districts, or they would know better. But I have; and what is the result? Some of these men have gone beyond the roads, and have taken up land in the Tanner and other settlements, and in the settlements up the Junction Road, and these men tell me they would not go back to Christchurch into the warehouses they worked in before if you gave them 10s. a day. These men told me that, and I know they are in an independent position. They feel proud that they see before them two hundred acres they can call their own, and can produce for themselves and their families all they require. When they want butchers' meat they can go out with their rifle. There is any amount of fish in the river, and what with wild cattle, and pigs, and pigeons there is no fear but that they will have plenty of food in the house—that is, men on the frontiers. And they work from daylight to dark; and what is the result? They have got a large amount of the bush down: but when they sow grass-seed, and know that they cannot get their produce to market without a bridge over the dangerous Waitara River, it is no wonder they are asking the Government to provide funds to build a bridge across this dangerous river. To show how the Minister is putting these people on the land, I will give an instance. A poor man and his family, brought up in the Old Country strictly as a farmer's man, sold out, and expended almost

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all the money he possessed in coming here. They burned this man's clothing, under the quarantine regulations. He intended going to Canterbury, but he had to come to Taranaki because he had not sufficient money to pay his passage any further. I heard, through a friend of mine, of the man and his family being in a deplorable state, having landed with only a few shillings, and he had taken a house on the outskirts because it was cheap. I went to the Crown Lands Commissioner, who communicated with the Minister, and the Minister gave instructions that this man should be taken on road-work in the place of a man who had given it up. He was taken on, and started work on the Mimi Road. They told him there was work, and if he liked to take it the conditions were that he should receive a small block of land where he could live with his family, there was plenty of firewood, and that he must put up a whare within a month. The man accepted the terms. They are now surveying a block close to the road, and this man will get a hundred acres. I undertake to say that within twelve months he will be in an independent position, and road-work will be found for him. This is going on all over the country; and while we have these good results and this kind of administration by the Minister we are in duty bound to back the Government up. We know they cannot make roads and bridges in addition to making other improvements. When the honourable member for Kaiapoi said he was in favour of these men being put on land and being asked to make the main arterial roads of the district, I was shocked to hear any honourable gentleman professing to have the interests of the settlers at heart seeking to do this. I know some of the roads are formed, and the metal costs £600 a mile; and the settlers have not only paid the Government for their land, but have gone in for two loans, and have taxed themselves. Some of the rivers in the district are not bridged, and it is impossible in some of the rapid rivers to have fords. I say, of all the things the Government requires to do in the interests of progress and the settler the main thing is to put up bridges and make roads. With regard to the purchase of Native lands, the honourable gentleman who last spoke gave some valuable hints to the Government, but I can give a few hints that are more valuable. He asked the Government to set up a special Board for purchase. I think there is no necessity for anything of the kind. All that is required is an expert or two selected by the Government to work in harmony with the Land Board, and to report to the Land Board on the blocks of land within the survey districts, and when one of these has got the sanction of the Natives to sell to the Government it should be for the Board to visit the land and from time to time advise the Government, and the purchase could be completed. I have a list of blocks of land which I will not weary the House by reading—some purchased, some partly purchased, and some waiting for the Government to purchase—and if these purchases are completed then the Lands Depart-

ment will have large quantities of land during two or three years. I have here a map showing the Native lands, and I shall be willing to show it to other honourable gentlemen. I can show that between Auckland and Taranaki Provinces there are seven millions of acres waiting for settlement, and a large area that can be purchased. But how? Not without passing these policy Bills and giving the Government the sums they ask for. We talk about borrowing a few millions. I am surprised. I have always preached that this Government should borrow five millions, and ear-mark it entirely for the purchase of Native lands. I know the honourable member for the Northern Maori District will object to it, but I ask the House not to pay any attention to him. I think it would be in the interests of the Natives. When I was the pioneer of the Mokau we found blocks of land that the Maoris had never so much as shot a tui on. We got a lease, but before we got the lease the Government could have purchased it for 1s. 6d. an acre, but they had no money, and were not inclined to purchase it. And we are paying the Natives £150 a year: no matter whether we make a penny out of the land or not we have to pay the rent, and they take care always to get their rent in advance. We are paying them £150 for what was no good to them in the past, and what would be no good to them now but for the energy and enterprise of the Europeans, who came into the country and surrounded the Natives with the blessings of civilisation. I object to the Government having the pre-emptive right to deal with Native land. I am willing they should have the right to acquire blocks of land in districts where there is no European settlement. When I see hundreds and thousands of acres allowed to grow over with furze, and a nuisance to the neighbours, and know they are not subject to fencing or road-deviation, or anything the same as Europeans, it would be in the interests of the country if the Government did not surround these lands of the Natives, and did not attempt to acquire the pre-emptive right, and if they put less of these lands under the control of the Public Trustee. We should individualise these lands as quickly as we can. If the Natives came to the Government to say, "Give us the Crown grant and we are prepared to become Europeans, subject to taxes, and road-deviations, and fencing, and all the things required of Europeans," that would be the way to deal with the Native lands in the interests of both Natives and Europeans. I believe the day will never return when people will be able to get large blocks of a hundred thousand acres, and I for one hope it never will return, and will do my "level best" to prevent such large blocks from being acquired. I believe the greatest blessing ever bestowed on New Zealand was the bush. If it had not been for the bush these lands would not have been the storehouses of accumulated wealth they are now, because if they had been clear they would have been gobbled up like the lands on the East Coast. If we put a

poor man on these bush-lands, at the same time giving him employment on the roads, we are giving him an independency he could not get in any other country. All we have to do is to legislate in the interests of the masses, and not of the classes, and to watch the Government, and support them through thick and thin. We are extending Liberalism, and administering the affairs in the interest of the nation. Knowing this, I shall support the Government in their policy Bills; and when I hear that the members of the Opposition are going to support this Bill I think how nicely we shall get it through. It amused me to hear the honourable member for Wellington City (Mr. Bell) getting up and claiming that he drafted this Bill. He did not use those words, but said that was what he preached on the platform. I think he must have got hold of one of my old speeches when he spoke of the poor, degraded position of the bush-settler. I was thinking whether he thought of the bush-settler when dining at Government House. Ever since I dined there that is the reason I go in for the bush-settler, seeing the difference between the grandeur, wealth, and luxury there, and the miserable condition of the struggling bush-settler. When leaving that house I made

8.80. a vow that I would do my "level best" to equalise the condition of the people of this colony. Now let me turn my attention to the senior member for Wellington City (Sir R. Stout). I really did think, when we got this Bill, that we should at last find the honourable gentleman supporting one of the proposals of the Government. The honourable gentleman says this Bill is badly drafted. The honourable gentleman has lived a long time in this country. He is a fine classically-educated man. He has the parliamentary history of the colony at the tip of his tongue, and there is no doubt he is a clever man. But what does he dream about at night? It is the policy of the Government. He sees he is left out in the cold. He has no portfolio. Then he asks, "How can I support these Bills? I must look at them from a lawyer's point of view, and in the light of the way I have been treated by the party." I have very great esteem for the honourable gentleman, and therefore am very sorry for him, and I will ask him to take my advice and, before the session closes, come back to the Liberal lines and adopt the liberal policy of the Government, and we will forgive him, and then we will offer him a portfolio when the next shuffle of portfolios takes place.

Ye friends of truth, ye statesmen, who survey
The rich man's joys increase, the poor's decay,
'Tis yours to judge how wide the limits stand
Between a splendid and a happy land.

Hoist the Liberal banner high,

On to victory grand!

The old Conservative and Opposition schemes
defy,

And support the progressive Minister of Lands.

Mr. BUTTON.—It has been said that money can purchase anything—that if we only have sufficient money we can obtain anything we

Mr. E. M. Smith

desire; and that appears to be the policy now being pursued by the gentlemen on the Government benches. Of course we can have settlers if we are willing to pay the price for them. It is quite possible to produce bananas and pine-apples and other tropical fruits or semi-tropical fruits in Greenland; but, then, consider the cost of producing them: they will not be worth the expense of the fuel. And so with regard to the attempts of the Government to induce settlers to come to New Zealand and locate themselves on the land. I am one of those who desire to see settlers located upon the land. We all wish that, and we only differ as to the means by which that desirable end is to be attained. We have had the Land for Settlements Bill, and the Advances to Settlers Bill, and now we have the present Bill. First let us look at the Land for Settlements Bill in the light of the remarks I have already made in regard to the expense of introducing settlers. We have, first of all, a quarter of a million per annum—I believe it is to be per annum—devoted to the purpose of purchasing land in order that settlers may be placed upon it. I do not think any one objects to the principle of purchasing land when it is desirable; but I object to the Land for Settlements Bill on the ground that borrowing is required for that purpose, and also that there is no provision made for extinguishing the debt which we propose to incur. I ask honourable members just to look at what will be the effect of the Land for Settlements Bill with regard to the cost of each settler to the country. I believe one of the members of the Government stated that the Government expected to get 50,000 acres per annum for this quarter of a million. That would be at the rate of £5 per acre, and each settler would have on an average 100 acres of land. That means a cost of £500 a settler. But the colony is to be at the cost of £500 for each settler to be placed on the land under that Bill alone, and it is never to be repaid. There is the difficulty. It is not as if this land was to be sold and the purchase-money applied to reducing the debt; it is not as if the land was to be leased at a continually-increasing rent, as the colony progresses with rents advancing generally; but there is to be one fixed rate of 5 per cent. per annum for an everlasting lease—a rent which would never repay the purchase-money. So that the colony is to be committed to that expense under this Bill alone. I am dealing with this one only in the first place.

Mr. J. MCKENZIE.—I rise to a point of order. Is the honourable gentleman in order in discussing the Land for Settlements Bill, which has passed this House?

Mr. SPEAKER.—The honourable gentleman is at liberty to comment generally on the financial condition of the colony, but not to discuss the details of the various measures beyond their bearing on the proposed legislation which is now under consideration.

Mr. BUTTON.—I have referred to the Land for Settlements Bill only to show the position the colony is in, with these cumulative advances to settlers. Under the Land for Settlements

Bill each settler will cost the colony £500, which is never to be repaid, because under the terms of the everlasting lease no provision is made for that. Then we come to the advances to settlers. It will not do to put settlers on the land without any money at all and with no experience, and expect them to be a success; and, consequently, another provision has been made by which advances are to be made to settlers. I do not know to what extent these advances are to be made: this is an untried experiment, and we shall have to wait to see the result of it. But, at all events, the cost to the colony in settling these men upon the land will be cumulative. It may be that each settler will get £1,000, or perhaps £500. There is no provision made for a return of that. It will still be an increasing cost, so that if each settler gets £500 under the Land for Settlements Bill and £500 under the Advances to Settlers Bill, there you have £1,000 at once for each settler. I say, much as I desire to see settlers placed upon the land, I think the cost will be far greater than any advantage which could be obtained from it. In this present Bill, which is in the same direction, we have a provision made under which advances are to be made to those who have had no experience in farming—mere labourers, perhaps, who will go upon bush-land and fell the bush, and have advances made by the Government to enable them to carry on this work or bushfelling, and ultimately to become leaseholders, probably under this system of the everlasting lease. Then what will be the effect? These men are to have these advances. I do not know to what extent; but I know perfectly well that a small sum will not go very far, and we may expect that a considerable sum will be necessary to advance to each settler in order to give him any chance whatever of getting a foothold on the land. What is to be the security for this? Our own land. The land that belongs to the colony is to be taken as the security for this. But then, perhaps, honourable gentlemen will say, "But it is improved land, and the security is the improvements which are put upon it." But have honourable gentleman considered this: that the increased value of the land moreover is not in proportion to the expenditure upon it? We have known many instances—and I dare say this experience can be borne out throughout the colony—in which improved land has not been enhanced in value anything like in proportion to the amount expended upon it. For instance, if a piece of land is worth £500, and if £1,000 is spent in improving it, that property would not bring in the market £1,500. In this case we shall have the Government advancing money, and taking no security for it, because the men are not able to give it: they will only have these improvements, which are supposed to be a security; but if these improvements were put into the market they would not fetch the sum which the Government has lent in addition to the price of the land. One honourable gentleman complained that the honourable member for Wellington City (Mr.

Bell) had used as an argument against this Bill that no provision was made for a sinking fund, and he said, "Where could that come from except out of the produce of the settlers?" Of course, that is where we expect it to come from. If these settlers get the benefit of the money which has been advanced, surely there should be some provision made for an increase of the rent, which increased rent would make some provision for returning the debt. Are we to go on for ever? Are we never to make a provision for repayment of the money? Then, this Bill makes provision for the purchase of Native land. So far as that is concerned, we should have no objection to it, even if the Government honestly and boldly declared their intention of going in for a borrowing policy for this purpose, provided always that the land when obtained should be disposed of in such a way as to recoup the Government. But if the land is to be disposed of in the same way as land under the Land for Settlements Bill, then we shall only be creating trouble by buying these lands; we shall never have a fund to repay the money. I should have no objection at all to the Government going in for a policy of borrowing for the purpose of purchasing Native land if the land were to be disposed of in such a way that the money could be repaid, and the debt reduced; but on any other system I should certainly oppose it. It is the same with regard to roads and bridges. One of the members of the Government—I think it was the Premier—told us that we were not borrowing money. That is a foolish way of talking; we know perfectly well it is borrowing money. Honourable members cannot shut their eyes to the fact. We are borrowing money; and why not do it boldly, and say it is for roads and bridges? We have had works constructed out of loans, and the colony has benefited much by them, and if the works to which the money is applied are judiciously constructed it is far better that we should be borrowing for the construction of these works, and effecting permanent improvements for the colony that offer some security for the money, rather than, by these various schemes we have placed before us, attempting to raise money for the purpose of locating settlers on the land at such an enormous cost. To the principle of purchasing land from the Natives I entirely agree, but at the same time I should not be disposed to give to the Government the sole pre-emptive right, and take away the right of the Natives to dispose of land as they may think fit. But with regard to all the other provisions of the Bill, I object to them. I object to the advances to settlers made in this way, which is only plunging the colony further and further into debt without any security being taken for the repayment to the fund, and without any provision for sinking fund or anything of the kind.

Mr. McGOWAN.—I will not occupy the time of the House for more than one or two minutes. Indeed, I had not intended to say one word, and should not have risen had it

not been for the speech made by the honourable gentleman who has just sat down. The remarks he has thought fit to make do not say much for his logic. He starts away with telling us the cost of these settlers to the colony, and he says that what we are doing is buying our own lands. Well, if we are buying our own lands we still have the money among us, because if the lands are bought from the Natives the Natives have the money. There is no change in the wealth of the country in the purchase of these lands. It is not going away. It is not going away to pay large contractors for carrying on public works, railways, and so forth, where the amounts spent on these public works represent so much capital that goes out of the country. In this case you buy the land, and you have the land and the money as well. Now, with reference to the statement of the honourable gentleman that it has cost £500 for each settler—honourable gentlemen may smile, and I am sorry they do smile; it appears to me they do not look below the surface, but simply take the statement made with reference to the cost of the land as being something which the colony has lost. But the price paid for Native land is never lost to the colony. The accumulated capital that is put into a farm in the way of improvements has not gone out of the colony by any means; it is recirculated, and it is by this means a country becomes powerful and wealthy, and is able to put an ever larger area under cultivation, and, by doing that, is increasing the wealth of the country by increased production. The honourable gentleman also referred to the continual cost that these settlers must necessarily be to the State. But the cost which these settlers are to the State will be represented by the increasing value of the land by the improvements they put on it. The honourable gentleman gave as an illustration a certain estate which a man bought, and for which, after he had put a thousand pounds' worth of improvements on it, he could not get a price larger than its original value. What kind of example is this? This is an example that is only too frequent when a land-boom is on. A man buys a piece of land and puts an expensive building upon it. For what purpose? In order to receive a higher rent, or to sell it at an enhanced value. But because this land-boom does not last, and the man loses by his speculation, is that an argument against the prime value of the land? He knows it is not an argument. If honourable gentlemen would simply occupy the time at their disposal by suggesting improvements,—if they would apply their minds to the Bill, and the features of the Bill, instead of each other's statements and of matters outside of the Bill itself,—it would be very much better.

Mr. MONTGOMERY.—I, too, should like to make a remark with regard to the speech of the honourable member for the City of Auckland (Mr. Button), because it certainly was a most extraordinary one, and was the kind of speech that was heard from the old Conservative party in the House, but which we very

rarely hear now. The most extraordinary statement of all was that each settler placed on the Cheviot Estate cost the colony the sum of £1,000. He said, under the Act every settler cost £500, and this was never to be repaid. If he looks at the return under the Cheviot Estate Act he will find the amount of interest which the rents at present produce: I think he will find that it is £5 7s. 6d. per cent. per annum, and we pay 3½ per cent. for the money, so that I should like to know how we lose the amount the honourable gentleman stated for every settler put on the Cheviot. And then we had the statement that this £500 more which has to be advanced to this unfortunate settler who has cost the colony so much is never to be repaid. He has not read the Government Advances to Settlers Bill. It has been repeated so often that the payment of this loan was to extend over thirty-six years that I wonder the honourable gentleman is not aware of the fact. The advances to settlers are for thirty-six years, and at the end of that time the advances will be completely paid off.

Captain RUSSELL.—Lease in perpetuity.

Mr. MONTGOMERY.—The honourable member (Mr. Button) said this £500 advanced to the settler was never to be repaid. I wish to show that not only is it to be repaid, but that a certain amount will be repaid every year; so that for the colony it is a perfectly safe and good transaction, and it will all be repaid in thirty-six years. The curious thing is that, while the honourable gentleman upbraids the Government for the purchase of the Cheviot Estate, and the Government policy in general, he approves of the purchase of Native lands. What difference is there in principle between the purchase of the Cheviot Estate and the purchase under this Bill of Native land? I fail to see the slightest difference in principle. In the one case the Government buy from the Natives, and in the other case from a private owner. It has been suggested to me that perhaps the difference lies in the fact that in the one case the land is near to Auckland, and in the other case it is not; and there may be something in that distinction. Had it not been for the speech of the honourable member for Auckland City (Mr. Button) I should have been inclined to congratulate the member for Hawke's Bay on the tone of the Opposition towards the Bill. It has been a very pleasant feature first to see the honourable member for Eden and then the honourable member for Wellington City and others getting up and saying they approved of the Bill. It undoubtedly goes to show that the Opposition have recognised since the elections the wisdom of the policy of the Minister of Lands in his Land for Settlements Bill. That was what policy we were fighting for at the last election, and the country showed its approval of the Minister of Lands and his land-settlement policy, although the Opposition tried to show that the policy was a very bad one. It is very pleasing, therefore, to find that the Opposition now admit that the policy of the Minister of Lands is not a bad one, but a good one

Mr. McGowan

for the colony, and that some of them at least are supporting this Bill. With regard to the Bill itself, I would say that it is really two Bills. One part is that dealing with the purchase of Native lands, and the other is the part of the Bill relating to roads and bridges. Now, with respect to the portion of the Bill which relates to the purchase of Native lands, I entirely agree with it. It is exactly on the same lines as the purchase of land for settlement such as the Cheviot Estate. In speaking at the election I defended the purchase of the Cheviot Estate, and I hoped that more land would be purchased in the same manner; and therefore I feel perfectly prepared to speak and vote for that part of the Bill, especially so as I see there is a clause which makes roads and bridges payable out of the same fund as land that is bought. But, Sir, with regard to the first part of the Bill I do not feel so certain: not because I do not say it is a good thing, for there may be a necessity for it, but because when speaking at the elections I, in common with other honourable members, expressed myself against any description of borrowing. I dare say, if I had been asked a question on this point at the election—whether it was good to borrow for more roads and bridges for the promotion of settlement—I might have said I was in favour of it; but it was not suggested, and consequently I declared myself against borrowing. Therefore, Sir, I am not in favour of the first part of the Bill. This proposal, as I understand, is for roading Crown lands. Well, we still have a certain amount of money to the credit of the Public Works Fund. If I remember aright, it was mentioned in the Financial Statement that, after allowing for liabilities, there was a balance of some £48,000 last year; and it was stated, "We propose, as before, to transfer £250,000 to the Public Works Fund for construction of reproductive works, and in aid of the settlement of the land." Well, I had hoped that the Minister of Lands would be able to apply this £250,000 which I speak of in aid of the settlement of the land. I had hoped that that £250,000, together with the amount left over from the Public Works Fund, £48,000, would be sufficient to provide for the necessary roads and bridges. It would have been within £35,000 of what we spent on public works last year, and I am sorry it is not so. Now, with regard to particular clauses of the Bill, I must say I think there are a number of safeguards in this Bill which are particularly acceptable. There is, first, clause 3, which provides that estimates of each of the works are to be laid before Parliament each session. That is a very safe clause, and therefore a clause that I think the House will approve of. Then, with regard to clause 4, about advances to settlers, I entirely agree with the principle of advances to settlers with which to make improvements, and I am glad to see that is the policy the Minister of Lands has taken up. It is impossible for men to go on unimproved land and improve the land for themselves without having sufficient money to go on with, and I am glad to see the Minister

of Lands taking up the attitude of helping them. At the same time, I think this should have been part of the Government Advances to Settlers Bill, and should not be in this Bill. We should have had regulations with regard to the amount that ought to be advanced, or the kind of property on which it was to be advanced, and on what improvements, and so on; and we should have known exactly how it was going to be used. I have no dread of its being used badly. I have every faith in the Minister of Lands as an administrator. I think he is the best land-administrator we have had in the colony, and that he has sufficient knowledge to adopt this policy. His settlements at the Chasland's, and in the North Island,—at Pemberton especially,—have proved successful; and I think that is the land-settlement policy of the future. I am also glad to see that we are going to have a separate account in this matter—the Lands Improvement Account. I have always believed in the policy of having a separate account, because it allows Parliament to see exactly what we are going on. It is provided for in the Consols Bill and in this case; and I should like to see a separate account provided for the Second Part of the Bill, which deals with the purchase of Native lands. I should like to see exactly the same provision in the two cases. I am told that it is so in the other Bill; therefore my suggestion is of no practical value, although it shows my opinion on the point. Then, with regard to

9.0. clause 5, which relates to a man having a prior right to the land, I hardly like to see it introduced in the Bill. I would rather it were made part of the regulations. I think it will tend to hamper the Minister of Lands in the distribution of the land if a man is to have a prior right. I should like to see him make regulations from time to time. I do not at all like this principle of priority of right introduced. Of course, on the other hand, we have clause 6, which makes it comparatively safe, and I do not see how any harm can come of it. Then, with regard to the proviso in clause 5, I hope that will be struck out, and that whatever has been done hitherto under the Public Works Act will be paid for out of the Public Works Fund. As it was begun in that fashion, it is only fair that it should be so finished, and, as has been pointed out by the honourable member for Wellington City, it is technically impossible to say that the work was begun under an Act that was not in force. I hope the Minister will consent to strike this out, though I do not attach very much importance to it. Then, this proviso in clause 9—

Mr. J. MCKENZIE.—I will explain that.

Mr. MONTGOMERY.—I am glad to hear the Minister will explain that in his reply. With regard to the debentures, I see they are to be raised in the colony, and they are to be made payable in any money-order office in the colony; and no doubt that is a wise provision. But, since we are to borrow by Consols and for advances to settlers, I think it would perhaps be better to go direct to the London money-

market and call it a loan, and then we shall all know exactly what it is. I do not care about conversion, because it means, as we all know, that there will be a little more money provided under the Act. I have no objection to there being a little more money, but I should like to know what we are going to borrow, and I think the conversion clause should be struck out. I should like to see, in the case of the Native lands, a separate account kept, so that the rent could be set off against the interest, and so that we might be able to see that the taxpayers of the colony were not losing anything by the transaction. Then we should be able to go to our constituents and say, "The interest and rents are so-and-so," and one balances the other, and we could show the taxpayers that they would have nothing to pay. That is the reason I object to the money being borrowed on roads and bridges, because it is to form a charge on the taxpayers indirectly. Though they may get a part of it back, still for the time being it will be a charge on the taxpayers. I have nothing more to add, except that I am glad to be able to give a general approval to the policy of the Minister of Lands.

Mr. MCGUIRE.—Sir, we have heard a good deal about the late elections during this debate, and very little about the Bill. The honourable gentleman who has just sat down has taken the honourable member for Auckland City to task with reference to the difference between the Cheviot purchase and Native-land purchase. He could not see the difference; but there is a great deal of difference, as any one who studies the question will see. With reference to Native lands, those lands are paying no rates or taxation whatever, and they are yielding nothing whatever to our revenue; they are a bar to settlement in every possible direction: whereas the Cheviot had been paying both rates and taxes. It was adding to our exports, and yielding to our revenue; and if that is not a difference I do not know what a difference is. I shall support the Bill, as I think it is in the interests of the country, but it requires to be carefully looked into in Committee, and when it goes there I shall certainly do my best to improve it in every respect. With regard to the roads and bridges, I am very glad to see that the Minister of Lands is beginning at last to acknowledge that his settlements will be a failure unless he opens them up with roads and bridges. This is the first time I have heard him acknowledge it, and I have been trying to impress upon him from time to time the necessity of doing something for the struggling settlers, but the honourable gentleman paid very little attention to it. However, I am glad to see he now recognises that these paper settlements of his will be a complete failure unless there is money spent in opening up the country with roads and bridges. Here is a grand opportunity for the Minister of Lands and the Government to absorb all the unemployed in the country in a way that will be beneficial to the State. Unless the people get employment in opening up the country with

roads and bridges, so as to make the land ready for settlement, they cannot get employment at all. I therefore hope the Minister of Lands, now that he recognises the necessity of roads and bridges, will without delay take action; and by so doing he will give employment to the unemployed, and necessary conveniences to the settlers. There is no difficulty whatever if the Minister of Lands is thoroughly in earnest in the matter. In the Public Works Statement I think it was stated that there was sufficient money to do this: and there will be no difficulty at all. Then, I trust that suitable people will be placed upon the land; because I must confess that since we introduced our system of land-settlement there has not been the same amount of settlement as there was under the deferred-payment and perpetual-lease systems in the past. Under them the land was taken up as quickly as it was surveyed. Some of it was bought for cash, some on deferred payment, and some on perpetual lease; and there was always a certain amount of money coming in for the purpose of making roads. Land was yielding in every way, and the Treasurer had no necessity to borrow for roading this land. The land was then self-supporting. But under our new system we have nothing but dissatisfaction. The roads are in a disgraceful state. Bullocks and horses have almost disappeared in some of the roads in the North, and the loss in this way to individual settlers has been very great. I shall be very glad indeed to assist the Minister in every way in this direction, because, if he is in earnest in his efforts, past experience should tell him what to do, and he would be able to place the settlers on the land and open the country in a thoroughly businesslike way; but I can tell the honourable member honestly and candidly, as I have on every occasion told him—and I never went behind his back to do so—that up to the present time the whole of the settlements have been a failure. I hope he will repair that by starting a system of roads and bridges, because it is absolutely necessary if settlement is to progress that the country should be opened up with good roads and bridges. With reference to the purchase of Native lands, it is a matter I am very glad to see the Government undertaking, because I can tell the Government and the Minister of Lands that £100,000 spent on buying Native lands will do much more for the settlement of the country than if you spent a million of money in repurchasing land already settled upon, as land purchased in that way will be found very expensive when it has finally passed a Judge of the Supreme Court, sitting as a Judge in arbitration. The thinking people, upon whom the brunt of taxation will fall, are against purchasing private estates before we settle the Crown and Native lands. The interest has to be paid yearly for this resettlement of country which is already paying rates and taxes. I think it is the duty of the State in an advantageous and economical manner to settle the Native lands, and I shall assist the Government in every way I can in the matter.

Mr. Montgomery

I am quite certain that the Minister will confess that what he has done in the past in the shape of settlement has failed considerably for want of a proper system. I know that special settlements here and there were forced upon him, and active agents were employed for the purpose of getting them up, and the Government were anxious to get the lands settled in some way or another; but they have made a complete failure so far. I dare say the Minister is desirous of settlement taking place, but he has not gone about it the right way. He must have obtained experience during the past three years. I intend to watch him very closely for the future, with the object of rectifying past mistakes and making better provision for the future. He has left out an element that was absolutely necessary, and that element was to open up the country thoroughly. Now, I am against borrowing so much money, as borrowing will mean increased taxation, and the burdens of the people are very heavy at the present time. There have been such large borrowing schemes introduced this session as to astonish me, coming as they do from a Government professing to be a non-borrowing Government. We seem to be drifting, drifting, drifting. So far as our finances are concerned, I am afraid our sheet-anchor is gone since the late Colonial Treasurer died, and the Government is drifting hopelessly away, and I am afraid we shall soon be on the rocks. However, it is perhaps not yet too late to turn over a new leaf, and see that the moneys expended in this country are expended in the interests of the State, and that fair-play and justice will be done to every section of the community, and that people will be treated fairly and honestly, irrespective of politics or anything of that kind. As far as the Bill is concerned, I do not intend to take up any further time in discussing it. I believe the Bill is in the interests of the country, and it will have my support. I will try to amend it in order to make it workable in every way.

Mr. HOGG.—I am very glad to learn from the honourable member opposite that he is going to support this Bill. It is quite true that he takes a rather despondent view of the situation. He thinks that we are borrowing too much money, and he expresses the opinion that the colony is drifting, drifting, drifting more or less to ruin. Well, Sir, I think the honourable member will be found, before very long, when the Public Works Statement comes before this House, drifting, drifting in a very hopeful direction; and, possibly, seeing the requirements of the district I represent, I shall be found drifting in the swim with him. He and I have the reputation of being two of the greatest beggars in this House in regard to roads and bridges: that is the reputation we have enjoyed for the last two years; and there is not the slightest doubt the requirements of the district I represent in the matter of roads and bridges are exceedingly great, and nearly as pressing now as they were some years ago, because, although a large amount of public work has been done, the number of settlers

has increased proportionately, and the requirements, if anything, so far from being met, have simply been augmented. The honourable member has referred to some of the roads in his district, and, by way of illustration, he has assured the House that, in consequence of the boggy condition of those roads, bullocks and horses have disappeared altogether. I am glad to say the condition of the roads in the Forty-mile Bush, in my district, is not quite so bad; but, although bullocks and horses do not occasionally disappear, it is said that they get so imbedded in the mud as to require rope-and-tackle to drag them out, and that when they are pulled out they sometimes appear without their shoes. That is a very bad state of affairs. However, what I wish to call attention to is the very illogical address delivered by the honourable member for Auckland City (Mr. Button). He deprecates borrowing, even for the purchase of Native lands, yet in the very same breath he tells the House he could believe in a Government introducing a bold policy and going in for buying and selling these Native lands. Well, I should like to know what this Bill contemplates, if it does not contemplate the very thing the honourable member has been advocating. The only thing he, apparently, finds fault with is that the policy is not sufficiently bold, and that instead of spending a quarter of a million the Government did not go in for several millions. His opinion evidently is that, instead of raising money by an easy method that will not injure any one in the colony, the Government should go in for further plunging in the London money-market, and should resume the system, indulged in for so many years with great disadvantage to the country, of raising foreign loans, a system from which we are now suffering very severely, having every year to pay nearly two millions to the foreign creditor on that account. He tells us in so many words he has no faith in the settlers to be placed on the land under the Bill now introduced. He alleges that the money proposed to be advanced to these settlers will never be repaid; yet each of these Bills that he refers to makes ample provision for the payment of substantial interest on every shilling that is expended! The Advances to Settlers Bill, as the honourable member for Akaroa remarked, provides not only for payment of interest, but for the repayment of the capital within the period of thirty-six years. Surely, Sir, when the honourable member for Auckland City referred in that way to this and some other Bills he could not possibly have read them, or, if he read them, cannot have understood their provisions. Then he talked of "mere labourers, men of no experience" being placed on these bush-lands and being unable to prosecute bushfelling. What kind of persons would he like to see placed on bush-lands? Who are the men who are likely to improve bush-lands and make homes on bush-lands for themselves? I say they are the labourers of this country. Would he select those gentlemen who exist in Auckland, called the National Association?—a very proper name

to give them, because they are always gnashing their teeth at everything in the shape of progress. They would go there to starve; they could not, as the honourable member for New Plymouth suggested, face even the wild cattle; they would hie up the nearest tree. A more illogical argument could not be used against the class of men the Government are endeavouring to place upon the lands. The class of men the honourable gentleman would perhaps select are known as remittance-men, with regard to whom it would have been well had the colony shut its doors against them; yet the honourable gentleman scorns the idea of "mere labourers" being placed on bush-lands! I have always understood that men of education have a different appreciation of the dignity of labour from that; because who are the men who are making this or any other country? I maintain it is "mere labourers." I maintain that "mere labourers" are about the best class of men we have in New Zealand at the present time. Then, he talks of growing bananas in Greenland, as if these labourers wanted to be sheltered under glass houses. Whatever may be said of the pensioners and remittance-men in Auckland, I am satisfied these labourers are men who are working out their destiny. I am going to support this Bill, and that portion of it with reference to Native lands, because I know, without travelling far from Wellington, it is calculated to do a great deal of good. For some time I have been endeavouring to get the Government to purchase a block of a thousand acres in the neighbourhood of Ekatahuna. It is splendid Native land, but not profitably occupied, and yet it is bounded by a good main road, can be easily settled upon, and has a township at each end of it; there is the Town of Hawtwell at one extremity, and the Town of Ekatahuna at the other extremity. It has a creamery at each extremity, and lots of settlers are wishing for an opportunity of getting upon the land. The reason the Government have not been able to acquire it is that the Natives—sagacious individuals—are waiting for the unearned increment. The land in its unimproved state they value at about £3 an acre. That land is paying little or no rates—I am not aware that it is paying any rates at all—yet all round that land we have improvements going on, and population concentrated. It is a shame that land of that character is not acquired for settlement, when in the townships there is a large amount of destitution, and "mere labourers" are willing to work, but are unable to find employment on the soil. Now, how many would that thousand acres maintain? Divided into forty-acre allotments, it would maintain twenty-five families; if you allow four for each family, it will mean a hundred souls placed unquestionably beyond the reach of destitution; not only that, but they will be placed in comfortable circumstances. If the Bill was to do nothing more than provide homes for men of that class it ought to be passed; but we find this Bill is only one of a number of policy Bills that have been introduced this session, and undoubtedly inter-

laced or dovetailed together. It is, on the one hand, intended to relieve the labour-market and to find investment for capital that is now locked up, and on the other hand to improve the condition of things. It is alleged that owing to the depression that prevails there is great room for improvement, and I say no more effectual method for improving the condition of the colony can be found than the method contained in Bills of this character. The Land for Settlements Bill, which has been passed by this House, is intended to open up for settlement unimproved private lands. The Advances to Settlers Bill, on the other hand, is intended to assist the small capitalists or working-men of thrifty habits who are able to go upon the land and improve it up to a certain stage, and who then may require to borrow on their improvements. The Government introduced that Bill with the view of assisting a very deserving class of colonists; but while the Bill was under discussion we had it pointed out by members, one after another, on the opposite side of the House, who were hostile to the Bill, that it did not make provision for labourers without capital, and who could not go upon the land and make homes unless they received assistance from the State or from some one else. Now, Sir, this Bill has been introduced to meet the case of this very class of deserving individuals. It has been introduced to meet the cases of men who have their health and their strength, who are prepared to work for themselves and their families, but who have no capital whatever; and, if it meets the cases of these men, what effect will it have? Will it not ease the labour-market? Will it not diminish the cry of the unemployed? Will it not assist many of these families who are now on the border of privation? Will it not render assistance to those who greatly need it? Will it not lessen the demand that is continually made upon benevolent and charitable institutions? Is it not calculated to prevent poverty? Is it not calculated to remove destitution? And may it not be claimed that it is well calculated to build up New Zealand? I say no Bill more adapted to the circumstances of the colony could possibly be brought forward than the Bill now before the House. Not only that, but, as the Premier has remarked, this Bill is likely to stop the exodus from this country. It is perfectly true—owing to the temptations offered in a neighbouring colony, whose goldfields are exciting considerable attention—that a good many of our best colonists are leaving us; but that is only a temporary attraction. There is very little doubt that, no matter how wealthy Coolgardie may be, owing to the number that are rushing there it is destined to be speedily

9.30. worked out; and by the time Coolgardie becomes sultry, in the course of a few months, many of the venturesome ones will be returning to our shores; and when they do come back, if they come back with the gold they have earned, I hope we shall have some of the lands which are now in

Mr. Hogg

the hands of the Natives thrown open for disposal. This is one object the Bill is intended to accomplish. It is one of a few Bills that have been introduced this session for the purpose of providing land. Then, with regard to the question of roads and bridges, I am exceedingly pleased that provision in this respect is made in the Bill, for, notwithstanding all that has been done under the public-works policy of late years, the provision hitherto has been totally inadequate. In the district I represent, in one county—Pahiatua—they have borrowed under the Loans to Local Bodies Act close on £40,000, for which they are now paying about £2,000 a year interest and capital. I say this: that if the settlers of a district like that can manifest such enterprise, if they are not afraid to borrow to this extent, if they are able to respond to the demands of the Government, if they are able to pay this amount regularly into the hands of the Colonial Treasurer, they ought to receive more assistance than they do. Only a few years ago you would hardly find ten or a dozen families in that district. At the present time there are two or three thousand settlers on the land and more or less prosperously settled. I quite agree with the remark that the settlers' lot is not such a bad one. It is quite true they have a very hard task and an uphill battle, as a rule; but if they are only assisted by the Government in the way now proposed their labours will be considerably lightened; they will go cheerfully to work, and, though the work may be hard and the climate severe, they will carve out homes for themselves, and whistle at their work because they are not at the mercy of the private money-lender, and have a Minister of Lands who understands their wants and necessities. Because it is not the case, as has been represented by one honourable member, that the Minister is not aware of the requirements of the country. The Minister has always been aware of these requirements, and time after time, when I have applied to him, he has expressed regret that the means at his disposal were not sufficient to comply with the demands. Some remarks have been made about clauses 4 and 5 and two or three succeeding clauses of the Bill, which give the Minister power to arrange with the settler the conditions under which he is to settle on the land and improve it. I think these clauses are very necessary; they seem to me to be the essence of the whole Bill. If the Minister cannot be intrusted to make such arrangements he is unfit for the position he occupies. I know we have a Minister in the position who understands the requirements of settlers, whose heart and soul are bound up in endeavouring to get the country properly settled and the bush-lands of the colony improved; and he will take care, the remarks of the honourable member for Riccarton notwithstanding, that the land does not get into the hands of a few. His object is not to build up large estates, but to place a large population on the soil of New Zealand, and thus make it the place I hope we shall see it before many years. His object is a thoroughly patriotic one, and he ought to be

allowed a free hand in carrying on the work of settlement. No Minister has ever occupied the position who has laboured harder or with more sincerity to place the people on the land, and I give him credit for that. If he has not done everything that has been demanded of him, it is because he has not had the means at his disposal, and we ought cheerfully to vote him this half a million for the purchase of Native land and the construction of roads and bridges, and for placing men in necessitous circumstances, with families depending on them, in situations where they can live in comfort instead of living in poverty. If ever there was brought before the House a Bill that ought to receive the assistance of members of all shades of political opinion it is the Bill now introduced, and I hope every honourable member will support it.

Mr. BUTTON.—I wish to make a personal explanation. The honourable gentleman has quoted me as if I had used the words "mere labourers" in a sense that would depreciate them, whereas the context clearly showed that I used it to show the inability of such persons, from want of experience, to make successful farmers.

Captain RUSSELL.—The honourable member for Masterton very properly eulogized the Minister of Lands as a patriotic man, and as desirous to do everything in his power to benefit settlers. We are all prepared to believe he is imbued with patriotic feeling, and has a great desire to do everything that lies in his power to secure the proper settlement of the land. But when he went on to say that on account of his patriotic feeling we ought to give him a free hand, there we may come to differ. It does not follow that because he is patriotic he is always wise, or that a man imbued with a noble spirit can carry his noble aspirations into effect. We could not all agree that he is always wise, nor should we all agree that he is the only Minister who has been patriotic, nor who has placed numbers of persons on the land. Statistics go to show that his efforts have been no more successful than those of his predecessors. But it is useless to discuss that. We may all agree that the desire has been great upon the part not only of all Ministers of Lands, but of all members of Parliament, to do everything they can to place people on the land. I was amused when the honourable member for Masterton said he wished to draw attention to the very illogical speech of the honourable member for Auckland City (Mr. Button). It seemed to me, at any rate, to be one speech, out of many, which was not illogical. Whether he was right or whether he was wrong will depend upon the view honourable members take on the question, but he was certainly not illogical. He stuck to the point very closely and concisely; he had an opinion, and he expressed it very plainly, and not at all illogically. I venture to say that every speech, almost, that has been delivered on the Bill has been illogical. I have no doubt that when I sit down, if any honourable gentleman does me the honour to criticize what I am now saying, he will

say that I have been illogical; though I will strive to be as logical as I can. We had a very good illustration in the speech of the honourable member for Ellesmere. He made one of those speeches which are now becoming characteristic of him. He approved of one-half of the Bill and condemned utterly the other half. It was a case of nature on the one part and art on the other; it was a case of the politician on the one side and the farmer on the other. He is more loyal than logical. He does not support any measure the Government bring in, in his address to the House, but he votes in a very Governmental manner when it comes to a division. That is the class of supporter every Government ought to wish for. No Government cares for a supporter who votes for them when they are right—that is nothing; they want one who will vote for them when they are wrong, and in the honourable member for Ellesmere they have a very good specimen of the desirable supporter. Referring once more to the honourable member for Masterton, he said this Bill was only one of a number intimately dovetailed. It is perfectly true. This is one of a series of Bills intimately dovetailed—a series of borrowing proposals unparalleled in the history of the colony; and no wonder the honourable gentleman has gone out of the House, because he is one of those who were intimately dovetailed with the non-borrowing policy. Yet he advocates a Bill such as this, which authorises borrowing a quarter of a million! I am not afraid to say I disapprove of the Bill myself entirely. I want honourable members to endeavour to put aside from their minds for a moment all the plausible rhapsodies about settling the people on the land. We are all anxious to settle the people on the land; we are all anxious that Native land should come into useful occupation; but that has very little to do with the provisions of this Bill. What we have to do is to consider whether it is a wise and proper measure, whether it carries out the policy of the Government that was enunciated with brazen tongues from almost every platform—namely, that this was a non-borrowing, self-reliant Government. Whether this is one of the true policy measures which every supporter on the Government side is obliged to vote for, or whether, as it is a direct traverse of the policy enunciated, every man will be allowed to go as he pleases, I do not know; but, if the latter is the case, there is no doubt the Bill will be rejected on its second reading. But I am afraid such is not the case—that once more the Government whip will crack in the lobbies, and that honourable members will troop in to vote against every promise made on the hustings and violate their own convictions, and do what the Minister of Lands—that very patriotic Minister—tells them to do.

Mr. SEDDON.—Perhaps you will give us another hand and move another amendment.

Captain RUSSELL.—The time may come when I might do so, if I had the same chance of helping a lame dog over a stile as I had the

other night. The speech of the honourable member for the Thames was very amusing. It was a very short speech; it consisted chiefly in this: He told us we ought to speak on the Bill, and not comment on other people's remarks. He spoke for about ten minutes, and during that time he was too wise to follow the advice he gave to others. He did nothing but criticize other people's remarks, and sat down with an air of ineffable wisdom and self-satisfaction. That was another of the very illogical speeches made this evening. One word to the honourable member for New Plymouth. He scolded people for talking about land, of which, he said, they knew nothing. I wonder how much the honourable gentleman knows about land. Probably the honourable gentlemen who speak about land know more about it than he does. But why should we not speak upon subjects unless we have a professional knowledge of them. Have I no right to speak about anything other than sheepfarming. We all have liberty to speak on subjects of which we think we know something. What does the honourable member know? He knows a little stuff he calls poetry, and he knows precious little about himself, or he would not talk half so much about himself as he usually does. I was very glad to notice that we had a confession from the Minister of Lands this afternoon. We have been told during the whole time the Government have been in office that they are a self-reliant non-borrowing Government, and are going to carry on public works out of revenue, and are perfectly able to do that. But to-day he said to carry on public works out of current revenue is absolutely impossible. That is nothing new. It was exceedingly patriotic, for for years past he has told us an entirely different tale. But to-night he has really enlightened the country as to the true position. Of course we knew perfectly well that at the rate the honourable gentleman and his colleagues have been spending they could not carry on public works out of revenue. I have often said that to tax the many for the benefit of the few is improper. I still maintain that to tax the many for the purpose of creating roads and bridges for the select few is not the true policy for this country. It is a policy which ought certainly to be avoided, because at the present moment the people have to bear a greater weight of taxation almost than they can bear; yet we are to be told that a large portion of the revenue which is being raised from the poorest is to be expended—in what? In providing capital for the Minister of Lands, to a very great extent. He said that at no time were roads and bridges so necessary as they are at the present moment. That I do not agree with. I do not think there is the enormous necessity which the honourable gentleman seems to think for pushing on roads into some outlandish parts of the colony. But, as my time is limited, I will not venture on that subject now. As the Premier spoke, he also admitted that there was a little borrowing in this scheme.

Mr. SEDDON.—No.

Captain Russell

Captain RUSSELL.—I should be paying him a compliment if I called him a sophisticated rhetorician, but that is about the only phrase which properly explains the style of argument which the honourable members opposite have put forward in connection with this borrowing proposal. If they had the courage to say, "The country demands a loan, and we will have a loan," I should certainly give them my respect, though they certainly would not get my vote; but when they endeavour by a system of absurd argument to prove to this House that they are a non-borrowing Government, and that there is no borrowing going on at the present time, it simply is, to my mind, beneath contempt: it is not worth one's time dwelling upon such argument as that. The Premier said we were not borrowing—that it was merely an exchange of one value for a value somewhat better. That was said in reference to the purchase of land. What did he really mean by that? For instance, if I go into a grocer's shop, and there—I do not buy, of course, but—get 4lb. of sugar in exchange for a shilling which I give, do I or do I not go through the process of buying, according to the Premier's argument? According to him, I do not buy, I simply exchange one value for another value. That is just on a par with his argument about non-borrowing. The Government send to England and get a certain number of sovereigns, and they exchange it for a certain quantity of land; and he says that is not borrowing. But the Premier went on to say that we must not be aghast at the £250,000 which is asked for under this Bill, because under the existing Act they have power to get £150,000 during the next three years. Now we are to have £250,000, instead of £150,000 spread over three years! Surely under this proposal borrowing is being intensified, and that is in direct violation of every principle which the Premier has advocated for some years. I give the Premier, as leader of the House, credit for great astuteness, and for being able to get through business in a wonderful way. But when I consider him as Native Minister, there I lose respect for him entirely. He knows nothing about the Maoris, their feelings, their customs, or their traditions. He says the purchase of Native land would do the Natives an immense amount of good, inasmuch as they are now living a life of misery and degradation. The Natives living on their own land are living no life of misery and degradation. They may not live up to the high standard of European civilisation, but they do not live a life of misery or degradation. But when the policy of the Native Minister really comes into effect, when the Native people have been deprived of their lands, when they are made—as he apparently wishes them to be made—State pensioners, then their misery and degradation will be brought about. Then, the Premier told us about the exodus—about the 935 people who left lately for Australia; and he went on to say that we must at once grapple with this evil. This was an evil which the honourable gentleman was going

to grapple with the very day the Ballance Government came into office. It was one of the main grounds upon which their predecessors were said to deserve ill of the colony. It was to be grappled with at once. And yet, by the Premier's own confession, he has not attempted to grapple with the question yet. He says we must grapple with this question at once, after the people have begun to go. I tell the honourable gentleman he can do nothing with it. The day will come for those people to return, and I sincerely hope the prophecies of the honourable member for Masterton will be correct, and that they will come back with their pockets full of gold from Coolgardie, and become settlers, taking up land, and paying for it with money which they have made in Australia. The Premier asked what this emigration pointed to. I think the Government is partly responsible. The "unemployed" difficulty is more serious than I have ever known it during my thirty years' experience. The reason why people are unemployed now is that from end to end of the colony—from the North Cape to Foveaux Strait—capital has been frightened to such an extent as to arrest enterprise and to cause industrial depression. That is the principal reason why the unemployed are going away to Australia. But the Premier went on to say, "You must place these people on the land," and within two or three seconds he contradicted himself flatly—he said, "There is no use putting men in the bush with nothing but their hands." There I thoroughly agree with him. It is not that I have not every sympathy with persons going on the land. I would do everything in my power to assist then going on the land; but I have always held the opinion—and shall never fail to express that opinion—that to put men on bush-land, unless they have £1 or £2 an acre saved up before going there, is simply putting them in a position in which they cannot possibly succeed—a position in which their work and time will inevitably be thrown away; and the speculator, whom everybody in this House is so fond of denouncing, is the only person who will reap the benefit of the labour of these poor men.

An Hon. MEMBER.—Did the early settlers have £2 an acre?

Captain RUSSELL.—The circumstances of the early settlers were entirely different, and if I had time to go into that question I could do so, because I was an early settler myself. Then, the Premier said, "The Parliament of the people holds the purse-strings." This Parliament of the people does not hold the purse-strings. The only persons who have held the purse-strings in this colony for some time past are the honourable gentlemen who sit on the Ministerial benches. And they have not held the purse-strings tightly; they have loosened the mouth of the purse and scattered the gold—and even the credit of the colony—in every possible direction. This Parliament has not attempted to hold the purse-strings of the colony, and I am happy in the belief that the colony will some day bring a sure, a certain, and, I hope, a

speedy retribution on those honourable gentlemen, who have failed in their principal duty to the colony. I will not go into the subject of the life of misery of the bush-settler. It is no doubt a life of misery if he wants to trudge along muddy roads and hang about small bush townships; he may under these circumstances have a certain amount of misery; but if he sticks to his work, and remains on his property, and is not ashamed to show himself a working-man in the truest sense of the term, his life will not be one of misery. As I have only a few minutes left I shall now touch on a few points in the Bill. To begin with, I disapprove entirely of clause 2. I do not desire to make any reflection on the Minister of Lands, but I say under this clause he has power to make roads and bridges wherever he pleases in the colony. He may say that is not his intention. But I do not care twopence what his intention is: I say we must take the Bill and look within the four corners of the Bill for its meaning. There is no use trying to look into the recesses of the Minister's brain for what the Bill means. We must look to the Bill itself. Under this clause there is no question that the Minister has absolute power to make roads and bridges wherever he chooses. Again I say I have no desire to imply anything but the most straightforward and honourable conduct on the part of the Minister; but I object to such a power as that being placed in the hands of any Minister. Clause 4 surely contains a principle which is absolutely unjustifiable. The Premier, speaking on this clause, said that no Minister could deal as he chose with the land—that he would be pulled up by the administration of the Land Board. But such is not the case. Under clause 4 the Minister has power to allow any person he chooses to go upon land wherever he chooses, and take up that land before survey. Was ever such a proposal made in any reasonable Assembly before? It is in distinct contravention of his own previous professions. It is a principle under which those persons who are on intimate terms with the Land Department—I do not say with the Minister, but with the Land Department, or the surveyors—will have a chance of first finding out where the good land is, and they will get that land, to the prejudice of every other person who wishes to settle

10.0. in the district. The Minister may say "No." I hope he will be able to so amend the clause as to satisfy this House. Such is not the case at present. For my own part, I have no doubt the case is as I have stated: and then, in addition to that, the person who can squat in this manner on the land is to be found money to go and cut the bush down or improve it in the way he chooses. But this is not confined to bush-lands. In any part of the country a man may squat and get full advances on his improvements. My honourable friend on my left explained to the House this evening that there are very many instances where many years' labour has been spent in improving a freehold, and in which the property *plus* the improvements is not saleable for more than the owner originally gave for

it. Therefore the Minister must not imagine that in making improvements on bush-lands, when, perhaps, once in three years the settler may not get his burning done, he is not running the risk of financial disaster, or that he will not have grave cause to regret that any such advances have been made. In the 9th clause, also, there is a clear case of borrowing to supplement public-works expenditure; that is to say, that the money which has been expended prior to the 31st March last—before ever the Bill was dreamt of—is to be recouped out of this fund, and paid back to the Public Works Fund or Consolidated Fund; and so, as I say, you will see it is distinctly a case of supplementing that Fund with money that has yet to be raised. Then, again, one of the points to which the attention of the House has not been drawn is, that out of the sum to be appropriated for the purchase of Native lands the Minister will have the power of disposing of so much as he chooses in the purchase of Native land, and so much as he chooses in making roads. He will be able to take the money under the theory of purchasing Native land and, in reality, spend the money in making roads. There is another clause under which the Minister may hand over money to the local bodies: and I admit the local bodies would get better value for the money than the Minister. But, in spite of the assurances constantly made, it is a pity the Minister should have large sums of money at his disposal to hand over to the local bodies to spend, at, perhaps, the time of a general election, when they may be likely to influence votes. This is not a temporary advance, although in one clause it is apparently made out to be. Then, the money is to be borrowed at 4 per cent. Why we should borrow at 4 per cent. when we are to get money in England at 3½ per cent. I cannot understand. It seems to me to be bad business. Yet, in reality, this provision that the debentures shall only have a currency of fourteen years is merely a blind, for power is left to the Minister to extend these debentures after the fourteen years. He may in every instance obtain the loan for twenty-eight years, and not for fourteen years; and this fact ought to receive the attention of the House. I am against borrowing, and there is no necessity for such an enormous sum to be borrowed. It means the acquisition, at the rate at which the Government have been paying, of over a million acres of Native land a year. There is no prospect of getting such an area for some time to come, nor is it necessary for settlement purposes to buy to such an extent. If the Government persist in borrowing money it will inevitably have the effect of ruining the credit of this colony. Ministers may say that in alluding to this as injurious to the credit of the colony I myself am doing injury to it. Nothing, as I take it, will do more injury to the colony than the belief, now strong in England, that New Zealand is once more going into a plunging borrowing policy; and this Bill only makes another step in that direction, and will lead to disastrous results.

Captain Russell

Mr. EARNSHAW.—I should not have risen to speak on this Bill but for the speech which the Premier made this afternoon, and I have not been able before to get in my review of the remarks he made. There were three notable phrases he used, and I wish more especially to refer to one of them, because it is the keynote to the change that has taken place from the Ballance policy to the Seddon policy, and there is a reason why the House should consider the change. The words he used were: "departures from the colony"; "this is not a borrowing policy"; and that they "are not going to continue a dribbling policy." It is upon the phrase "dribbling policy" that I wish primarily to speak. First with regard to the departures. From this is seen the change the Government are taking in this matter. Now, as far as the present departures are concerned, I am of opinion that the cheap fares owing to the competition between the shipping companies, and the demand for free, non-union labourers and shearers in Australia, are largely responsible for the exodus of the people from New Zealand at the present time. But, Sir, I think it is only well that the Premier's remarks to an interviewer should be brought before this House, because they show clearly how his mind changes; and in to-night's *Post*—that paper which, along with others, the Government would like to compel to say who it is that writes its articles: and in this connection, if they had their way, it would be necessary also that the names of the persons who send the telegrams should be printed at the foot of them—in that paper, I was going to say, there are some very remarkable statements. They are contained in what is supposed to be an account of an interview between Miss Krout and the Premier.

An Hon. MEMBER.—Who?

Mr. EARNSHAW.—I thought you knew her. I had the pleasure of making that lady's acquaintance. I think she was quite a capable representative of the *Inter-Ocean* newspaper and the other newspapers in America for which she has been writing. And the Premier did not delude that lady, and I do not think that the remarks she has conveyed to the Press of the States will delude the people there, for, though undoubtedly the people of America like to be humbugged, yet they realise the humbug when it is given to them. Miss Krout also refers to the Hon. Mr. Ward, to whom she was introduced. She says, "He is the Colonial Treasurer, and was selected to fill this important post from the ability he had displayed in the management of his own private enterprises." Why, Sir, the honourable gentleman was not at all selected for that reason; I am very glad to see him there, but he is simply occupying that position because there was no one else in the Ministry capable of taking the position. Then, Miss Krout says she met both the Minister of Education and Mr. Tregear. Of the former she expresses no opinion, but the latter she considers "an intelligent and well-informed man." I think the House will quite recognise that Miss Krout was

not humbugged at all—that she was quite able to discern the characteristics of those she came in contact with. But now we come to the Premier, and when Miss Krout interviewed him,—

"He had just returned from a mission of pacification to the still hostile Maoris in the centre of the North Island. They had withdrawn to the mountains, and were poverty-stricken and suffering."

Then, the Premier goes on, after telling a good yarn about the chief Kereru, and the "taipan" he had got from the Natives,—

"The chief gave it me," said Mr. Leaddon, 'as the head of the Government, telling me he realised that it was useless to resist any longer, and he asked me to be a father to his people and to protect and aid them.'"

Well, Sir, I pity the Natives when they have got into the clutches of the honourable gentleman; a very good father he will make to them. Then, the article proceeds,—

"It will be satisfactory to the people of this colony to know that the Premier some time ago solved the 'unemployed' difficulty in a fairly satisfactory and practical manner. This is how he told Miss Krout it was done: 'A few years ago we found that we were losing our population at an alarming rate. There was a decrease of 14,000 within a very brief period. It was because no employment could be found for skilled workmen in shops and factories. We finally gave them employment upon the public roads—not paying all alike, but giving the able-bodied, those capable of doing the best work, the highest wages, the second- and third-rate less, according to their earning-ability. Then, when they learned to use tools, we induced them to take up Government lands, which could be purchased for £5 an acre.'"

It would be very interesting to know how many men who have been employed on the public works of New Zealand have been placed on the lands of New Zealand; it would be interesting not only to the House but to the people of New Zealand. I fear, so far as that is concerned, these works have been a signal failure. Then, the honourable gentleman told this lady, "We have absolutely stopped borrowing money, and have resolved to become an independent and self-supporting colony. We have had a period of severe depression, but times are improving." This is the one point I want to come to. The Premier declares they are a non-borrowing Government. We have certainly had a change of front since the House met. I am coming to the interesting part now.

Mr. SEDDON.—Rather sour grapes.

Mr. EARNSHAW.—The honourable member is feeling rather sour now. I am going to show that he has left the lines of his late chief, whom he has talked so much of in this House. He talked about "a dribbling policy." Who was it introduced in this House what the Premier now contemptuously calls "the dribbling policy"? Was it not the late Mr. Ballance? What was that "dribbling policy"? It was the expenditure of £50,000 for lands for settle-

ment and £50,000 for Native-land purchase. That was the extent to which our late chief thought fit to go. It was on these lines of moderation he gathered around him the strength of the late Parliament, and captured the country, instead of having it hostile to the Liberal party. These were the lines on which the Liberal party captured the country, and these are the lines from which the present Government are departing. Let me quote an extract on this question from the Financial Statements of the late Premier in 1891 and 1892. In 1891 the late Mr. Ballance said,—

“If we are to maintain our credit and financial independence, borrowing in that [the English] market must cease; while any local borrowing is likely to be confined to the absolute necessity of carrying on those essential works of colonisation, such as the settlement of the people on the land, on which depends so directly the prosperity of the community.”

That was in 1891. Then, Sir, he said in 1892, on borrowing,—

“I have propounded in other places a financial policy of self-reliance, and shown the necessity for weaning this colony from a servile dependence on foreign dealers in money. I do not think it would be wise, even were it feasible, to attempt to raise another loan in the English money market at the present time.”

And then, speaking upon the question of raising money in the colony, he said,—

“I believe it possible to place a moderate loan at a reasonable rate of interest.”

This is, no doubt, foreshadowing to a small extent the proposal of the present Government with regard to Consols. That was the policy of the late Premier. What, Sir, is the policy of the Government on this same question? It is a series of loans—£250,000 for lands for settlement, £250,000 for Native-land purchase, £250,000 for roads and bridges. The former was a self-reliant policy; the present is a plunging policy. That is the difference between the two positions. Now, the 4th clause in this Bill is, in my opinion, most objectionable. Not only do the Government propose to allow a man to go and pick out the eyes of unsurveyed Crown land—or it can be surveyed Crown land—but they are going to lose money by this scheme, because, if we advance money to settlers on improvements, it must necessarily follow that they will lose the survey-fees that are at present demanded from persons going on to unsurveyed Crown lands. And they are to be allowed to pick out the eyes of it. In this respect the Government are going to lose still further money; and I altogether object to that. Even as it is now, in our bush districts the Government are opening block after block, and before one block is fairly settled they allow the settlers to go on to the next block that is opened and pick out the eyes of it. It simply means that there is twice the amount of money spent on getting a block opened than if the Government determined that the blocks should be reasonably occupied before further blocks are opened. This Bill is like another Bill that is before us—namely, the Railways Bill—in that

it is a double Bill. On the other measure, of course, the Government said, “If we cannot carry one part of the measure we will carry the other.” And so in this Bill. The First Part of the Bill is to get a loan of a quarter of a million authorised by this House to carry out their public-works policy. There can be no doubt about it. And the continual conflict there is in the Cabinet between the Minister of Lands and the Minister for Public Works is as to the allocation of moneys, as to whether they shall be spent on railway-formation, or roads and bridges; and the Minister of Lands has determined that he will have a large sum of money to use for his own purposes—to be entirely outside the jurisdiction of the Premier. But with regard to that Part of the Act relating to roads and bridges, that Part should be introduced by the Premier, because it belongs to his department. There can be no doubt that member after member who has spoken on this question has been afraid to give full expression to his opinions, because he well knows that if he spoke against it the Minister of Lands would take care that very little of that money would be spent on roads and bridges in his district. And, what is more than that, the Government would be able to reduce the public-works expenditure; and they are very careful to keep the Public Works Statement back until they have got their policy measures through. They will then be able to say what they will do in regard to railway formation, and, as this is done under the distinct banner of a loan proposal, things will not be so rosy as they seem in that respect. Now, the Premier stated that there was not a word said about borrowing for the Cheviot purchase. That statement is incorrect, because there were many members who spoke against it distinctly. I know that I myself and others said it was a borrowing proposal, and not only was it a borrowing proposal, but the moneys coming in from the rents and from the sale of those sections are not going to redeem the debentures for the purchase of that estate. That debt has been incurred practically for all time, and the money we are getting for the sale of that land is being used for the prosecution of public works. So that the borrowing for the Cheviot purchase was distinctly borrowing, just as the raising of money under this Bill is borrowing. I understand that many members of this House will vote for this Bill, not because they believe in the policy of the Government, but because they see that the measure will be inevitably rammed through by the majority on the Government side, and if they offer any resistance to it they will get nothing for their own districts. The Minister will simply say, “If you do not want the Bill there can be no necessity for the expenditure of money in your district.” If the Middle Island members think they are going to get anything out of this they are very much mistaken. The bulk of the money is going to be used in the North Island. It is the southern members who have so much to gain by a self-reliant policy of living, and, if they could only

Mr. Earnshaw

see that, when the time comes that we must raise a loan they might get a fair share for the southern end of the colony. But I am very much afraid that under this policy the Minister of Lands is determined that the moneys, instead of being spread all over New Zealand for the opening of land, shall be used to push settlement mainly in the North Island. I do not suppose there will be a division on this question, but if there is I shall vote against the second reading. I might say the financial proposals of the Government are not receiving support from the very men whom they have stroked down the back. During the present and last Parliament the Government have had much to say about the Knights of Labour, a body which is quite able to give an opinion on these questions. I have said time and again in this House that we were returned on a non-borrowing policy, and a resolution has been carried by the Knights of Labour assembly in Dunedin against borrowing. That assembly is one of the most powerful assemblies in New Zealand, and it is a most active and representative body.

An Hon. MEMBER.—How many members?

Mr. EARNshaw.—The rules of the assembly will not permit me to tell you the number, but the honourable member will take my word for it that it is more powerful than any organization that had ever before existed in Otago since Otago has been a province. If I did tell the House the number of members belonging to it they would be astonished. This resolution, which is dated the 20th September, is as follows:—

“The Knights of Labour passed a resolution to-night protesting against the borrowing policy of the Government, on the grounds of interest coming from the pockets of the producers of the colony, and going to enrich foreign capitalists, and as the Government professed to be, and were elected as, a non-borrowing Government; also disapproving of the Advances to Settlers Bill, inasmuch as a State Bank Bill, similar to the one proposed in New South Wales, would meet the monetary requirements of the country without imperilling the national credit.”

Sir, I am very glad that I received this news after my declaration of yesterday. If I had got it before, it would have been said that I was trimming my sails to catch the passing breeze. But I am very glad that so large and representative a body of the electors of Dunedin, of all classes of the community, should so thoroughly indorse the position I have continually taken up in this House since we were returned to carry out a non-borrowing policy. The fact that they have passed a vote of censure on the present Government for their borrowing proclivities bears out the views I have expressed in this House with regard to the Budget proposals. But it is useless to occupy much time on this question, because no matter what measure is brought before the House by the Government it is swallowed by their supporters. If ever there was a time when the game of poker was played—“going it blind”—it is during this session of Parliament, for whether

a proposal of the Government is a proper one or not their supporters are prepared to swallow it without reflection. It appears to me that they are determined to rely on the wisdom of the Government to promulgate a policy and not upon their own judgment. As to whether these measures are for the good of the country, or whether they are for the good of the workers of New Zealand, or whether they are on the lines to which members were pledged when returned to this House, they do not care to consider. They simply appear to believe, as members of the Liberal party, that every proposal that is put forward by this Government must be the right and proper thing, and they go and vote blindly upon it. Sir, I have opposed every policy measure this Government has brought in, because I honestly believe it is all the difference between the self-reliant policy of the late Premier and the plunging policy of the present Premier. I have already shown what was proposed by the late Premier, and the difference between the £100,000 proposed to be raised by him and what is now proposed. Here, without any great influx of population, we are asked to increase that £100,000 to £800,000. I say, if the Government had been honest to their supporters, they would simply have introduced these measures and then gone to the country to their constituents for their sanction before carrying them. I say that from the North Cape to the Bluff the country is not in favour of these measures, and the people will say that we should not have supported them.

Mr. DUNCAN.—Sir, in saying a
11.0. few words about this Bill, it is rather refreshing to me to note the change that has come over the Opposition. When these policy Bills were brought down they were attacked by almost every member of the Opposition as being huge borrowing policies; they were condemned to utter ruin, and those honourable gentlemen declared they should be kicked right out of the House, because they had departed from the policy as laid down by the original leader of the party—the Hon. Mr. Ballance—and, of course, departing from that policy, the Government had no right to occupy those benches. That was the dictum laid down by the Opposition; but now, on the top of all the borrowing Bills, we come to the last one, and that seems to be the one that suits the Opposition; therefore they go in bald-headed for it. With very few exceptions, they all support this Bill. And for what reason? Because they expect—no doubt it is very plain on the face of the Bill—the bulk of the money will be spent in the North Island. If we were to follow their tactics we should throw this Bill out. We have a chance of getting our Bills passed without this Bill being added to them, and it will save the country half a million to throw this Bill out; and, no doubt, for the South Island that would be a very good thing to do. But I have no such selfish intention in my head as to take that course, because I think what is good for one part of the country will not injure the other; and therefore, as we have required to get a Bill to acquire land

for settlement in the South Island, and have got that Bill through the House, I think, in fairness, we should let the North Island have a Bill to acquire land there. I do not follow the dictum of the Opposition that this Government should be kicked off the benches because they have not adhered to the original policy. If you will look into the words that have been very badly quoted by the honourable member for Dunedin City it will be seen that the late Treasurer stated plainly that the money-market at that time was not in such a position as to warrant the colony in borrowing, but it was a likely thing that they might raise money in the colony. He showed that it was necessary that money should come from somewhere to replenish the finances at that time, or, at any rate, a very short time after. We have managed to get through a year or more since that, and we find the people of the colony, from one end to the other, to my thinking, have come to the conclusion that a loan well spent, and spent in the direction of settlement, is quite a necessary thing; and that is my opinion too. I believe that this money would do a great deal of good. I believe it would be a very good thing, in Committee, to see that the money derived from the sale of this land—the rents—should go towards paying interest on the loan, so that the colony would not be loaded to any greater extent than it is at present. The honourable member for Hawke's Bay stated that this was a policy for the purpose of putting patronage in the hands of the Minister of Lands. I think—and I believe most members of the House will agree with me—that the Minister of Lands does not require a policy for the purpose of securing patronage. He is as popular a Minister of Lands as we have had for a considerable time, and I do not think the policy of purchasing lands will add very much to his popularity, because up to this time I think he has earned his spurs as well as any previous Minister, and the fact that this House is willing to pass this Bill goes a good way to show the popularity of the Minister and the confidence this House has in him that he will administer these Bills to acquire land with even-handed justice and with a like regard for the colony as a whole. In the next sentence the honourable member for Hawke's Bay said he would have respect for the Minister if he went in for a loan. He would have respect for the honourable gentleman and his colleagues if they went in the wrong direction, if they went against the welfare of the country, if they got the country to turn against them, so that he would have some prospect of occupying those benches in future. That is the respect he would have for them in going in for a loan. To go in for a loan in the ordinary terms was generally to borrow money to carry on a policy of railway-construction, land-purchasing, and road-construction. Of course there is a portion of this money for that—land-purchase and roads—and the loan will be quite ample to carry them out in the direction they are going. Then, in the next portion of his speech the honourable member for Hawke's

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Bay said, "When the Natives have parted with their lands, then come the misery and the degradation." I believe the honourable gentleman is a better judge in regard to this matter than other members of the House, because, from what I am told—I am not in a position to say this from my own knowledge, but from what I am told—in the district he comes from the Natives had a large quantity of land there, and it was taken from them, and the honourable gentleman, I believe, holds a very large share of that property. If that is so it accounts for the misery and degradation of the Natives in that part of the country; and the honourable member for Hawke's Bay has contributed to the degradation of the Natives in the Hawke's Bay Province to a larger extent than any other member in this House. The honourable gentleman next stated that the reason the unemployed are going away is that capital has been scared away. I do not think it has been; but some people, with some truth, have stated that capitalists of the class of the honourable gentleman have been latterly tying up their purse-strings pretty tightly, and not allowing the capital to be expended in the way they formerly spent it. And it has been said—perhaps rather cruelly—that they have done this for a purpose, and possibly that purpose was to scare away the unemployed instead of scaring away the capital. It appears to me that that would be the most fitting way to put it—that the unemployed, rather than remain in the misery they are in, might be scared away. Then, the honourable gentleman went on to talk of settlements in the bush, and to his mind it was not such a hard thing to settle in the bush at all, because he had been an early settler himself. But I am not aware that he was a bush-settler. I am told the part of the country he comes from is open country, and not bush at all. If that be so the honourable gentleman had not very much misery or hardship to put up with when he settled upon land such as the plains of Hawke's Bay. The honourable gentleman said the Minister had the power to purchase as little land as he liked, so that he would not have to purchase a certain quantity. That is for the very good reason that it is almost an impossibility to lay down a rule as to the quantity to be purchased under the Bill now under discussion. It would depend upon the amount offered by the Natives that can be purchased, so that the purchasing-power of the Minister would depend entirely upon his opportunity and the advantage taken of it. No doubt the House has confidence in the honourable gentleman that he would purchase as much Native land as was sufficient for purposes of settlement. The speech of the honourable member for Dunedin City (Mr. Earnshaw) was something like the sermon of the "stickit minister." There was an old lady who went to church when the new minister came, but after hearing him she stopped at home for the next two or three Sundays. He called on her to see why she stopped at home, and when he asked her why, she said, "Oh, you read your sermon." "Is that a bad

thing?" said the minister. "Oh, but you did not read it well," said the old lady. "Oh, that is worse," said the minister. "Well," she said, "your sermon was not worth reading." That is something like the honourable gentleman's speech. He read it; he did not read it well; and it was not worth reading. I do not know if any one understood what he was saying, but there was some interview between an American lady and the Premier; and it appeared that he was of opinion that American people like to be humbugged, but the Minister was not able to humbug this lady: so the honourable member for Dunedin City thinks the Premier is not fit for his position. I shall vote for the second reading of the Bill, but I should like the Minister to explain whether the Part of the Bill that applies to roads and bridges will apply to both Islands, and whether it will apply to railway bridges. I have no doubt that the money can be well spent on roads and bridges to open up the country, and, when we hear from all parts a cry for roads and bridges, and the settlement of the land, it is not a large sum to spend in that direction.

Mr. MORRISON.—I may say briefly that, while recognising some of the advantages to be gained to the people of this colony by the proposals that are underlying this measure, I do not at all approve of some of the clauses in it. I find that clause 5 states,—

"Any person who settles on and improves such lands pursuant to any such agreement as aforesaid has a prior right to a license or lease, under Part III. of 'The Land Act, 1892,' of so much or such portion of those lands as may be defined by regulations under this Act, but not of any area greater than that prescribed by the said Act."

Now, Sir, I find "The Land Act, 1892," defines the tenure under which these lands are leased or sold for cash. Now, recognising that this is a Bill that is going to give the Minister power to borrow a certain sum to acquire Native lands to assist people to settle, and also to borrow a certain sum to make roads and bridges to open up and develop the lands, while agreeing that no more important duty can occupy Ministers' attention, still at the same time I should like to see the colony, which is really pledging her credit to the extent of half a million, able definitely to see that at some future time she will be recouped some of the money she is spending in that direction. I should have liked to see something in the shape of a proposal for a revaluation. I am not particular with regard to the time the lease should run—thirty, forty, or fifty years—so long as a terminating point is attached to the lease. I want to see the colony in the position that there shall be some given period for revaluation, so that the colony will be recouped some of her original outlay. Of course, I know that this is slightly inconsistent with the action I took in connection with a measure previously before the House. I supported the Land for Settlements Bill rather against my will, seeing that the land was going to be leased under the lease in per-

petuity; but I was given to understand that there would be an opportunity before the end of the session for not only myself, but others who held the same views, to express our opinions with regard to this matter of the tenure of Crown lands, and that the Minister would take that as an indication, and, instead of dealing with the question this session, would bring down a measure next session that would deal with the whole of the Crown lands.

Mr. TANNER.—Happy is the man who knows his opportunity.

Mr. MORRISON.—I have now taken this opportunity to define my position accurately on this point; and I am certain that the Minister was perfectly honest in the statement he made to a large number of members some short time ago; and I think at no very distant date a Bill will be submitted to the House placing all the Crown lands in the colony under the perpetual-lease system with revaluation—that is, if a majority of the House are prepared to support the Minister in that direction. With regard to some of the criticisms advanced against the measure, I shall briefly touch upon one or two. And first with regard to clause 2, which the leader of the Opposition touched upon. He objected to the extraordinary powers the Minister of the day was going to hold under clause 2. He said that under the clause the Minister would have absolute power—those were the words he used—to make roads and bridges all over the colony, in any part he chose, and he spoke of the amount of patronage that would place in his hands. I do not think the clause gives the Minister such extraordinary powers as the honourable member claims, because it states, "The Minister may, with the approval of Parliament, . . ." He has to consult Parliament on these matters, to bring down estimates of works that might be done for the approval of Parliament, so that Parliament could put its foot down, and say, "We will have none of it." I think that does away with the argument of the honourable gentleman that the Minister would have absolute control. With regard to this much-debated clause 4, I do not see a great deal to object to in it, seeing that the Bill is drafted so particularly in the direction of assisting men without means to go on the land to make permanent homes for themselves. I say that is noble work, which should occupy the attention of the House and of every member in it. Great objection is made against the clause with regard to the amount of expense to assist settlers—spoon-feeding them for a certain time till they are able to help themselves. To illustrate the position, and put my point of view: say a man acquired a block of bush-land; it will be surveyed—and it should be surveyed—into alternate blocks of at least one hundred acres. I am not one of those who believe that you can put a man with a family on fifteen or twenty acres of bush-land removed forty or fifty miles from some large town, and dump him down and say to him that he is to hew out a home for himself. He cannot do it.

If we want to establish a successful race of permanent settlers on this land we must provide them with a sufficient area on which they may have some prospect of establishing a home; and if the block of land purchased by the Crown is surveyed into alternate blocks, and settlers placed upon each alternate block, the Crown retaining possession of every second block, and the settler is allowed so much per acre for clearing it, and after he has cleared a certain portion the Government makes some advances to him for work done, he can gradually acquire a home for himself. This money will keep him going, and after a year or so he will have sufficient land cleared to plant some crops or grass. If some such scheme were followed out, by the end of two years we should have assisted to place a very industrious class of people on the soil, and I have not the slightest doubt that 90 per cent. would remain and become permanent industrious settlers. Under our present system, the way we deal with the unemployed is not at all satisfactory. Certain reproductive works are carried on in various parts of the colony, and we cart our unemployed from the centres on to these reproductive works merely for a few months. There they remain any time up to nine months, and the result is, when the works are done, the men drift back into the centres, and in a month's time the men are as hard up as ever.

11.30. Under some such scheme as what I have, perhaps crudely, sketched out, I have not the slightest doubt that the Minister would be able not only to relieve the congested state of the labour-market, but to put some very industrious settlers on the land. A great deal of opposition was made to certain remarks which fell from the honourable member for Wellington City (Mr. Bell). In my opinion Mr. Bell did not say anything which could be found fault with. I was really surprised to find so many honourable members drawing attention to his remarks and asking if he was competent to form an opinion in regard to bush-settlers. It is not the first time in my life I have heard such an objection taken. I say a man does not require to be born on a bush-farm, or to be brought up there, to be able to give an opinion as to how bush-settlements should be conducted. We know very well that in America, Canada, and in these colonies some of the most successful settlers—some of whom we have in New Zealand—are men who were not brought up to farming, but were drawn from all classes and professions. And these men have become successful runholders and farmers. They went into bush-settlements, and have made homes for themselves. These men have been drapers, shoemakers, tailors, lawyers, clerks, doctors: in fact, members of all professions have gone on the land and been successful. The honourable member for Kaiapoi advocated strongly, and with a certain amount of warmth, that it was not necessary to make roads and bridges until the settlers were on the land—in fact, that the Government should not make roads and bridges, but that the settlers should do so—and the honourable member calls himself a practical

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farmer! Imagine putting twenty, thirty, or fifty men in bush-country where there are no roads or bridges, where these men are supposed to be—men without capital, men who are there for the purpose of hewing out homes for themselves, and who are assisted by the Government with advances—imagine these men being placed there without roads or bridges to help them in developing the land! I am sure, if the honourable member had given the matter a thought, he would not have made the statement which he did. I only wish to say, in conclusion, that I am not at all satisfied with the tenure provided in the Bill. I may say that I shall be prepared, on any occasion which may arise in the future, to support the perpetual lease with a revaluation clause as against the lease in perpetuity, and I would very much like to see the honourable gentleman alter this Bill in Committee in that direction.

Mr. G. HUTCHISON.—I think honourable members on the other side of the House are to be congratulated on the virility of their speeches in criticizing the measures of the Government. I cannot suppose that such criticism is comforting to the Minister of Lands, any more than his honourable colleague the Colonial Treasurer liked the very drastic criticisms which proceeded from his own side of the House upon the financial measures which the Government have introduced this session. Such experiences must have recalled to their minds the couplet which appears in the "Anti-Jacobin," where the invocation is made,—

But of all plagues, good Heaven, thy wrath can send,
Save, save, oh! save us from the candid friend!

The last speaker has indicated one occasion when he took a bold and independent stand. He has now added another. The Land for Settlements Bill was only got through this House on the understanding, as I am told, and as the honourable gentleman has corroborated to-night, that an opportunity would be given this session for reviewing the question of the lease in perpetuity. Soon after the second reading of that Bill I asked the Minister of Lands if he was prepared to give the promised opportunity, and he very candidly said that he did not intend to give any such opportunity. However, I desire to congratulate the honourable member for Caversham for having now in this Bill discovered the opportunity.

Mr. J. MCKENZIE.—You are not putting it quite correctly.

Mr. G. HUTCHISON.—I am putting it perfectly correctly, and, in order to prove that, I will read what occurred.

Mr. SPEAKER.—The honourable gentleman will not be in order in quoting *Hansard* of this session.

Mr. G. HUTCHISON.—A question and answer?

Mr. SPEAKER.—No.

Mr. G. HUTCHISON.—Well, I state my recollection, after refreshing my memory with the record of what took place. However, I congratulate the honourable member for Caversham on having discovered the opportunity of moving in the direction of altering the lease

in perpetuity, by introducing, as an amendment in this Bill, provision for periodic revaluations. I trust he will not permit any caucus which may be called on this Bill, as has been called on other Bills of a like character, to dissuade him from taking that course.

Mr. J. McKENZIE.—Will you support him?

Mr. G. HUTCHISON.—Will I support him? Yes, I will pledge myself to support such a proposition, and, if the honourable gentleman will not adhere to the lines he has indicated to-night, I myself will take an opportunity of moving in Committee, on the 5th clause of this Bill, that the tenure shall be the lease in perpetuity varied by periodic valuations, so that an opportunity will arise, although it is probably not desired by the Minister of Lands, for testing the question this session. My honourable friend asks why I should support such a proposal. I would do so, as a lesser evil than the lease in perpetuity, though it must not be understood that I am at all in favour of that tenure under the Act of 1892. I prefer the old perpetual lease with option of freehold, but if we cannot get a whole loaf we will be content with a half. I shall be satisfied in this Parliament with having broken the lease in perpetuity, which is a double-edged fraud—a fraud against the settler and a fraud against the colony. I would ask the attention of the House to another deviation by the Government, as indicated by the provisions of this Bill, from the proposals outlined in the Financial Statement. In the Financial Statement there were three subjects of borrowing: there was the Land for Settlements Bill, which we have already passed, giving power to the Minister to raise £250,000 a year; then there was the proposal as to roads and bridges; and there was the proposal as to Native-land purchase. The two latter were by no means associated in the Financial Statement. On the contrary, I find that there are several paragraphs on various subjects intervening between the one and the other. They are both, however, bracketed in this Bill in so far as the raising of money is concerned; and this other significant thing occurs: that whereas the Land for Settlements Bill—which we have passed, giving power, as I say, to the Minister to raise £250,000 a year—repeals the preceding Act which was passed in 1892, authorising the raising of £50,000 a year, this Bill, in dealing with roads and bridges and Native-land purchases, does not propose to repeal either of the Acts which are already on the statute book relating to these same subjects, and which authorise the raising of £50,000 a year.

Sir R. STOUT.—It does repeal one Act.

Mr. G. HUTCHISON.—I did not understand it so; but I accept the correction, and assume that this Bill will supersede the power to borrow £50,000 a year for the purchase of Native lands under the Act of 1892; but I should like to know from my honourable friend the Minister of Lands whether the power at present given under "The Government Loans

to Local Bodies Act Amendment Act, 1891" to raise £50,000 a year is intended to be repealed.

Sir R. STOUT.—It is not touched.

Mr. G. HUTCHISON.—Then, power is still retained under that Act to raise £50,000, in addition to the £250,000 for roads and bridges proposed under this Bill; so that, with another £250,000 for Native-land purchases, the borrowing proposals here are really £500,000 under these two heads, plus £50,000 more under "The Loans to Local Bodies Act, 1891," which is synonymous with the proposal here as to roads and bridges. That the colony may have some idea of what has been going on under the three borrowing Acts already on our statute-book—namely, the Land for Settlements Act, the Roads and Bridges Act (otherwise, but misleadingly, termed "The Government Loans to Local Bodies Act Amendment Act, 1891"), and the Native Land Purchases Act—I should like to place on record in *Hansard* a few figures—significant, Sir—from a return laid on the table recently on my motion, and which shows what moneys have been borrowed and spent under these several Acts:—

Under "The Land for Settlements Act, 1892."

		£	£
1893-94.	Debentures issued ...	35,966	
	Amount expended ...		37,542
1894-95.	Debentures issued ...	15,000	
	Amount expended ...		618
April 1, 1893, to June 30, 1894.	Other amounts credited	896	...

Honourable members will thus see that under "The Land for Settlements Act, 1892," which this Bill, if passed, will repeal, there has already been raised this year a considerable sum of money in addition to the quarter-million authorised to be raised under the Land for Settlements Bill, now going through the other Chamber.

Mr. J. McKENZIE.—No.

Mr. G. HUTCHISON.—I say £15,000 has already, under the Act of 1892, been raised in the present financial year.

Mr. J. McKENZIE.—No.

Mr. G. HUTCHISON.—Then the return must be wrong. I say debentures amounting to £15,000 have been issued, and up to the 30th June only £618 had been expended.

Mr. J. McKENZIE.—£15,000.

Mr. G. HUTCHISON.—£15,000? I am glad of the explanation, and I hope my honourable friend is quite serious in making it.

Mr. J. McKENZIE.—That is, if we pass it.

Mr. G. HUTCHISON.—Of course; but if this Bill does not pass you will still have power to borrow money this year to the extent of £35,000, being the balance of the £50,000 already authorised. Now I will pass on to the expenditure under the Government Loans to Local Bodies Act of 1891, which is synonymous with the subject of roads and bridges under this Bill. Here are the figures:—

Under "The Government Loans to Local Bodies Act Amendment Act, 1891."

1891-92.	Debentures created	...	£ 8,000	...	£
	Amount expended	...	...	...	8,000
1892-93.	Debentures created	...	29,833	...	...
	Amount expended	...	...	...	29,833
1893-94.	Debentures created	...	30,000	...	...
	Amount expended	...	...	...	30,000

It will be seen that in respect of roads and bridges the full amount raised last year has been expended, and that there has not been anything yet done this year.

Mr. J. McKENZIE.—We have not gone beyond the limit in any year.

Mr. G. HUTCHISON.—Quite so; but you expended last year exactly the amount raised. Now we come to the Native Land Purchases Act of 1892. The return gives the following particulars:—

1892-93.	Debentures created	...	£ 97,700	...	£
	Amount expended	...	...	...	19,575
1893-94.	Debentures created	...	73,000	...	...
	Amount expended	...	...	...	78,984
March 31 to June 30, 1894.	Debentures created	...	50,000	...	...
	Amount expended	...	...	...	14,356

So that already this year the limit under the powers of borrowing under the Act proposed to be repealed have been exercised. And, if I understood what my honourable friend has stated, it is intended under the present Bill to take power this year to raise in addition £250,000, so that, with the debentures already issued under the former Act, there will during the present year be £300,000 available for the purchase of Native lands. The point I desire to ask the attention of honourable members to is this: that, although the First Part of the Bill deals with roads and bridges, and the Second Part with Native land, the Third Part applies the raising of the funds for both these objects; that is to say, both sets of loans are to be raised in the same way, both are convertible into stock, and no doubt are intended as soon as possible to be placed on the London market. I ask the attention of the House to that fact, which should be borne in mind. Yet the two proposals are different in character. My honourable friend the Colonial Treasurer, in his Budget speech, had to admit that, as to the £250,000 proposed to be spent on roads and bridges, it was unmitigated borrowing. It was money going out, and not coming back, unless indirectly; but the money to be spent in the purchase of Native land was, he suggested, in a different category, because it was money going out for the acquisition of land that would be afterwards disposed of and make a direct return. If this distinction is to be preserved it is desirable that the money to be received for land so acquired should be ear-marked: that is to say, the revenue derived from the settlement of the land should be applied towards redeeming the loan.

Mr. J. McKENZIE.—It does not appear in the original Bill; only certain clauses. You have not read the Bill.

Mr. G. HUTCHISON.—Then, my honourable friend will not deal with the moneys to be re-

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ceived for the land, and which should be placed to a special account?

Mr. J. McKENZIE.—Of course.

Sir R. STOUT.—Such is not provided.

Mr. G. HUTCHISON.—It is left in considerable doubt; and I am glad to have these assurances from the Minister, and I trust he will take measures in Committee to make that perfectly clear. The Bill will be all the more satisfactory if that be done.

Mr. J. McKENZIE.—You will find it in the original Act—20th clause, subsection (a).

Mr. G. HUTCHISON.—The original Act of 1892, is it?

Sir R. STOUT.—Yes.

Mr. G. HUTCHISON.—That only provides for a return being made to Parliament showing how the moneys are received and paid. It does not provide for the income from the lands being placed to a separate account and only used for the purpose of redeeming debentures that may be issued for the purpose of providing money for the acquisition of the land. That is the point which I desire to have made clear. I was glad to hear one or two honourable members who usually support the Government state distinctly that it was their intention to see that such a provision was inserted, and I trust my honourable friend, now that he sees the Bill is not quite clear on the point, will have it amended in Committee.

Mr. J. McKENZIE.—It will be just so much the worse for the North Island.

Mr. G. HUTCHISON.—I do not know how it can be so much worse for the North Island that there should be an account kept which would give information to the House as to how the moneys have been expended, and to what purposes the revenue from the settlement of the land is to be applied.

Mr. J. McKENZIE.—I have already stated that on the 12th July I tabled all the information the honourable gentleman wants.

Mr. SPEAKER.—The honourable gentlemen must not carry on a conversation with one another.

Mr. G. HUTCHISON.—I do not object, Sir, to these interruptions, because it is all in the way of getting light thrown on the subject. What we want, and, I believe, the majority of the House—

Mr. J. McKENZIE.—You are misleading the House.

Mr. G. HUTCHISON.—No; I desire to show how important it is that these moneys should be ear-marked, so that the revenue from lands which are to be purchased with borrowed money shall be applied to the redemption of the bonds. That is the point, and we will no doubt, with the assistance of the Minister, make it plain. I would now refer to one or two sections of this Bill, which, I agree with some honourable members, are curious in the matter of drafting. It is a matter of observation that these policy Bills, which are coming down so rapidly, dealing with finance and the raising of money, are very loosely worded indeed.

Mr. J. McKENZIE.—Not properly drafted, did you say?

Mr. G. HUTCHISON.—Very indifferently drafted.

Mr. SPEAKER.—I must request the honourable gentlemen to allow this conversation in the course of a debate to cease, and to let the debate proceed without such interruption.

Mr. G. HUTCHISON.—There is something difficult to understand in the drafting of the Bill. Here is the 2nd clause, for instance:—

“The works contemplated by this Part of the Act are the construction of roads and bridges, the preparation of lands for settlement, and such other works incidental thereto as the Minister of Lands, hereinafter called ‘the Minister,’ may, with the approval of Parliament, think necessary.”

How is the approval of Parliament to be expressed? Is it by resolution?

Mr. J. MCKENZIE.—By the estimates.

Mr. G. HUTCHISON.—Oh, well, you should say so. “According to appropriations to be made by Parliament” has been the language ordinarily used for the purpose.

Mr. J. MCKENZIE.—If you read the Bill you will find that.

Mr. G. HUTCHISON.—I am speaking of the 2nd clause, which is novel in its construction.

Mr. J. MCKENZIE.—Look at the 3rd clause.

Mr. G. HUTCHISON.—I am coming to that clause. It reads,—

“The Minister shall, as soon as conveniently may be after the opening of each session, lay before Parliament estimates of the cost of such of the aforesaid works as he proposes to construct out of the funds available and appropriated therefor, as hereinafter provided.”

Well, that advances us a little. Now I come to clause 4; it is most peculiar:—

“Any person may by agreement with the Minister settle upon any Crown land for the purpose of clearing or otherwise improving the same, upon such terms as to advances or otherwise as may be agreed on, and the Colonial Treasurer may, when authorised by Parliament, make all such advances out of moneys available under this Act.”

If that be intended as a reference to appropriation, I would suggest that it would be better to keep to the form of words usually used in dealing with appropriations. The 5th clause goes on to say,—

“Any person who settles on and improves such lands pursuant to any such agreement as aforesaid has a prior right to a license or lease, under Part III. of ‘The Land Act, 1892,’ of so much or such portion of those lands as may be defined by regulations under this Act, but not of any area greater than that prescribed in the said Act.”

I have referred to Part III. of the Land Act of 1892, and find that Part deals with the optional system: cash, occupation with the right of purchase, and the lease in perpetuity.

Mr. J. MCKENZIE.—What about licenses already purchased?

Mr. G. HUTCHISON.—If my honourable friend means that, we shall be satisfied; but it would be preferable to employ the phrases used

in the Act referred to. The whole thing is so ambiguous, one would suppose that the Bill was drafted in a thunderstorm. The 6th section affords the honourable member for Caversham an opportunity for introducing his proposed amendment with reference to periodical revaluations. I will not proceed further with a criticism of this Bill at this time, because I perceive there is a great deal to be done in the way of Committee work. When we have gone through that stage perhaps the Bill may better commend itself to the majority of members of this House.

Mr. O'REGAN.—I rise to endeavour to improve this Bill by proposing an amendment, which I will presently read. There is no doubt whatever that the Bill is part and parcel of a policy of borrowing. It is undoubtedly, as the honourable member for Selwyn said, a reversion to the policy put in practice many years ago by Sir Julius Vogel, and, as far as I can see, it is no improvement whatever upon the policy of that gentleman. I personally object to borrowing, but on certain conditions I would not object to it, and, in order to enable me to support the Bill conscientiously and to the best of my ability, I intend to propose this amendment. My honourable friend the member for New Plymouth, and also the honourable member for Marsden, were loud in their praises of this Bill this evening. It seems to me that the chief reason why Bills of this kind, which propose to scatter money broadcast in different parts of the colony, are hailed with satisfaction by some honourable members is that they see a good time coming, when money will be spent freely out of the public chest, and that the consolidated revenue is going to bear the interest. That certainly was the evil of the past, and that is why so much log-rolling was done, and why so many political railways and other public works were made in the colony. It is surely only fair and just that those districts which benefited by the construction of public works so largely should be called on to pay interest on those public works. It is manifestly unfair to make public works for certain parts of the colony, and tax everybody in New Zealand for the purpose of paying interest upon their cost. Dealing first with the Crown lands, let us imagine what will happen under the provisions of this Bill if it becomes law in its present form. Land will be taken under the lease-in-perpetuity system, under the provisions of which the present occupiers are allowed to hold the property as long as they live, under the existing valuation. Is not that an extraordinary principle?

The land is held for 999 years without revaluation, and the consequence is that all the increment accruing to the land after it is taken up will go to benefit private individuals. Here we are asked to expend an enormous sum of money to open up Crown and Native lands for settlement. In due course this land will be occupied by a class of, no doubt, very deserving settlers; but the roads and bridges which will have been made under the provisions of this Bill will certainly have

gone to benefit them, and them alone. Yet the rest of the colony will be called upon to bear the interest. In regard to the Native lands, speaking personally I think the Maoris are being demoralised by the present system of Native-land purchase. Sir, I cannot, for my life, see why the Maoris should be bought out of lands in which they have no pre-emptive interest. It is utterly ridiculous, to my mind, to say that, because a few aboriginals happen to be scattered here and there in various parts of the forest, it cannot be reclaimed and settled without taking large sums out of the pockets of the taxpayers to acquire the title to it. Here we have a system of speculation on the part of the Natives, as their land cannot be settled without an enormous cost to the taxpayers, who wish to occupy it under the lease-in-perpetuity system. I have no objection to dealing with the Natives fairly, and there is not the slightest doubt that in the past they have been dealt with hardly and in a manner that is far from creditable to the Europeans; but of late years the tendency has been to indulge in too much sickly sentimentality about the Maori race. They are being demoralised by the indulgence observed by the Europeans towards them. There is no doubt whatever that up in the Rotorua district the Maoris are being really spoiled. They are like spoiled children—demanding excessive rents, which the people are obliged to pay to them, and people, have to pay heavily, I understand, for taking sketches, and for visiting certain localities in the district. My contention is that it has a demoralising effect for any people, whether they be white or black, to get sums of money they do not earn. Again, we talk about land-monopoly. My opinion is that amongst the Maoris we have land-monopolists as bad as any Europeans. And the Native lands will be increased in value by the public works, and by the money which is spent by the taxpayers of the colony. The Maori owners will receive the benefit, which is not, I think, a very creditable state of things. As regards tenure and taxation, there should be no distinction whatever in dealing with either Maoris or Europeans. However, I should have had no objection to vote for the Bill, and to sacrifice my principles as regards the Native lands, if the evils that at present exist in regard to land-tenure were not to be perpetuated. But under the lease-in-perpetuity system they will be perpetuated. Indeed, with regard to advances to settlers, if I may be allowed to refer to that, while giving all credit to my honourable friend the Minister of Lands for his intentions, I cannot help agreeing in the view taken by the honourable member for Auckland City (Mr. Button). It seems to me that that gentleman was right in his contention. Strange though it may appear, and although he sits on that side of the House, I thoroughly agree with him that this scheme of advances to settlers is not really advances at all. It means the Government backing bills for settlers.

An Hon. MEMBER.—What about the Bank of New Zealand?

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Mr. O'REGAN.—It is the same thing. The Government propose to back bills for settlers on their State security. And it seems to me that the remark of my honourable friend the member for Auckland City (Mr. Button), that we were paying too dear for our whistle, was quite correct. The Government are not advancing money on any security to be offered by the tenant, because the occupier's interest is not in the land itself, but in the improvements. The land is really the property of the State, which will be called on to advance money upon its own security; which seems to me to be a very curious way of doing business. I have no objection to support this Bill provided it is a little amended, which I think might be consented to by the Government, seeing there is a Betterment Bill on the Order Paper. At present it seems we are going to scatter money broadcast over the colony, and no provision whatever is to be made to pay the interest on it. I have been looking forward, in common with a great many of my brother-members in this House, to a time when the present Ministry would remit some of the Customs duties. I have been looking forward to the time which was spoken of by the late Premier and the present Treasurer when they promised a reduction of duties on the necessaries of life—a change which I consider absolutely necessary, and one that would benefit the working-classes far more than this so-called labour legislation which has occupied the time of the House to an undue extent. I have been looking forward with the greatest anxiety for this happy ideal to be consummated. But under the present circumstances it seems there is to be increased taxation in the future, because if you expend money as proposed under this Bill, without making provision to pay interest, the taxation must necessarily be increased.

An Hon. MEMBER.—It pays its own way.

Mr. O'REGAN.—There is no provision, as far as I can see, for making it pay its own way. The Hon. the Premier is, I know, a strong supporter of the principle of betterment, and he has embodied that principle in a Bill to give effect to it, which is now on the Order Paper. Whether it is going to be proceeded with or not I do not know. The amendment which I propose will have a most desirable effect, because it is only fair that those who have money spent in their district should pay for it.

An Hon. MEMBER.—Are you prepared to pay for what is done in the Inangahua District?

Mr. O'REGAN.—Certainly I am; and so far we have had but little to pay for. It is manifestly unfair to have special expenditure in one part of the colony when the whole colony has got to pay for it. I move, Sir, That the Bill be referred back to the Government for the purpose of introducing the principle of betterment, as I think that amendment would have the desired effect.

Mr. CARROLL.—Sir, with all the respect I have for my honourable friend the member for Inangahua, I object to his idea that the Natives should be experimented upon by us in regard to their lands in the direction he

indicates. So far as his pet scheme, land-nationalisation, is concerned, I would suggest that he should apply that first of all rather to the lands held in large areas by Europeans or private individuals in this colony. I think if he advocated that policy he would be giving more support to the land-for-settlement policy which has been introduced by the present Government. He has been pleased to say that the Natives are being demoralised in several parts of this colony, and that they have no right to anything arising from their land because they have not worked for it. I beg, Sir, to say that they are no more demoralised—whatever may be their want of education—than are sections of the European population in our large centres. They have made the most of their lands under the exceptional conditions under which they have held them. They have fought for their lands; they have in the past disputed the right of the Europeans to their present sovereignty over their lands; and I think we ought to approach them now in a more civilised spirit, and make them one with ourselves. Referring to the question of the acquisition of Native lands, there are some members in this House who object to it. There are some, again, who, while objecting to that Part of the Bill which proposes to borrow £250,000 for roading and bridging the country and improving Crown lands, prefer, first of all, that the Native lands should be acquired by the Crown. Well, that signifies a selfish policy, to my mind. I was surprised to hear the honourable member for Auckland City (Mr. Button) advocating such a principle as that, because I have always given him credit for being fair in a question affecting not only the Europeans, but also his dark-skinned brethren. Why should the honourable gentleman be so jealous regarding the lands and rights of the European population of this country, and yet advocate in the same breath that, if you want to buy lands, you should buy up the Native lands first? Is that generous?

Mr. BUTTON.—I did not say so.

Mr. CARROLL.—That is the only conclusion I could draw from the honourable gentleman's remarks.

An Hon. MEMBER.—That is a mistake.

Mr. CARROLL.—Well, I am glad to find out that I am mistaken; but there is that tendency on the part of honourable members to say, "Save the European lands, but buy up the Maori lands for settlement." Settlement is a very good thing, but they do not urge that it be applied to European lands. Now, that is unfair, and not only unfair, but ungenerous. The remarks of the honourable member for Patea I only noted with regard to their bearing on the land policy of the colony. He was in favour of the suggestion made by the honourable member for Caversham, that at a certain stage of this Bill the question should be decided as to the tenure that should exist under this Bill—that is to say, whether this House is to decide in favour of the eternal lease or of perpetual lease with revaluation. He openly declared, in the same sentence, that he was in

favour of the right of purchase, but, as he could not get that, he would favour perpetual lease with revaluation, because it was going in that direction. I only refer to this to show there are two opinions held by two different sections in this House—the one section strongly in favour of perpetual lease with revaluation, because they say it is the fairer tenure and more to the advantage of the people of this colony by preserving a better revenue, and a better supervision of the land of the people in their hands; while, on the other hand, those of the persuasion of the honourable member for Patea go in for perpetual lease with revaluation, simply because it carries them nearer purchase. These expressions are very significant, and should be noted by gentlemen in dealing with this question of the land policy of the colony. Of those who criticized this measure there were some who would not openly declare against this Bill, but who were inclined to be against it purely because they are hostile to the Government. There were others, again, who spoke against the passing of this Bill on the pretext that it smelt too much of borrowing. The only member who openly spoke against it was the leader of the Opposition: he said he would have none of the Bill. The issue embodied in the Bill is this, and no one applied it so directly as the honourable gentleman: Are we to have roads and bridges throughout this colony? are we to improve Crown lands in this colony, for the purpose of encouraging settlement, by roads and bridges, or are we not? Many declare they are in favour of roading and bridging and improving the Crown lands of the colony in order that these lands may be fitted for settlement, but they are against borrowing for that purpose. In fact, all were in opposition to the Bill one way or another; but the honourable member for Hawke's Bay was the only one who openly declared that he did not see any utility whatever for carrying on roads and bridges. Now, I differ from my honourable friend so far as that is concerned. I only regret that, expressing as he does, with the merit of candour and with the courage of his opinions, his views upon this question, he is so far out of touch with the feelings and desires of the people of this colony. If there is one cry throughout the North Island—throughout his own district and my district—if there is one cry on the part of the people more than another, it is their cry for roads and bridges. I can refer honourable members to many rising settlements in the back-country of my district, situated in wild, rugged, and almost inaccessible parts, where settlers have gone up with their families, have taken up sections, are carving out homes for themselves, where it is a struggle from morning till night, and they vainly cry out for assistance. They want roads and bridges to allow them to have communication with the centres; they want roads and bridges to enable them to carry their produce to market; and they want roads and bridges to enable them to take up there what they need to obtain from the centres of population. They want roads and

bridges, I say; and yet, in the face of that, my honourable friend says, "We do not want roads and bridges." I am speaking now not only of Wairoa, but of the Gisborne district. Now, he also said that he was against Native-land purchase. It was an open declaration on his part. Sir, has this country been against the purchase of Native lands? This is quite a new policy on the part of the honourable gentleman. The Governments that have been administering the affairs of this country for years past have had for their Native policy that they should buy wherever they thought fit for the public interest. We have affirmed the principle under the Land for Settlements Bill that the Crown can purchase private estates for the purposes of settlement. Then, if you give that power to the Crown to buy private estates, why draw a line of demarcation between lands held by Europeans and lands held by Natives in so far as the public welfare is concerned? I say the rights of the Crown should be paramount wherever the interests of the public are in question—it matters not whether it is buying European or Native lands. That is the principle we should advocate, and it is a fairer thing for both sides, and it is arriving at that union of the two races, placing them on the one footing, which I have always favoured. It is an important step towards that. I am in favour of the Government resuming the right of pre-emption. They hold it under the Land for Settlements Bill. If we give the Crown the right by special legislation to buy private estates held by Europeans, why make any difference as to the lands held by Natives? It is not reasonable; it is not fair. Not only that. Take our old chiefs in the past: what did they do? They entered into a solemn treaty, and they ceded the sovereignty of New Zealand to Great Britain, and in return were guaranteed that they should not sell to any one but the Crown, if they so chose, but, still, the Crown was the only one that could buy.

Sir R. STOUT.—No. The Crown had the first right to buy.

Mr. CARROLL.—Well, that is the pre-emptive right. I am in favour of anything that is fair, just, and honest. I do not think any one coming here should come in the position of a delegate, nor should he come here only to represent his own constituency; he should come here to represent the interests of the colony at large; and, if we are intrusted with the colonisation of the country, we must not be guided by individual views or individual inclinations, but must proceed on broad lines, and consider the advantage and progress of the country, and the mutual benefit of all concerned. Sir, there is another point I will touch upon. The honourable member for Auckland City (Mr. Button), although he did not mean it in an offensive spirit, endeavoured to show the thorough incapacity of those who toil to become settlers; and this was affirmed by the honourable member for Hawke's Bay. Now, in my experience in this colony—and I have visited a good many parts of it—I have witnessed settlements growing up and maturing

into large centres; I have come in contact with the class of people to whom these statements have been applied, and I have found them to be of the thrifty class of labourers, who have saved a little money, and who have gone to face the wild country they come in contact with in the interior, and founded settlements: they are labourers. The inference from the remarks of those honourable members is this: that the labouring-classes cannot make good settlers; it is only those who are in the possession of capital who can make good settlers, say my honourable friends. Well, you will find even in that class that there are some not fitted to become good settlers; you will find thrifless people in all classes of the community: but, Sir, I take my own district, and I find in our settlements there some of our most sturdy settlers and well-to-do men starting at the lowest rung of the ladder. You do not require special training to become a settler. You require a good stout heart; you require zeal; you require earnestness and a wish for the improvement of the country; and if he has hands and a sound heart you have only to give such a person the opportunity, and he will become a good settler—we have many instances of the kind in this country—and he will make a living suitable to his wants. And that is our policy: we want to give every one a chance of getting on the land; we do not want to pursue a selfish policy; we do not want to pursue the policy of the past; we want to pursue a generous policy, and to give every man a chance of getting on the land and of showing to us what he is capable of doing. Sir, the honourable gentlemen on the other side of the House object to the pre-emptive right over Native lands being placed in the Crown. They mean this: that the Native lands should be thrown open to private dealing. Now, that is a thing we have to face the country with. If we are going to colonise this country we must observe very carefully indeed such principles as will bring about the desired good to the many. What will be the result if free trade with the remainder of the Native lands be allowed to creep in to-morrow? You will find competition. You will find several moneyed rings. You will find several persons having the command of capital or unlimited credit competing against each other for one block of land. Invariably in the case of large blocks of land you will find there are from a hundred to three hundred Native owners. You will find that one person will have obtained fifty signatures, another person sixty, and so on. And what does that mean? That means confusion, difficulty, fights among the Natives themselves, and it leads to the great blot upon Native-land purchase we have witnessed from time to time in the past—defective titles on the part of Europeans. They have to come and clamour to Parliament to pass legislation to validate defective titles. We should have the same thing over and over again. It is a most unsatisfactory state of things. Where a Native holds land like a European let him deal with it as a European would, but where they hold in

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large numbers individual dealing should be a thing of the past. It has led to more confusion, more litigation, more fighting, more discomfort, more ruin to all parties concerned, Europeans and Natives alike, than any other thing; and we should not perpetuate that state of things. Now, Sir, I notice by this Bill brought in by my honourable colleague that it should be read with the Native Land Purchase and Acquisition Act of 1893. There is one point I will say on the part of the Natives on which they have a just ground for complaint, and that is, according to the system of past Native-land purchases the Natives have never been able to get a fair and just value for their lands. Now, I quite agree with honourable members in their expression of opinion that, if the Natives sell to the Government or if the Government purchase their lands, they are entitled to a fair value, just the same as

12.30. Europeans. I should like to see the principle contained in the Native Land Acquisition Act of 1893 embodied in this Bill, so that any purchase of Native land engaged in by the Government should be based on this ground of valuation; that is to say, that the Native owners will be assured of the proper value for their land, deducting, of course, expenses and so forth. I should also, on behalf of the Natives, like to see some proposal adopted whereby the Government of the day can cut up the lands to settle the Natives on. I think we are forgetting our Native neighbours altogether in our zeal to push on European settlement throughout New Zealand, and in buying up Native lands for that purpose we are forgetting an obligation on ourselves—a sacred duty of doing what is right and just to the Native inhabitants of the colony; and I say we can do them justice if we take the same trouble with them as we do with Europeans, and settle them on their own lands and make settlers of them, make them producers, and contributors to the revenue, and, under these circumstances, let them share the same responsibilities as are imposed on the Europeans themselves. The lands left to the Natives now, in this colony, are not of the richest quality. They have immense areas, seven or eight million acres, but two-thirds of it is not of first-class quality; and the limitation of areas to be held by individuals, which is the principle running through our land policy with regard to Crown lands, should have a greater elasticity than it has at present. I take exception here to the remarks of the honourable member for Palmerston. His idea is that where the Crown acquired lands it should acquire them near large centres: he instanced the State farms at Levin, and other places, and said, if we want to push on settlement, we must restrict our purchases to the acquisition of lands near large centres, and cut them up into small sections, and then we should have a perfect state of land-settlement. He did not believe in the limit of 640 acres of first-class land to a settler, on the ground that it was too much. I hold a different opinion. I say 640 acres is little enough. Very few people who live in large centres know

what a back settler has to put up with, and the balance of the land left for the Crown to acquire is not all plains or undulating hills, and not that class of land you can go upon and, with little improvements, make a home for yourself; but it requires a lot of work and industry, and, under these circumstances, I say it would be compatible with our desire to do good and advance settlement to have our limitations as regards area more elastic. I should prefer rather a value limitation. But I say we must take one step at a time, and I am quite satisfied, and all are quite satisfied on this side of the House, that the principle embodied in the Bill in charge of my colleague is the first and most important step. Let us secure this vantage-ground in the interests of settlement, and then, as other developments occur,—and in the near future some things will disclose themselves,—we shall be in a position to make a further step in the direction of settlement. I do not wish to say more. I think the policy of my colleague will bear good fruit, and will commend itself to the majority of the people in the colony.

Mr. HEKE.—Listening to the speech made by the honourable gentleman who has just sat down, I may say this is the first time I have heard the honourable member speak in favour, to a certain extent, of the rights of the Natives. But I wish to say this: that the speech of the honourable gentleman is most inconsistent with the opinions that he advanced a few years back on the matter of the rights of the Natives and of the Crown as regards the purchase of Native lands. I have here a little record of a speech the honourable gentleman gave in the year 1887, while contesting the Eastern Maori election with Mr. Wi Pere. Sir, a few days ago I observed, among the parliamentary items in one of our newspapers, a short paragraph stating that the Native members were strenuously opposing and stonewalling, before the Native Affairs Committee, the Native Bill wherein the Government propose to resume to themselves the pre-emptive right over Maori lands. With your permission, Sir, I desire to say something on this question—a question, I venture to say, too lightly treated, and a question that is not approached with the consideration and seriousness it is entitled to—for there is no subject before our legislators of greater importance, influencing as it does the two races, and with them the whole colony. But, first, allow me to preface my remarks with a little—I hope, pardonable—egotism. Firstly, I have never had, nor do I expect to have in the future, any connection with Native-land transactions; secondly, I am far from an opponent of the present Government, and but for abusing the secrecy of the ballot I could say more; and, thirdly, I do not believe the expressions of opinion I am about to give you because I write them, but I write them because I believe them. Now, to proceed. The Native members are strenuously opposing the resumption of the pre-emptive right by the Government, and I say to them, “*Kia kaha*,” for there is no more commendable struggle

recorded in history for right and justice than theirs in blocking this cruel and cowardly proposition of a Ministry: cruel, because it is unjust; cowardly, because it is the strong treading on the weak. "It is excellent to have a giant's strength, but it is tyrannous to use it like a giant." Let us review Timi Kara's opinions on the Crown's right of pre-emption over Native lands. During the contest for the Eastern Maori seat in 1887 a very large gathering of Natives was held at Pakirikiri, near Gisborne, the chief topics for discussion being politics and religion. Both Mr. Carroll and Wi Pere dealt with the former subject, the text being the Native Land Administration Act. Mr. Carroll criticized the measure most cleverly and most adversely, saying, *inter alia*,—

"It was a law actually in existence affecting a large number of people and their lands. He was altogether opposed to the law. Some present may see great advantages in the Act. For his own part he saw none. . . . The principle of the Act is in itself bad. The control of the Maori land under the Administration Act passes into the hands of the Government. The desire of the Maori was that the mana of the land should rest with the Maori people. . . . Instead of the Natives being protected by the law they were placed at the mercy of the Government of the day. Once the people themselves lost control of their lands in the way he indicated, they had to bid Good-bye for ever to it."

Again, at Waipawa, on the 4th August, 1887, addressing a public meeting, he said,—

"The time has come when our aboriginal brothers should not be treated as children, and put out to nurse at the hands of the Government, but should be encouraged to act and think for themselves. It was but just that they should be placed on the same footing as the Europeans, and allowed to deal with their land as they thought was best for themselves, with ample protection afforded by legislation, and suitable reserves set apart for the different tribes. He could see no harm that would befall the Natives in dealing with the remainder. . . . The whole tenor of the legislation was to close up every avenue by which the Natives might be able to lease or sell their lands to persons outside the Government, and to place all power and authority over those lands in the hands of the State. The speaker urged upon his hearers to fight for justice, and show the powers that be that they (the Maoris) had reached a time when they could look after their own interests, and would not be placed in the position of infants or impotents; and, to do this, the most important step was to hold on to their lands, and, by strong pressure being brought to bear, have the Native Minister's nonsensical experiment obliterated and wiped out from among the laws of the land. . . . Again, he explained that, while the country was groaning under the burden of debt, the Government, instead of endeavouring to alleviate the trouble, retarded progress and kept out foreign

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capital by their selfish and blind tying-up of the land through their Native policy."

Once more, in the report of the Commission appointed to inquire into the subject of the Native land-laws, Mr. Carroll adds a special note, most truthful, logical, and interesting. He says,—

"Upon the question of the Crown resuming the right of pre-emption over lands owned by the Maoris, I cannot help feeling that such a step would be unwise and impolitic, while the legality itself of such a proceeding is, I believe, open to grave doubt. The Crown bases its title to land in New Zealand not on the right of discovery or conquest, but on the Treaty of Waitangi. By that Treaty the exclusive right of pre-emption over such lands as the Native proprietors might be disposed to alienate was yielded to Her Majesty, from the period of signing the Treaty of Waitangi until the sanction of Her Majesty was obtained to 'The Native Land Act, 1862': over twenty years that right remained in full force. Thus it will be seen that ample opportunity was afforded for testing the efficacy, wisdom, and justice of the prerogative so assured. In some vague way the Europeans have always regarded themselves as having an undefined reversionary interest in Maori lands; the Natives, on the other hand, have always failed to cordially acquiesce in the administration of their territorial estates by the various Governments that have from time to time controlled the destinies of New Zealand. And so, for the long stretch of time the Government retained the right of pre-emption over the Native lands, the period was fraught with many acts of injustice to the Natives. They called to mind the words used to them by Captain Hobson when the Treaty of Waitangi was signed—that the two races had become united under one Sovereign; but, in strange contradiction to this harmonious union, they saw millions of acres of their land passing from them, in some instances at $\frac{1}{4}$ d. an acre, secured nominally by the Government, but in reality for the more favoured subjects of Her Gracious Majesty. So unjust, indeed, were many of the Government purchases that they were condemned in Parliament by men holding exalted positions, and who were in every way capable of forming an unbiassed judgment."

I may here state that the honourable gentleman refers to private transactions between individuals and the Natives. He did not refer, as in his report on the Commission, to the fact that the Government also had a hand in some of the transactions that he names as a great injustice. Then he goes on,—

"Parliament at length was no longer able to conceal from itself that great wrongs upon the Native race were being perpetrated. It saw, as it expressed itself in the preamble to the Native Land Act passed at the time, that it would greatly promote the peaceful settlement of the colony and the advancement of the civilisation of the Natives if their rights to land were ascertained, and defined, and declared, and if the ownership of such lands

when so defined and declared was assimilated as nearly as possible to the ownership according to British law. With a view of giving effect to the foregoing objects, Her Majesty waived in favour of the Natives so much of the Treaty of Waitangi as reserved to her the right of pre-emption over their lands. I entirely fail to understand how, as set forth in the preamble to the Act of 1862, the Government of New Zealand, having renounced the right of pre-emption over Native lands, can again acquire that prerogative without the assent of the Natives. Upon equitable grounds alone the Parliament should not attempt to regain the prerogative it abandoned about thirty years ago. Such a proceeding on the part of the Legislature would, in my opinion, intensify the mistrust the Native population too long have had in Colonial Governments. They would immediately discern an intention on the part of the Government to enrich the European colonists at the sacrifice of the territorial interests of the Maori subjects of the Queen. To the Native mind, unversed in the subtleties of the law, such a proceeding would be regarded by the present generation of Maoris as simply confiscation. They would feel themselves thrown back in the onward march of progress, hampered and shut out from the many advantages of civilisation that they now look so hopefully forward to, and regard as being within their reach. I think the resumption by the Crown of the pre-emptive right, restricting the Natives to but one market in which they could dispose of their lands, would retard instead of promoting the settlement of the country. Many of the more intelligent and prudent of the race are turning their attention to sheep-farming and stock-raising generally. They are possessed of the wholesome idea of becoming producers, and laudably desire to emulate their more experienced European neighbours in the art of agriculture and profitable stock-rearing. To attain this end, they fully recognise that it would be wise for them to dispose of such areas of their surplus lands as they are not likely to require for themselves, and from the disposal of such lands to obtain the necessary funds for clearing, fencing, and stocking the land retained for their own profitable occupation. With the Native mind running in this groove, dominated with the desire of becoming thoroughly useful settlers and adding to the productive powers of the colony, it may be reasonably expected that, with legislation of a judicious character afforded them such as will fairly meet their aspirations, little apprehension need exist as to their willingness to place the lands not needed for their own use in the public market. Evidence adduced before the Commission proved conclusively that where the Government interposed with its pre-emptive right, as was the case in the King-country, the Natives could not obtain a fair price for their land. The Government offered 3s. an acre: at the same time private purchasers were in constant communication with the owners, and willing to pay them £1 an acre. Need one wonder that a deadlock in Native-land trans-

actions in that part of the country occurred? The inevitable result arising from such a condition of things is that, if the Natives cannot sell to the purchaser prepared to give them a larger sum than the Government, they will not sell at all; and it will be observed that not even the Treaty of Waitangi itself, or any law passed by Parliament, assumed the power of compelling the Natives to alienate their land. So that it comes to pass that large areas of excellent country, well adapted for settlement, remain locked up, because, forsooth, the Natives refuse to accept the 3s. an acre offered by the Government, when private parties are prepared to give them more than six times that amount. While still on the question of the pre-emptive right, perhaps I may be permitted to quote the words of Mr. Alfred Domett: 'In governing masses of men we must look upon a wrong really felt as a real wrong. It mattered not that on abstract principles of justice or theories it ought not to be considered a wrong: if it was really felt by them, then it must be treated as a real wrong. And this was the case with the Maoris, and their feeling about the Crown's right of pre-emption.' It is nearly thirty years since these words were uttered in the New Zealand Parliament, and they are as pregnant with truth now as they were then. Not only in regard to the exercise of the pre-emptive right should the Government interference with the Natives be avoided, but in many other respects. A race that has been in contact with the most civilised nation on earth during the past half-century, a race admittedly intelligent, and possessed of great territorial estates, may in reason be expected to have sufficient discernment to distinguish between governmental treatment properly and improperly bestowed."

With such an eloquent dissertation from such an authority before us, it would seem that the subject was exhausted; but it is not—there are other phases that require consideration. I have said that the proposed resumption by the Crown of the pre-emptive right was unjust; I now add that it is impolitic, and entirely opposed to the recognised policy of the present Government, wherein they claim, as the corner-stone to the colony's advancement, the opening-up of land for settlement. Let the pre-emptive right once again return to the Crown and so surely does land for settlement, in so far as Native land is concerned, receive its quietus. For the Natives will not sell their lands at the price offered to them by the Government. And, Sir, is it to be wondered at, judging by the past, and—yes, judging by the present? It is not too extravagant to say it is spoliation; it is, in fact, what might be expected from one holding letters of marque—a license to plunder. The speech which the honourable gentleman just now made is, in my opinion, very inconsistent. As to the quarter of a million proposed to be raised under this Bill for the purpose of buying Native lands, I think there is no need for any more borrowed money being used for this purpose. Past Governments and the present Government have been purchasing

Native land for a good many years. I fail to understand whether the Government are determined to open up these lands. If it is the intention of the Government to settle those lands as soon as the purchase is completed, I think it would be far better, and more in the interests of the colony, to adopt a different system from the present one. The way in which the purchase of Native land is being carried on at the present time I think is perfectly ridiculous. The colony will never receive even interest on the money which is thus spent. When do the Government intend to get this money back again? As far as I understand it, I do not think they will get it back again at all: if they do, it is in the far-distant future; and here we have the people of the colony groaning under the heavy burden of taxation, through no fault of theirs, but through the inconsiderateness of their Governments. It is merely throwing money away. The taxpayers of the colony have to pay interest on the money so expended, and I think every honourable member should gravely consider this matter, and reject the amount proposed to be borrowed for this purpose. If it were a matter of £50,000, as set out in the Acts now in force, there would not be a great deal of objection to a sum of that kind; but I do not think it is necessary that any Government should go in for the purchase of Native land. I think they should lease Native land. I think it is very unfair that honourable members should object to the disposal of Crown land, and then argue on the other side in favour of borrowing for the purchase of Native land. The Natives have every right to keep their land as far as possible; and, if they are not able to hold on to their land, it is the duty of their representatives in this House to try and bring forward a measure to prevent them from disposing of their land right out, and to urge Parliament to pass measures which will be of lasting benefit to the Natives. That would not retard settlement. I think something on the lines set out in "The Native Land Administration Act, 1886," is necessary in the way of Native-land legislation. I do not altogether agree with everything set out in that Act; but I think some measure on those lines would be more beneficial and satisfactory to the Natives, and it would also have the good result desired by every member of this House—namely, of settling the people on the land. The whole thing is set out in a Bill which was propounded by the Natives themselves at a meeting held at Gisborne a few months ago—I believe in April last. That Bill was introduced by the honourable member for the Eastern Maori District. I may inform the House that no Europeans had a hand in the propounding of that scheme; it was all Maori work. Such a Bill will not in any way retard settlement. The Bill recognises this Parliament and the Government to a certain extent: at the same time it sets out that the Natives themselves should have a greater voice in the administration of their lands, which is only fair. What I wish to contend is this: that if the aim of any measure brought before this House propounded

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by the Natives themselves is to settle the Native land, and if that measure would be for the benefit of the colony as a whole, and for the benefit of the Natives, I do not think any Government which may be in power should ignore such a Bill. If this House tries to satisfy the Native mind, and takes the Natives into its confidence, it can easily get the Natives to work satisfactorily with the Government. Instead of, as at present, disturbances occurring, and obstruction being offered to surveyors, you would find the Natives working in harmony with the Europeans and the Government. There are some things here I wish to put before the House in reference to the different transactions between the Government of New Zealand and the Natives in their land-purchases. We have heard, in several cases, honourable members state that by allowing private individuals to deal with the Natives we should be doing that which in many cases would be a dangerous thing for the Natives, and also for the colony. What I wish to say is this: There have been several transactions between the Native and the Crown: I will quote a case in point, which was one of the most disgraceful purchases that were ever made by the Government from the Natives. I find, by looking up the old records, that the Natives were compelled to sell to the Crown for the sum of £25,000, and, by making inquiries, I find out that private individuals were willing to give the sum of £150,000 for the same block of land. I wish to say that it is not fair for any Government, or any Parliament, to pass any law that tends to deprive the Natives of their rights. I think the Natives should have every right in respect of the property they hold. I also agree with some of the statements made by honourable members, that where it is found now that private individuals will fairly buy the land open for purposes of selection a certain area should be named as the limit that may be acquired by private individuals. We have this in force in the Native Land Court Act of 1886. I think the area is set out there at six hundred acres. We could apply this to any Bill that is brought forward in respect to the buying of land from the Natives. But what I wish to urge upon the House is this: that the rights of the Natives should be recognised, and they should not be deprived of any of the privileges which are given the Europeans themselves. Now, there are several cases I could mention where the Government have actually offered 2s. or 8s. per acre, and where private individuals were prepared to give the Natives from 20s. to 30s. per acre for the same property. There is another point. I have here a cutting from the Auckland *Herald*, which I will read:—

"UNJUST GOVERNMENT DEALING WITH MAORI LANDS.

To the Editor.

"SIR,—I am the owner of two hundred acres of land within the Rohe Potae, at a place named Kakepuku, near Alexandra. I am offered £1 10s. per acre by Europeans for it, but cannot sell it

to them, as the land is included within the Government Proclamation. Mr. Wilkinson, the Government agent, will only give 6s. per acre for it. I hear the Government are buying lands which they sold years ago to the pakehas, in the Middle Island, for £8 and £4 per acre. Why don't they give us the same price for our lands?—I am, &c.,

"TAKETIKA."

In conclusion, I wish to say this: that the remarks that fell from the honourable member for Waiapu are very inconsistent, and therefore it does not lead one to place any confidence at all in the administration of the present Government.

Mr. LANG.—It is not my intention to take up much of the time of the House at this hour, but, as this Bill is of considerable importance to the district I represent, I should like to say a few words on it. I think there is no measure to which we should attach greater importance than one to provide for the making of roads and bridges to open up for settlement the back-country. I may say that we cannot expect settlers to succeed if they have not the means of getting their produce to market. The difficulties of so many settlers arise from the fact that it is impossible for them to sell their stock or produce. A good deal has been said about clause 4, under which the Minister may allow persons to settle on Crown lands to improve the same. I think that is a very good clause, so long as proper regulations are made. I take it that by this the Minister intends to make it possible for people without capital to settle on the land, and to find work for them,—which, of course, means cash,—till they are in a position to get a return from the land. But there is one thing that should be guarded against, and that is, if the Government mean to pay a man the full value for clearing the bush, at the end of the time he might leave it and get another job elsewhere; and that would not be carrying out the intention of this clause. I think that such men should only be paid in cash to the value of half-wages in the first place, and the other half should be expended in paying for grass-seed, fencing, and other improvements. This would insure that none but *bonâ fide* settlers would take up land. Speaking to Part II. of this Bill, I may say that in my electorate there is a very large quantity of Native land. In one block there is an area equal in extent to a great many of the electorates of this colony. This land has remained unoccupied for a great many years, and I think that any one who approved of the Land for Settlements Bill cannot fail to vote for this measure, for this is superior, I think, in every way to the Land for Settlements Bill. These Bills have been compared, but I think they are very different, for the Land for Settlements Bill takes land from people who have the privilege of selling their land in the open market if they think fit, but the Native lands, at least those in the King-country, can still only be sold to the Crown. The Natives have not the privilege of having a voice in the valuing of their own land. I was very glad to hear the

honourable member for Waiapu state that the Natives have been unfairly treated in the past, and I am sure I can bear that statement out from my own personal knowledge. I know a case in which only about a quarter of the price that could have been got for the lands if placed in the open market was offered by the Government. I think, so far as Native lands are concerned, it is altogether unnecessary to borrow money for the purpose of settling them, and I will endeavour to explain my views on that subject. If the Government were to sell the land they have acquired, and allow the Natives to have a free hand with their own land, the country would be settled in a very short time. That might easily be done in this way: The Government should act as agents for the sale of the land, and place the same conditions on it as on Crown lands, regulating the size of blocks that could be disposed of. I should like to give the opinion of a stranger on the way the Natives have been treated by the Government with regard to their land. To do that, I will read a small portion of a clipping from a newspaper. This is how it strikes an Australian:—

"An Australian, who has just made a trip into the King-country, sends an account of what he saw. One Maori chief whom he saw expressed himself as much annoyed that the Government had prevented him from selling land to Europeans. The Natives at that place had three acres cultivated, while they possessed miles of virgin land. Our correspondent then proceeds: 'The whole of the country I passed over was splendid limestone country, where no grass-seed has been planted, but here and there were patches of grass, the seed brought there evidently by horses. One can see how this grass is working the fern out and taking strong hold. . . . And all this great country doing no good to anybody! It struck me as very extraordinary that New Zealand should allow their Government to buy such a property as the Cheviot Estate, which would cost pounds per acre, whereas there are miles of grand country to be got for some shillings per acre. If the South Island is so thickly populated that there is no room for the people, why not open this country and send the Southerners up here? There is plenty of room without cramping the Native. Looking at the Cheviot Estate transaction, and seeing all the idle country south of Auckland, I can only put it down to a bid for political power, and it is a pity the North Island allows it. If the Government would allow the white man to deal with the Maori, holding the power of sanctioning all arrangements, there would be no such thing as the land-grabber getting in, and this country would soon be made remunerative to Government settlers and Maoris.'"

I may say the Government are very much to blame for not having done more to settle the Native lands. If they had used the same amount of energy in the North as they have used in the South the country would have been settled many years ago. Ten years ago the restrictions were placed on the land, and no

settlement has taken place during that time, and, if things are going on in the same way, in all probability there will be none for the next ten years. But if the restrictions are taken off the land it will be settled in a very short time. It has been said that the Government have not acquired the land because they had not the means of doing so; but this is not correct, for they have not even expended all the money that they had at their disposal. If this Bill passes there will be no excuse then for Government not acquiring the land, and for that reason I shall support the second reading of the Bill.

Mr. PINKERTON.—At this late hour I shall not detain the House very many minutes. I had intended to speak somewhat on the merits of the Bill, but I shall now refrain from doing so. I should like, however, to make one or two remarks in connection with something that has been said, and to the point—to something that has been said not only to-night, but at other times and on other occasions. Up to the supper adjournment I think full approval of the Bill was expressed in the speeches made: there were only about four members who had offered anything like opposition to it. Those members were the senior member for Wellington City (Sir R. Stout), the honourable member for Dunedin City (Mr. Earnshaw), and the honourable the leader of the Opposition (Captain Russell); and then, later on, there was the honourable member for Patea. This is a measure dealing not only with the purchase of Native lands, but also with the disposal of them. As usual, the lease in perpetuity came in for some considerable attention. I dare say it is well known to members of the House who were here last Parliament that I was the only member on this side of the House who voted against the lease in perpetuity. I still believe, Sir, in revaluations; I have never changed my opinion on that; but I decline to be drawn into a lobby on any side-issue, or by persons who are doing this with ulterior motives. I shall not be drawn into the lobby at any time by anything of that kind, and if any attempt is made to do that sort of thing in connection with this Bill I shall be found voting against it. In 1892, when the Act was passed, I endeavoured to affirm that the principle of the lease in perpetuity was bad. I was defeated on that,—or, rather, the party with whom I voted were,—but I shall take another opportunity when the land-laws come up for amendment to vote so that the lease in perpetuity may be put out. At the same time, I very much question whether the lease in perpetuity or the perpetual lease is now the solution of the difficulty. We know that changes take place pretty frequently in ideas as to land-tenure. There was a time—not so very long ago—when no one thought of anything but a freehold; no one ever dreamed of anything but freehold. Then we had the land-nationalisation scheme propounded, and it went very freely all over the country, and was fully believed in by a great many persons, myself among the number. That

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shifted to what is known now as the single-tax, so warmly espoused by my honourable friend the member for Inangahua. But, after all has been said and done, there is another phase of the question coming along, and I am not sure but that it will be better than either of the last, and that is that the only right to land shall be the right to use it, and that whenever a person shall fail to use his land he shall have no right to keep it, and, if a person has two farms and leases one, that will be taken as sufficient evidence that he has more land than he can use, and has no right to have it. But, while that is so, I do not claim for one moment that the scheme we are now talking about carries with it anything like confiscation. The persons leasing the land have the right to purchase, and persons so purchasing will have also the right to pay a fair rate of interest. If a person has enough land it will be an incentive to him to improve it, and obtain for himself the right to own the land for all time with his successors on the understanding, of course, that they carry out the conditions imposed. That is no “fad” of mine; I am simply expressing what is now a phase of thought which perhaps before long may lead to a better solution of the land difficulty than either the lease in perpetuity or the perpetual lease. I have several other matters I shall pass over, but I wish to refer to the remarks the honourable member for Wanganui made as to his constituents. The honourable gentleman said that he was not afraid to face his constituents in regard to a borrowing policy. It would be amusing to know, and some day I shall take the trouble to find out, how many times the words “non-borrowing policy” and “non-borrowing Government” appear in the debates this session. They have been repeated so many times that they must occupy a considerable space in *Hansard*. The honourable gentleman said that he was not afraid to face his constituents *re* borrowing. I hope that no member in this House is afraid to face the electors for anything he has done here. I dare say the electors of Wanganui are like the electors in other towns, and are intelligent enough to know that when they send representatives to this House they send representatives—they do not send delegates merely; and I would refuse to come to the House as a delegate were I expected to do so. But there is another very refreshing thing. It is a very encouraging sign that we have certain persons who think they have sufficient brain-power not only for themselves to assist in everything that may be proposed—not only are they able to think for themselves, but they actually claim the right to think for other people too. Last Parliament we were told what would happen when we went back to our constituents. I was to be politically buried, and my coffin was ordered; but, notwithstanding this very large order, I am still here, and most of those who were loudest in prophetic utterances of this kind are not here now. So I think that, notwithstanding we may have men amongst us believing that they possess massive brains and giant intellect, and

are able to guide the thoughts of others, they had better reserve their strength, because they may yet need it all. And those of us who may not be so fully gifted, and who may be unable to fully appreciate the good offices of these individuals, prefer to follow our own thoughts and take the consequences of our own acts, and have no wish to burden our friends with our shortcomings; and it may be that the country knows what we have been doing, and that, under the circumstances, we have nothing to fear there. I shall not refer to what was said regarding last Parliament, as some honourable gentlemen are aware that there was a great deal of that kind of thing. My coffin was once ordered, but I am still here; but the honourable members who made those statements are not here; and, as threatened men live long, I will simply advise honourable members who have brains enough to use for their own purposes to resent the motion. I would also say, in regard to the amendment of the honourable member for Inangahua, that, to be logical, he ought to follow up that amendment by proposing to confiscate all land—Native and European.

Mr. ALLEN.—I think the title of this Bill should be, "The New Zealand Half-million Loan Act, 1894," and that it should contain a clause repealing "The Government Loans to Local Bodies Act, 1891," because that Act provides already for the allocation of £50,000 a year for the roading of lands. The Bill should also contain a provision that these loans shall be ear-marked, and that this loan especially shall be ear-marked for the Minister of Lands for any purpose he thinks fit.

Mr. O'Regan's amendment negatived.

Mr. J. McKENZIE.—Sir, in rising to reply to the remarks made in connection with this Bill, I regret that it is only at such a late hour of the night, or early hour of the morning, that I have the opportunity to reply to the various statements made in connection with this measure, because there have been statements made that would deserve a great deal more attention than I can possibly give with the time at my disposal. I am sorry the honourable members who made these charges and statements are not present to hear what I have to say on the subject. It seems to me that some honourable members have not read the Bill. That is quite evident so far as the member for Inangahua is concerned, who moved the amendment which has just been disposed of, because, in reference to this particular Bill, the "betterment" system that the honourable member referred to is introduced so far as the lands which are to come under the Bill are concerned. I regret very much that the member for Inangahua is not here, because I have to say to him that it would be very much better that he should not allow himself to be flattered into the position of being made use of by members on that side of the House. If the honourable member for Inangahua expects to retain the respect of a large number of members of this House, I tell him quite plainly that he will have to alter his course in this Assembly. I hope he will go to

the other side of the House, because that is the proper place for him. The honourable gentleman cannot claim to be a supporter of the Government. He last night voted for a no-confidence motion against the Government, and he moved the amendment this evening in a light and airy way quite like any schoolboy; and, if the honourable gentleman wishes to trot out this principle of his in connection with the single-tax on every conceivable occasion, then the members of this House will very soon get tired of his single-tax. We are quite prepared to give him one night every session to discuss such a measure, and to give him the whole night for himself, and then we shall see how many members he will be able to get to assist him. The honourable gentleman will be able to go throughout the colony during the recess; he will then have time to preach single-tax throughout the Colony of New Zealand, and to see if he can get some members of the present House to assist him; but the honourable member knows there is not a single member of Parliament who is prepared to support the single-tax, and that he should trot it out on every occasion is to me extraordinary. The honourable gentleman should have sufficient common-sense to see that he cannot hope to carry that tax in this House for fifty years to come, and if he wishes to get it carried in his lifetime he must take a very different course from what he is taking at the present time. I advise the honourable gentleman to consider the matter, and, if he finds any opinions on the other side of the House congenial to his views, probably that is the proper place for him. I come now to another honourable gentleman, the leader of the Opposition. I regret to say that he told us to-night that the Native policy of the present Government was pauperising the Natives; but I ask, does not the private purchase of Native lands throughout the colony go far more in the direction of doing that than the fact of the Government purchasing under proper conditions?

Captain RUSSELL.—No.

Mr. J. McKENZIE.—I say it does; and I say that matters have come under my knowledge during the time that I have been a Minister of the Crown in this colony which, if the daylight were properly thrown upon them, would reveal the fact that transactions of the most flagrant character have been carried out in the private purchase of land from the Natives. If you throw the Native lands open to applicants for private purchase there are lawyers in this City of Wellington who would have every acre in the Provincial District of Wellington in the next twenty years; they would be the owners: and on that account no private individual should be allowed to purchase Native lands. Why did the residents of Hawke's Bay purchase the whole of that beautiful country from the Natives? Why did they bleed the Natives, if it was a bad thing to do? The honourable member believes in the principle of the Bill, and so do all the people who oppose the Bill,—although they pretend to favour these principles while really opposed to

them. Then, the honourable gentleman went on to say that the present Government have scattered the sovereigns throughout the colony, and scattered the credit of the colony and our securities all over the world. Yes, we have scattered our securities and our credit.

An Hon. MEMBER.—Hear, hear.

Mr. J. MCKENZIE.—We have scattered our credit and our financial policy all over the world, and it has brought home a beautiful result. Let me tell the House and the honourable member that we have received a telegram this morning from London showing the position of our bonds to-day. Our 4-per-cent. bonds now stand at 109 and 109½; so that, in scattering our securities and our sovereigns all over the world, we are bringing good to the Colony of New Zealand. We find our 8½-percents standing at 102½ and 102¾, and a dividend was paid only a month ago. That is the position they stand in at the present moment in the London market; that is the result of our Financial Statement; and I think we have not anything to be ashamed of, and nothing to deplore, so far as the credit of the colony is concerned. Let me now refer to another gentleman, whom I am glad to see here, because I have something to say to him. I refer to the honourable member for Auckland City (Mr. Button). For a long time I have not heard the honourable gentleman speak, but to-night we had a speech from him of the good old Tory style. We are not used to that sort of thing from that side of the House, although we know they are all Tories, of course, but they are afraid to express their opinions in the same bold manner as the honourable member for Auckland City did to-night. But I am told that the honourable gentleman was inspired to-night by the presence in the House of the secretary of the National Association, and so he made the speech he did. The honourable gentleman said, "We do not object to the principle of the Bill, but we object to the Bill itself." Then, again we had this "bad drafting" trotted out. Of course, whenever a lawyer gets up in this House he condemns the drafting.

Mr. BUTTON.—I never referred to drafting.

Mr. J. MCKENZIE.—I took down the statement the honourable gentleman made in his speech, which was to the effect that the principle of the Bill was right enough, but the Bill itself was all wrong, and was not properly drafted. What is the principle the honourable gentleman would like to see carried out in all measures in this colony for the purchase of land from the Natives? He told us the proper principle was to sell all the land, as soon as possible after being bought by the Crown, to those who can pay cash for the same,

1.30. and not to allow labourers to get on it, but only those who are supplied with capital.

That is the principle of the honourable gentleman. We have had a lot of these people with capital: and what would they do? They would lead us to another financial catastrophe such as we narrowly escaped the other day. They buy for cash, and borrow the cost of improving the land, and get themselves into

debt. We believe that more settlers can be got on the land by leasing the land to them, and assisting them to get on to it by our system. When the honourable gentleman disapproves of these people he calls labourers, and says they are not fit to go on the land and make good settlers, I tell him that if he will go with me I will bring under his notice farm after farm owned by men who came to this colony twenty-five years ago merely as labourers. Those men are in many cases in a good position to-day, and are quite able, many of them, to buy a portion of the *Globo Assets* estates when sold. Then, we had trotted out to-night by the honourable gentleman the Land for Settlements Bill and the advances to settlers, although these things have nothing at all to do with the Bill now under consideration. Why did the honourable gentleman refer to them? He told us how much each settler on the Cheviot cost us, and how much each settler would cost us under the Land for Settlements Bill, and then he made a calculation as to the cost of each settler under the Advances to Settlers Bill. He ought to make a further computation,—and no one is more competent than he to do it, because, I understand, he is the legal adviser of the Bank of New Zealand. He might have told the House how much each of the thirteen hundred shareholders of that institution gained by having that bank backed by the colony. Was that done to save the bank or the pockets of its shareholders? Not at all. It was done to save the colony. Nor does the Government, in making advances to settlers, or in proposing this measure, intend to benefit private individuals, but the benefit is for the people of the colony as a whole. In the action which the Government took in connection with the Bank of New Zealand, by which we backed the interests of the thirteen hundred shareholders of that institution to the tune of £1,539 each, did we do that in the interests of the shareholders? No; we did it to save the colony from the catastrophe which the failure of the bank would have occasioned. The honourable gentleman should not have overlooked that two-million guarantee to the Bank of New Zealand, of which, I understand, he is the legal adviser. Now I have something to say to the honourable member for Patea. The honourable gentleman handled this Bill very skillfully, from his point of view, but I am quite sure he had not read the measure when he started to speak, but before he finished, owing to the information I was able to give him, he certainly was able to get some grasp of the Bill. The first mistake he made was in saying that we did not keep a separate account of land purchased from the Natives. The honourable member for Marsden fell into the same error. Now, I find that I laid on the table, on the 12th July, a return showing the whole of the land-transactions and of the land purchased from the Natives up to the present time. He will find there each year's transactions, and the amount of money that has been expended. The honourable gentleman very skillfully trotted out to the House the amount

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of money to be spent under the Native Land Purchases Act, but he did not tell the House how many acres of land were purchased by the Crown during that time. You will find here that during last year the colony was able to buy over 350,000 acres. I think the expenditure last year upon land bought from the Natives was something like £80,000. Now, included in that amount is the price of the Awarua Block, and the Awarua Block has an area of somewhere about 142,585 acres, which we purchased from the Natives. Will the honourable gentleman say this is a loan, and that the colony is not to receive any result from that purchase—that the money spent is to become an addition to the permanent debt of the colony, and the colony will have to pay interest on the money? I venture to say that for that Awarua Block we could get to-morrow £300,000, and yet it only cost us £80,000; so that the colony could now make £120,000 on that purchase; and when we have roaded and bridged it, and put people upon it, it will yield a large profit. On this subject, I may say that to a large extent the settlers in the South Island will not participate under these two Bills. But we have got the Land for Settlements Bill for the South Island, and we thought it only right that the North Island should, as a *quid pro quo*, get this Bill for the purchase of Native lands. Then, in the £250,000 for roads and bridges both Islands will participate. There are some places which will not participate to such an extent as others—Canterbury, for instance, which was referred to by the honourable member for Kaiapoi (Mr. Buddo) this evening. I am very sorry for the attitude he took up, because I have always looked upon him as one of those members who brought a good deal of common-sense to the House. But had the same rule been applied to Canterbury in the early days that some members wish now to apply to this Island, had the people there been called on to make their own roads and bridges, they would not have the roads and bridges they have at the present time. Did they not get for very many years the whole of the Land Fund for that purpose? And, after the Land Fund was abolished so far as the provinces were concerned, did they not get millions of money spent upon public works? Some road districts there received more money in one year than we now ask for the whole colony. Put a number of settlers on the Awarua Block to-morrow, and give them the proceeds of the block, and I venture to say they would not come to the House for one penny for roads and bridges. We must distribute the money to the best advantage for the colony. I must come now to the two honourable members for Wellington City, and I regret very much to notice that neither of them is now in the House. Both of them condemned the Bill; yet there are no people more directly interested in the purposes of the Bill than the constituency of Wellington, which those two honourable gentlemen represent, because a large portion of the land to be purchased from the Natives will be land in this provincial dis-

trict, and a large proportion of the amount to be spent on roads and bridges will be spent in the Wellington District. Does not the putting of hundreds of settlers on the Crown lands of Wellington benefit the City of Wellington, which those honourable gentlemen represent? Do they want us to leave them without roads and bridges? Now I come to the question of what is improvement on land. The honourable the senior member for Wellington City, and also the middle member for Wellington City (Mr. Bell), told us what were improvements on land. I have this to say to honourable members: No doubt the felling of bush, the burning of bush, and the grassing of land are all improvements; but all these improvements put on a block of land, without the means of improving it further, would be valueless to the country. Roads to a piece of land add more to its value than anything you can do to the land. We have members in this House, apparently, who do not want settlement, and who do not want roads. These honourable gentlemen, possibly, would be quite satisfied to dispose of the Awarua Block in ten-thousand-acre blocks. If we must do so, I have no doubt the honourable member for Auckland City (Mr. Button) will find us six or seven gentlemen who would buy the block, and they would be quite satisfied to pay for it much more than the money it has cost us. That would be a capital thing for them, but it would be a very bad thing for the colony. Instead of affording homes for hundreds of thriving settlers, it would be given over to sheep, and all the improvements would consist of a very little bit of roading to the nearest woolshed, to allow them to get their wool to market. That is not what we want. We want settlers there, and we want to settle them on two-hundred-acre allotments if possible, and in areas up to three- and four-hundred-acre allotments. To do that demands roads, because each man requires the means of getting to and from his section, and if he has not that means the land is of no value to him. That is the difference between our policy and the policy which those honourable gentlemen would go in for if they had the opportunity. Then, we were told that the lands purchased under this Bill from the Natives would not pay interest on the cost or sinking fund to repay the loan. But honourable members must see that the whole of the rents derived from the lands to be purchased from the Natives will be paid into the consolidated revenue. All land purchased by this Government will well pay the colony for its purchase; and when critics go over the money spent in that way—£50,000 a year, or whatever it may be—since we took office, it will be found that the colony has got full value for it in the shape of land. No one can say that is borrowing such as previous Governments have gone in for. With reference to the senior member for Wellington City (Sir R. Stout), when his Government was in office did not his Government borrow? Why, they borrowed for the district railways. I have a return here of what they cost. In the year 1886 the Stout-Vogel Govern-

ment borrowed £188,300 for the purpose of buying district railways; and in 1887, £166,187: making a total of £354,487 with which to buy district railways. Can you believe for one moment that these railways were worth 20s. in the pound on the price we paid for them? Are they paying interest? A number of them are not paying the grease used on the wheels of the trucks running over them. We have no interest from them, and the railways themselves are not worth the money the colony paid. When we find that the honourable gentleman, when in office, went in for borrowing money with which to buy rotten district railways, instead of leaving the large landowners with these white elephants—

An Hon. MEMBER.—Did you not support it?

Mr. J. McKENZIE.—I do not remember at the present time; possibly I did.

Hon. MEMBERS.—Oh!

Mr. J. McKENZIE.—But, Sir, that is nothing. It does not matter how I voted; I was not responsible by occupying a position on these benches at the time. I should not say anything about the district railways to-night were it not for the fact that an honourable gentleman who was in office at that time and borrowed so largely himself accuses the present Government of "borrowing, borrowing, borrowing for everything." Honourable gentlemen on that side of the House may, of course, say it is borrowing. But if we are to consider it as borrowing—which, like my colleague the Premier, I do not admit,—if honourable members of this House choose to insist that it is borrowing—then I say it is borrowing for a good purpose, and a very different one altogether from previous borrowing carried on in this colony. Then, we had the usual tirade from both honourable members for Wellington City as to the drafting of the Bill. Now, I will tell the House a story as to the drafting of a Bill. Honourable members must not think that I drafted this Bill. I do not pretend to be a legal draftsman myself. All I can do is to give the principles I wish to be embodied to some one else, who drafts the Bill; and I believe this Bill is as well drafted as any of the lawyers in this House could draft it. Well, the other day I wanted a certain clause drafted in a way that I thought would be acceptable. I gave the same subject to three different lawyers in Wellington, and I requested them to draft a clause for me, but I did not tell any of them that I had given it to the others. Well, I got the three clauses drafted by the three different lawyers, and I took them to a fourth lawyer—a member of this House—and asked him what he thought of them. He replied that it was the same subject, only put in different language. They were done by three different draftsmen, but the object can be attained by either of them. The form of drafting is a question of taste entirely. One man drafts in one way, and another in another way. Then, when we get a Bill down here, the senior member for Wellington City finds fault with the drafting of it, and the honourable member for Wellington City (Mr. Bell) finds fault with

the senior member for Wellington City. Then, the honourable member for Auckland City (Mr. Button) finds fault with the drafting of them both. As I said, it is impossible to draft a Bill to please every member having different views. I have a great many notes here, that I shall not have time to refer to to-night; but I must say one or two words in connection with the Bill itself. Honourable members will see that clause 5 entirely provides for these improved-farm settlements. This House last year voted a sum of £3,000 for the purpose of carrying out this class of settlement, and we found, after all, that we had not power to carry out what the House desired. What we want is to be able to say to a number of working-men, "You go and clear the bush, and improve the place, and you will be able to get a section of land there." If you take away that power we shall be in the position of sending the men there with their wives and families, and, when they have improved the land, we cannot give them the sections, because we have no power to give them priority of choice, with the result that a man may be sent there to do this work and carry out all the improvements without any guarantee that he will get a section of land he has himself improved. That is the whole object of this clause. Then, Sir, we are told to look at the handle of corruption this would place in the hands of the Minister of Lands. Well, I am beginning to think that those people who are continually looking out in the different Bills for some corrupt objects must be very corrupt themselves. I say, if you have to tie a man down by Act of Parliament to keep him pure, then that man should not be here, because I venture to say that any Minister sitting on these benches has any amount of opportunity of corruption under the Acts at the present time, and if a Minister is not sufficiently honest without being tied down by Acts of Parliament he should not be here at all. But if honourable members will only read this through they will see that there can be no corruption about the matter at all. The land is to be disposed of under Part III. of the Land Act, and the improved value will be added by the Land Board, and the Land Board will work the whole of the business in connection with the Minister of Lands; and if this is not passed you will have to stop this class of settlement. The Bill will then have to be thrown out, and there can be no improved farm-settlement such as is going on at the present time. We have now three or four of them going on since the Act was passed last session, and one of them is so far advanced that there is already a school there. We got the men to go there with their wives and children, and they commenced work the very next day, on the assurance that they were clearing the land for themselves. Unless you give them that assurance you cannot get them to go. They are not going there for two or three months' work, unless you assure them that they will get a section when they have improved the land. If members are not prepared to give this power to the Minister of Lands, then they must put somebody else

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in my place in whom they will have more faith; but I venture to say that any Minister without this power will be quite useless, and unable to carry out the wishes of the House. If honourable members wish any improvement to be made in the clause to make the Bill more clear, then they can propose it in Committee; but to do away with it altogether would simply mean that this class of settlement could not be carried out. With regard to the proviso in section 9, a great deal has been made out of that. The position is this: Members will be asked to vote this £250,000 when the estimates come down; and, if they are not prepared to vote the money, then it will have to come out of consolidated revenue, and that means that there will be less money for roads, schools, and other public works. If members are prepared to raise the taxation of the country to make these roads and bridges without such provision as here provided, the Government will no doubt be prepared to comply with their views on this matter. If they are not prepared to do that, they must pass this Bill.

The House divided on the question, "That the Bill be now read a second time."

AYES, 42.

Buchanan	Kelly, W.	O'Regan
Buddo	Lang	Pinkerton
Carnell	Larnach	Pirani
Carroll	Lawry	Russell, G. W.
Collins	Maslin	Seddon
Crowther	Massey	Smith, E. M.
Flatman	McKenzie, J.	Smith, G. J.
Graham	McKenzie, R.	Steward
Hall	McLachlan	Tanner
Hall-Jones	McNab	Thompson
Harris	Meredith	Ward.
Hogg	Mills	<i>Tellers.</i>
Houston	Montgomery	McGowan
Hutchison, G.	Morrison	Stevens.
Joyce		

NOES, 7.

Button	Heke	<i>Tellers.</i>
Earnshaw	Parata.	Allen
Green		Russell, W. R.

PAIRS.

For.

Against.

Cadman	Mitchelson
Carncross	Stout
Guinness	Duthie
Mackintosh	Bell
Willis	Te Ao
Wilson.	Pere.

Majority against, 35.

Bill read a second time.

Mr. PARATA explained that he had called for a division to test the feeling of the House. He had voted with the "Noes," though he had intended his vote to go with the "Ayes."

Mr. O'REGAN, by way of personal explanation, said there appeared to be an impression amongst some honourable members that he had been put up to move the amendment that evening. It had been said that he had been put up by the honourable member for Patea, the honourable member for Auckland City

(Mr. Button), and by the senior member for Wellington City. He desired to remove that erroneous impression. He hoped honourable members would take his word that he was responsible to none but himself for the action he had taken.

The House adjourned at two o'clock a.m.

HOUSE OF REPRESENTATIVES.

Monday, 24th September, 1894.

Bank of New Zealand and Colonial Bank—Government Advances to Settlers Bill—Lands Improvement and Native Lands Acquisition Bill.

Mr. SPEAKER took the chair at half-past seven o'clock.

PRAYERS.

BANK OF NEW ZEALAND AND COLONIAL BANK.

Mr. WARD.—Sir, before you call on the orders of the day I wish to ask the leave of the House to lay upon the table the correspondence which has passed between the Government and the representatives of the Bank of New Zealand and the Colonial Bank in connection with the amalgamation proposals which were forwarded by those two institutions to the Government. A printed copy of the correspondence will be placed in the hands of honourable members at once. I should like, while asking leave of the House to lay the correspondence on the table, to state, in the first place, that the terms of the communications which have passed between the Government and the two banks have been unanimously arrived at by the Government. I further desire to say that the idle rumours which have been current outside, to the effect that there have been strained relations between the Premier and myself in connection with this important matter, are entirely without foundation. To show the untruthfulness of those rumours, we have not even had a dispute on the question. There has not only been no diversity of opinion between him and me, but the Government have been in perfect accord upon this important matter; and I may say that the Government have unanimously arrived at the conclusions which are embodied in the memorandum which I now desire to lay upon the table of the House. I wish also to take this opportunity of saying that, while honourable members naturally have been anxious that an investigation should be made into the affairs of these institutions, I think it will be seen from the correspondence how difficult or how impossible it would have been to have had this matter, as has been suggested, referred to any Committee—whether the Public Accounts Committee or any other Committee—before the Government had dealt with it. The responsibility in an important matter such as this is devolved upon the shoulders of the Government; and to have intercepted the action, if any, which the Government might recom-

mend to the House, and in reference to which the Government was collecting information before we arrived at a decision,—to have intercepted our judgment or conclusions by the reference of an important matter such as this is to a Committee,—would simply have been, if the Government had assented to it, asking the House to place a buffer between the Government and the country. I need not state that this has been a very important and a very difficult matter for the Government to deal with. We have endeavoured to obtain such information as would guide us to reasonable conclusions, and, having got that information, it was necessarily impossible in a day or two to have so fully considered matters as to be able to place the information before the House. I may say that, while the Government recognise all the advantages which would accrue to this colony by the amalgamation, if it could be brought about, we took up the position that the first consideration for the Government to weigh was, What was best in the interests of the colony? And, in that respect, it will be seen by the replies which have been communicated to both institutions that we regarded it as essential, and placed it in the first consideration, that the interests of the colony should be conserved and safeguarded before everything else. I merely now desire to say that the correspondence will disclose the fact that the proposals which have been made to the Government by the two banks have been regarded by the Government in some essential features as not being of a character to warrant our assenting to some of them. I have no further remark to make than this: that I hope honourable members, when they see what has been done by the Government, will give the Government credit for doing what on a former occasion I pointed out they intended doing—namely, acting in this matter in what they believed to be for the best interests of the colony. I move, That the papers do lie upon the table.

Motion agreed to.

GOVERNMENT ADVANCES TO SETTLERS BILL.

IN COMMITTEE.

Clause 15.—“The Superintendent shall be *ex officio* Chairman of the General Board, and the six persons holding for the time being the offices of Colonial Treasurer, the Public Trustee, the Government Insurance Commissioner, the Surveyor-General, the Solicitor-General, and the Commissioner of Taxes shall be *ex officio* members of the General Board.”

Captain RUSSELL moved, That the words “the Public Trustee” be struck out.

The Committee divided on the question, “That the words proposed to be omitted stand part of the clause.”

AYES, 45.

Buddo	Duncan	Green
Buick	Earnshaw	Hall
Carroll	Flatman	Harris
Crowther	Graham	Hogg

Mr. Ward

Hutchison, W.	Meredith	Smith, E. M.
Joyce	Mills	Smith, G. J.
Kelly, J. W.	Montgomery	Stevens
Kelly, W.	Morrison	Steward
Lang	Newman	Stout
Lawry	O'Regan	Tanner
Mackintosh	Parata	Thompson
Maslin	Pirani	Ward.
McGowan	Reeves	<i>Tellers.</i>
McKenzie, J.	Saunders	Houston
McLachlan	Seddon	Russell, G. W.
McNab		

NOES, 6.

Allen	Mackenzie, T.	<i>Tellers.</i>
Button	Massey.	Buchanan
		Russell, W. R.

PAIRS.

<i>For.</i>	<i>Against.</i>
Cadman	Mitchelson
Carncross	Te Ao
Pinkerton.	Duthie.

Majority for, 39.

Amendment negatived.

Clause 17.—Quorum.

Mr. CROWTHER moved, That the first word, “Three,” be struck out, with the view of inserting the word “Four.”

Amendment agreed to, and word “Four” inserted.

Clause 21.—Members of District Board.

Sir R. STOUT moved, That the words “or other fit persons” be struck out, so as to confine the membership of District Boards to Government officers solely.

The Committee divided on the question, “That the words proposed to be omitted stand part of the clause.”

AYES, 30.

Bell	Mackintosh	Russell, W. R.
Buddo	Massey	Saunders
Carroll	McGowan	Seddon
Collins	McKenzie, J.	Smith, E. M.
Duncan	McLachlan	Stevens
Harris	Mills	Tanner
Hogg	Montgomery	Ward.
Houston	Morrison	<i>Tellers.</i>
Kelly, W.	Parata	Joyce
Larnach	Pirani	Russell, G. W.
Lawry		

NOES, 25.

Buchanan	Heke	Newman
Buick	Kelly, J. W.	O'Regan
Button	Lang	Smith, G. J.
Carncross	Mackenzie, T.	Stout
Earnshaw	Maslin	Thompson.
Flatman	McKenzie, R.	
Green	McNab	<i>Tellers.</i>
Hall	Meredith	Crowther
Hall-Jones	Mitchelson	Graham.

PAIRS.

<i>For.</i>	<i>Against.</i>
Millar	Te Ao
Pinkerton	Duthie
Reeves.	Hutchison, G.

Majority for, 5.

Words retained.

Mr. G. W. RUSSELL moved to insert, after the word "persons," the words "not being members of either the House of Representatives or Legislative Council."

The Committee divided.

AYES, 19.

Buchanan	Mackenzie, T.	Smith, G. J.
Button	Massey	Stout
Earnshaw	McKenzie, R.	Tanner.
Green	Newman	
Hall-Jones	O'Regan	<i>Tellers.</i>
Kelly, J. W.	Pirani	Carncross
Lang	Russell, W. R.	Russell, G. W.

NOES, 33.

Buddo	Joyce	Parata
Buick	Kelly, W.	Saunders
Carroll	Mackintosh	Seddon
Collins	Maslin	Smith, E. M.
Crowther	McGowan	Stevens
Duncan	McKenzie, J.	Steward
Flatman	McLachlan	Thompson
Graham	McNab	Ward.
Hall	Meredith	<i>Tellers.</i>
Harris	Montgomery	Lawry
Hogg	Morrison	Mills.
Houston		

PAIRS.

<i>For.</i>	<i>Against.</i>
Cadman	Mitchelson
Millar	Te Ao
Pinkerton	Duthie
Reeves.	Hutchison, G.

Majority against, 14.

Amendment negatived.

Mr. WARD moved, That progress be reported.

The Committee divided.

AYES, 36.

Allen	Houston	Pinkerton
Bell	Kelly, W.	Pirani
Buddo	Lawry	Reeves
Carncross	Mackenzie, T.	Saunders
Carnell	McGowan	Smith, E. M.
Crowther	McKenzie, J.	Stevens
Duncan	McLachlan	Stout
Flatman	Meredith	Thompson
Fraser	Millar	Willis.
Graham	Mitchelson	<i>Tellers.</i>
Hall	Morrison	Joyce
Harris	Parata	Mills.
Hogg		

NOES, 14.

Button	Maslin	Steward
Earnshaw	McKenzie, R.	Tanner.
Green	McNab	<i>Tellers.</i>
Hall-Jones	Russell, G. W.	Hutchison, G.
Lang	Smith, G. J.	Massey.

PAIRS.

<i>For.</i>	<i>Against.</i>
Cadman	Duthie
Pere	Te Ao
Seddon.	Russell, W. R.

Majority for, 22.

Progress reported.

LANDS IMPROVEMENT AND NATIVE LANDS ACQUISITION BILL.

IN COMMITTEE.

Clause 4.—Minister may allow persons to settle on Crown lands to improve same.

Mr. PIRANI moved, That the word "person" be struck out, with a view of inserting the words "number of working-men comprising an association formed under regulations in compliance with this Act."

Words struck out, and amendment agreed to.

Clause 9.—Application of moneys in Land Improvement Act.

Sir R. STOUT moved to strike out the proviso, "May pay for works already done."

The Committee divided on the question, "That the words proposed to be omitted stand part of the clause."

AYES, 33.

Buddo	Lawry	Pinkerton
Carnell	Mackintosh	Reeves
Carroll	Maslin	Russell, G. W.
Duncan	McGowan	Seddon
Flatman	McKenzie, J.	Smith, E. M.
Graham	McKenzie, R.	Stevens
Hall-Jones	McLachlan	Thompson
Harris	Meredith	Willis.
Hogg	Millar	<i>Tellers.</i>
Houston	Morrison	Hall
Joyce	O'Regan	Mills.
Kelly, W.		

NOES, 14.

Bell	Lang	Russell, W. R.
Buchanan	Massey	Smith, G. J.
Earnshaw	McNab	<i>Tellers.</i>
Green	Mitchelson	Allen
Heke	Montgomery	Stout.

PAIRS.

<i>For.</i>	<i>Against.</i>
Cadman	Duthie
Carncross	Button
Steward	Hutchison, G.
Tanner	Newman
Ward.	Mackenzie, T.

Majority for, 19.

Proviso retained.

Mr. ALLEN moved to strike out the words, "or out of the Consolidated Fund."

The Committee divided on the question, "That the words proposed to be omitted stand part of the clause."

AYES, 36.

Buddo	Lawry	Pinkerton
Carnell	Mackintosh	Pirani
Carroll	Maslin	Reeves
Duncan	McGowan	Russell, G. W.
Flatman	McKenzie, J.	Seddon
Graham	McKenzie, R.	Smith, E. M.
Hall	McLachlan	Stevens
Hall-Jones	Meredith	Thompson
Harris	Miller	Willis.
Houston	Montgomery	<i>Tellers.</i>
Joyce	Morrison	Hogg
Kelly, W.	O'Regan	Mills.
Larnach		

NOES, 12.

Allen	McNab	Stout.
Bell	Mitchelson	<i>Tellers.</i>
Earnshaw	Russell, W. R.	Buchanan
Green	Smith, G. J.	Massey.
Heke		

PAIRS.

<i>For.</i>	<i>Against.</i>
Cadman	Duthie
Carncross	Button
Steward	Hutchison, G.
Tanner	Newman
Ward.	Mackenzie, T.

Majority for, 24.

Words retained.

Clause 10.—Moneys may be paid to local authority for expenditure.

The Committee divided on the question, "That the clause be a clause of the Bill."

AYES, 36.

Buddo	Larnach	Mills
Carnell	Lawry	Montgomery
Carroll	Mackintosh	O'Regan
Duncan	Maslin	Pirani
Flatman	Massey	Russell, G. W.
Graham	McGowan	Seddon
Hall	McKenzie, J.	Smith, E. M.
Hall-Jones	McKenzie, R.	Smith, G. J.
Harris	McLachlan	Thompson.
Hogg	McNab	<i>Tellers.</i>
Houston	Meredith	Pinkerton
Joyce	Millar	Stevens.
Kelly, W.		

NOES, 8.

Bell	Heke	<i>Tellers.</i>
Buchanan	Mitchelson	Allen
Earnshaw	Stout.	Green.

PAIRS.

<i>For.</i>	<i>Against.</i>
Cadman	Duthie
Carncross	Te Ao
Steward	Hutchison, G.
Tanner	Newman
Ward.	Button.

Majority for, 28.

Clause agreed to.

Clause 12.—Amount to be used for purchase of Native lands.

Mr. J. MCKENZIE moved to add, after the word "pounds," the words "shall when raised be paid into the Public Account, and be credited by the Treasury to a separate account, called 'The Native Land Purchase Account.'"

Amendment agreed to.

Clause 18.—Nature and currency of debentures.

Sir R. STOUT moved to add the following new subsection: "(4.) Be not sold or otherwise disposed of at a price which will yield to the purchaser thereof a higher rate of interest by the year than four pounds for every one hundred pounds of the purchase-money given for the same."

Amendment agreed to.

Mr. J. MCKENZIE moved the following new clause:—

"The payments so authorised as aforesaid shall be deemed to include the cost of constructing roads and bridges to give access to Native lands purchased under any of the hereinbefore-mentioned Acts, and also the cost of administering these Acts and this Act."

Mr. ALLEN moved to strike out the words, "and also the cost of administering."

The Committee divided on the question, "That the words proposed to be omitted stand part of the clause."

AYES, 31.

Buddo	Kelly, W.	O'Regan
Carnell	Lawry	Pinkerton
Carroll	McGowan	Russell, G. W.
Duncan	McKenzie, J.	Seddon
Flatman	McKenzie, R.	Smith, G. J.
Hall	McLachlan	Stevens
Hall-Jones	McNab	Willis.
Harris	Meredith	
Hogg	Millar	<i>Tellers.</i>
Houston	Mills	Graham
Joyce	Morrison	Smith, E. M.

NOES, 7.

Bell	Mitchelson	<i>Tellers.</i>
Earnshaw	Stout.	Allen
Fraser		Massey.

PAIRS.

<i>For.</i>	<i>Against.</i>
Buchanan	Montgomery
Button	Ward
Duthie	Cadman
Green	Pirani
Heke	Mackintosh
Hutchison, G.	Steward
Newman	Tanner
Te Ao.	Carncross.

Majority for, 24.

Words retained.

Sir R. STOUT moved, That the following words be added to the clause: "but all payments authorised by this section shall be paid out of moneys authorised for this purpose."

Amendment agreed to.

Mr. G. J. SMITH moved the following new clause:—

"All lands acquired under this Act, 'The Native Land Purchases Act, 1892,' or 'The Native Land Purchase and Acquisition Act, 1893,' and all lands leased under section five of this Act, shall be disposed of only under the lease-in-perpetuity system of the Land Act, provided that all such lands shall be subject to revaluation every twenty-one years; but on such revaluation there shall not be taken into account any increase of value caused by the improvements made by the lessee, but only such increase as may have been caused by the expenditure of public money, the increase of population, and other causes independent of the selector."

The Committee divided on the question, "That the new clause be added to the Bill."

AYES, 13.		
Allen	McNab	Stout.
Buddo	Millar	
Earnshaw	Mitchelson	<i>Tellers.</i>
Hall-Jones	Morrison	O'Regan
Maslin	Russell, G. W.	Smith, G. J.

NOES, 24.		
Carnell	Kelly, W.	Mills
Carroll	Lawry	Seddon
Duncan	Massey	Smith, E. M.
Flatman	McGowan	Stevens
Graham	McKenzie, J.	Willis.
Hall	McKenzie, R.	<i>Tellers.</i>
Hogg	McLachlan	Harris
Houston	Meredith	Pinkerton.
Joyce		

PAIRS.		
<i>For.</i>		<i>Against.</i>
Buchanan		Montgomery
Button		Ward
Duthie		Cadman
Green		Pirani
Heke		Mackintosh
Hutchison, G.		Steward
Newman		Tanner
Te Ao.		Carncross.

Majority against, 11.

New clause negatived.

Mr. ALLEN moved the following new clause: "The Government Loans to Local Bodies Act, 1891," is hereby repealed."

The Committee divided on the question, "That the new clause be read a second time."

AYES, 7.		
Bell	Smith, G. J.	<i>Tellers.</i>
Earnshaw	Stout.	Allen
Massey		Mitchelson.

NOES, 31.		
Buddo	Houston	Morrison
Carnell	Joyce	O'Regan
Carroll	Kelly, W.	Pinkerton
Duncan	Lawry	Russell, G. W.
Flatman	McGowan	Seddon
Fraser	McKenzie, J.	Smith, E. M.
Graham	McKenzie, R.	Willis.
Hall	McLachlan	
Hall-Jones	McNab	<i>Tellers.</i>
Harris	Meredith	Millar
Hogg	Mills	Stevens.

PAIRS.		
<i>For.</i>		<i>Against.</i>
Buchanan		Montgomery
Button		Ward
Duthie		Cadman
Green		Pirani
Heke		Mackintosh
Hutchison, G.		Steward
Newman		Tanner
Te Ao.		Carncross.

Majority against, 24.

New clause negatived.

Bill reported, with amendments.

The House adjourned at half-past three o'clock a.m.

LEGISLATIVE COUNCIL.

Tuesday, 25th September, 1894.

Third Reading—Labour Bills Committee—Shops and Shop-assistants Bill—Inspection of Machinery Bill—School-attendance Bill.

The Hon. the SPEAKER took the chair at half-past two o'clock.

PRAYERS.

THIRD READING.

Gisborne Harbour Bill.

LABOUR BILLS COMMITTEE.

The Hon. Mr. RIGG, in moving the motion standing in his name, said he thought it would commend itself to members of the Council. They already had in another place a Labour Bills Committee, which went over all the labour Bills previous to their coming before the Council; and some of the witnesses who were examined before the Committee in another place, and spent a number of days before that Committee, and were desirous also of coming before the Council, were put to much trouble and inconvenience owing to that Committee not being a joint one. If this motion were carried the result would be a saving of time and expense, and it would also have the advantage that the promoter of the Bill would be present, and would be able to throw some light on questions that at present gave the Council a considerable amount of difficulty to determine.

Motion made, and question proposed, "*That, in the opinion of this Council, it is desirable that the Labour Bills Committee should be a Joint Committee; and that the necessary steps be taken to give effect to this expression of opinion.*"—(Hon. Mr. RIGG.)

The Hon. Mr. BOWEN said there was more than one consideration which arose in this matter. It was quite true that in many cases it was advisable that there should be a Joint Committee on important Bills, and that it would save considerable time and trouble. But he held that this particular class of Bills should not be relegated to a separate Committee in future for ever. A tendency had grown up to call a certain number of Bills labour Bills, and to treat them as separate from anything that would benefit the community at large; and this seemed to him most mischievous. He thought all Bills should be dealt with as affecting the interests of all. A particular Bill might require a special Committee, and in that case should be referred to one; but it was a mischievous thing to classify a certain amount of legislation as legislation affecting the interests of only one part of the community. It was creating a feeling which ought not to exist—that the interests of the different parts of the community were at variance with those of others—and he thought a great deal of the mischief and evils that were now occurring in the country arose out of that misconception. It might have been well intended originally, and possibly when these Bills first came down there was some reason for relegating a certain num-

ber to one particular Committee; but he hoped that the nomenclature of "labour Bills" would not be perpetuated, and that no sort of Bills would be branded with a particular stamp, and sent to a specially-constituted Committee, as if we had different classes of people, whose interests must necessarily clash with one another.

The Hon. Mr. SHRIMSKI did not see that they would gain anything by having a Joint Committee on Labour Bills any more than a Joint Waste Lands Committee, a Joint Local Bills Committee, or any other. He would ask the mover of the motion whether he was himself satisfied with the Bills that came up from the other Chamber, or whether the Council had not always to rectify them. They were sent up from the other Chamber in an imperfect state, and when they came to the Council the Council devoted a great deal of time and attention on the Committee to try to make the best of them. If there was a Joint Committee on these Bills there ought to be Joint Committees on all other Bills. He would therefore oppose the motion.

The Hon. Dr. GRACE would like to say that all progress in parliamentary life was the result of compromise, and it was only by an elaborate system of sifting that they could arrive at what was really in the interests of any particular class or section of the community. The method of having separate Committees for each House best served the end sought, and the interests of all sections of the community were thus best served. He admitted for himself—and he had been in the Council for over twenty years—that, no matter how long they might take in the consideration of measures involving any fundamental principle, he never, at the end of the session, was thoroughly satisfied that he had really done the very best by the measure that was possible. It must be remembered that their legislation was nearly always more or less experimental. Their intention was clear enough, their willingness to effect reform was admitted, and the uniform desire to do the best was a quality that was constant amongst them. But the difficulty of eliminating from measures the non-essential, and seeing clearly where the point of practical interest lay, was very great. Under these circumstances he thought his honourable friend would not gain anything by having his motion carried. He admitted that, on the surface, it would appear as though there was a great deal to be gained in the saving of time and the loss of friction. But it must be remembered that friendly friction was a means by which they arrived at the best results. On the whole, it would be better to proceed by the ordinary rule which had hitherto guided them, and if at the end of their deliberations they succeeded in doing material service he would be satisfied, because very often the result of their best efforts was not in the best interests of the country.

The Hon. Mr. RIGG said the objections taken to the motion were not really against a Joint Committee, but rather against having a separate Labour Bills Committee—in other words, having such a Committee at all. He did

not anticipate the discussion taking this form when he moved his motion, so that he assumed that, supposing they were to have a Labour Bills Committee at all, it was desirable that it should be a joint one. He thought that was a fair assumption, considering that no argument had been adduced against the Committee being a joint one. As regarded the necessity for a Labour Bills Committee, the Hon. Mr. Bowen had opposed the present Committee, but had told them it was desirable to have special Committees to deal with special subjects.

The Hon. Mr. BOWEN.—Special Bills.

The Hon. Mr. RIGG said that was exactly the position. These Bills were special Bills and required special knowledge to understand them. It was to deal with these very Bills that special appointments had been made to the Council: so that the whole contention brought forward against the constitution of the Labour Bills Committee was altogether in favour of it. That being so, he trusted that the Council would see its way to agree to the motion, and that they should have a Joint Committee, for the reasons he had given.

The Council divided.

AYES, 9.		
Buckley	Jennings	MacGregor
Fidwick	Kelly	McCullough
Jenkinson	Kerr	Rigg.

NOES, 20.		
Acland	Kenny	Shrimski
Baillie	Mantell	Stevens
Bolt	Montgomery	Swanson
Bonar	Ormond	Walker, L.
Bowen	Pharazyn	Whyte
Dignan	Reynolds	Williams.
Grace	Richardson	

Majority against, 11.

Motion negatived.

SHOPS AND SHOP-ASSISTANTS BILL.

RECOMMITTED.

Clause 2.—Interpretation.

The Hon. Sir P. A. BUCKLEY moved, That the words "where any person works for hire, and" be struck out of the following paragraph:—

" 'Shop' means any building, or portion of a building, or place where any person works for hire, and in which goods are exposed or offered for sale by retail."

The Committee divided on the question, "That the words proposed to be omitted stand part of the clause."

AYES, 18.		
Acland	Kenny	Shrimski
Barnicoat	Mantell	Stevens
Bonar	Ormond	Swanson
Bowen	Pharazyn	Walker, L.
Dignan	Reynolds	Whyte
Grace	Richardson	Williams.

NOES, 9.		
Bolt	Kelly	McCullough
Buckley	Kerr	Montgomery
Jennings	MacGregor	Rigg.

Hon. Mr. Bowen

PAIRS.

<i>For.</i>	<i>Against.</i>
Feldwick	McLean
Oliver.	Jenkinson.

Majority for, 9.

Amendment negatived.

The Hon. Mr. STEVENS moved, That the following words, struck out of the above paragraph—namely, “and includes the bars of hotels licensed under ‘The Licensing Act, 1891,’ and ‘The Alcoholic Liquors Sale Control Act, 1893,’” be reinserted.

The Committee divided.

AYES, 4.

<i>For.</i>	<i>Against.</i>
Bolt	Mantell
MacGregor	Stevens.

NOES, 24.

<i>For.</i>	<i>Against.</i>
Acland	Jennings
Barnicoat	Kelly
Bonar	Kenny
Bowen	Kerr
Buckley	McCullough
Dignan	Montgomery
Feldwick	Ormond
Grace	Pharazyn
	Reynolds
	Richardson
	Rigg
	Shrimski
	Swanson
	Walker, L.
	Whyte
	Williams.

PAIR.

<i>For.</i>	<i>Against.</i>
Oliver.	Jenkinson.

Majority against, 20.

Motion negatived.

Clause 3.—Shops to close on one working-day at one o'clock.

The Hon. Mr. L. WALKER moved to insert “a hairdresser” among the exceptions.

The Committee divided.

AYES, 18.

<i>For.</i>	<i>Against.</i>
Acland	Kenny
Barnicoat	Mantell
Bonar	McCullough
Bowen	Ormond
Dignan	Pharazyn
Grace	Reynolds
	Richardson
	Shrimski
	Swanson
	Walker, L.
	Whyte
	Williams.

NOES, 9.

<i>For.</i>	<i>Against.</i>
Bolt	Jennings
Buckley	Kelly
Feldwick	Kerr
	MacGregor
	Montgomery
	Rigg.

PAIR.

<i>For.</i>	<i>Against.</i>
Oliver.	Jenkinson.

Majority for, 9.

Words inserted.

Clause 9.—Mode in which day for closing shops to be fixed.

The Hon. Mr. KELLY moved to strike out the following subsection :—

“(5.) In the event of any day other than Saturday being appointed by the local authority as closing-day under this Act, then any shopkeeper shall be entitled to close his shop on Saturday in lieu thereof, on giving notice to the Inspector of his desire to do so. Such notice shall be lodged with the Inspector during the month of January in each year, and shall be taken as proof of the facts therein stated.”

The Committee divided on the question, “That the words proposed to be omitted stand part of the clause.”

AYES, 18.

<i>For.</i>	<i>Against.</i>
Acland	MacGregor
Bolt	McCullough
Bowen	Mantell
Dignan	Ormond
Grace	Pharazyn
Kenny	Reynolds
	Richardson
	Shrimski
	Stevens
	Swanson
	Walker, L.
	Whitmore.

NOES, 9.

<i>For.</i>	<i>Against.</i>
Barnicoat	Jennings
Buckley	Kelly
Feldwick	Kerr
	Montgomery
	Rigg
	Williams.

PAIR.

<i>For.</i>	<i>Against.</i>
Oliver.	Jenkinson.

Majority for, 9.

Words retained.

INSPECTION OF MACHINERY BILL.

The Hon. Sir P. A. BUCKLEY said the object of this Bill was a very simple one. At present the Act was, and had been for the last few years, administered under the Commissioner of Trade and Customs, and it was now proposed to transfer the administration to the Minister for Public Works. The other point in the Bill was the granting of certificates to men at present engaged in the working of machinery, such as traction-engines and other classes of machinery. Experts would say that it required much more skill to drive a traction-engine than an ordinary railway-engine. He was not in a position to say whether it was so or not; but it seemed probable, seeing that in the one case the engine had to be driven over an uneven track, while in the other case it ran over smooth rails; and, at any rate, the object was to give certificates to men engaged in work of this character after the passing of the necessary examination. Complaint had been made that the employment of inexperienced persons to drive these engines was very dangerous, and that the person driving them ought to pass an examination; and for this purpose a Board of Examiners was to be set up. This was the object of the Bill, and he now begged to move, *That the Bill be now read the second time.*

The Hon. Mr. ORMOND said this Bill appeared, on the face of it, to a large extent, to bear hardly upon country settlers. In the country they did all sorts of work by machinery on farm-stations, and in bush settlements much work was done by steam, and it was a kind of work that was attended with very little risk to life or danger of accident, and might be done by fairly-skilled persons, who might not be able to pass such an examination as was here set forth. It was not prescribed, as far as he could see, what the examination was to be; and that was the difficulty. He put it to his honourable friend that at present at these establishments any intelligent man could learn in a very short time to drive an engine for the purpose of cutting up firewood on a farm, for crushing corn for horses to eat,

or any other food; and if they were compelled to obtain the services of an engineer for work of this character it might be extremely difficult. At any rate, there was nothing prescribed to show what was the class of examination these persons had to pass, and, he took it, it was meant that the person employed for the purpose should be an engineer. If that were so, he simply said this Bill would be a very great incumbrance and difficulty in the way of persons who used these engines for all sorts of purposes on farms, stations, and such places.

The Hon. Mr. KELLY quite agreed that there was very great necessity for an examination for drivers of locomotives or large engines, in order to insure protection of life and property; but to apply it generally seemed to him to be absurd. So far as concerned the class of engines employed on farms or dairies, an ordinary farm-labourer, with a week's instruction, would be competent to take charge of an engine. Now, this man might not be able to pass such an examination as was intended; he might be required to know all the properties of steam, and to have all the theoretical knowledge connected with the working of steam-engines. That was surely not required for the working of engines generally in use upon farms. They might as well say that before a man should be allowed to drive a horse he must be a professional anatomist or a veterinary surgeon, and have a thorough knowledge of the bodies of animals. He saw no definition in the Bill of what knowledge was required from candidates for examination. If it was meant that a candidate was simply to have a knowledge of the practical working of an engine, that was quite right and proper, and any person of ordinary intelligence would pass such an examination; but if he had to pass an examination as to the properties of steam, and to show theoretical knowledge of mechanical powers, it would be impossible for persons who ordinarily drove such engines to do so; and this would prove a great drawback to the persons using these engines, and would certainly tend to limit their use.

The Hon. Mr. RICHARDSON did not see that the Bill went so far as the Hon. Mr. Ormond supposed. It appeared to him that it was mainly intended for the protection of life. The main section of the Bill was section 4, which said,—

"Every person employed or acting in the capacity of engine-driver who is in charge of any engine or machinery in which steam, water, or air is used, or any two of them, as a motive-power, by means of which respectively persons are brought up or passed down or along any shaft, pit, or inclined plane or level in any mine or coal-mine, . . ."

Surely it would be proper to insist upon a certificate being obtained for purposes like that; and the only other occupation was that in which any engine was propelled "or moved from place to place by its own motive-power and machinery"; and, he took it, this simply referred to engines that were driven upon the public roads, and he thought it was necessary that capable men should be in charge

Hon. Mr. Ormond

of these engines, so as not to endanger the lives or limbs of the travelling public. Of course the subjects of the examination were not prescribed in the Bill, and he did not see very well how the details of the examination could be prescribed in the Bill.

The Hon. Mr. PHARAZYN noticed that clause 6 gave the Governor the power to make regulations. It said,—

"The Governor may from time to time, by Order in Council, make, alter, or revoke regulations prescribing how and under what circumstances engines used for agricultural purposes only may be driven by uncertificated persons."

It would therefore be a great deal at the discretion of the Government, and they might be trusted not to do anything that would injuriously affect the public interest.

The Hon. Sir P. A. BUCKLEY said that was the intention.

The Hon. Mr. JENKINSON said that, in reference to the Hon. Mr. Ormond's objection, he thought clause 6 would meet any such case as mentioned. It might be true that any intelligent man could drive an engine used for agricultural purposes, but it was also true that at the present time a large number of traction-engines and the engines used on farms were a source of danger through the utter inexperience of the men taking care of them; and the farmers themselves ought to agree that something like this was necessary. A certificate could be very easily got by the person desiring it simply going before the Chief Inspecting Engineer of Machinery. It was a very necessary matter to compel these men to get certificates, and he thought the farmers themselves, as a matter of safety and economy, ought to be pleased at this regulation.

Bill read the second time.

SCHOOL-ATTENDANCE BILL.

The Hon. Mr. MONTGOMERY, in moving, *That this Bill be now read the second time*, said this was a short Bill of considerable importance, the object of which was to make attendance at schools more regular, and to provide that children who were now without instruction should have the means of instruction placed within their reach. The first paragraph of clause 3 said,—

"Subject to the provisions of the principal Act, every child between the age of seven years and the age of thirteen years is hereby required to attend some public school at least six times a week, morning attendances and afternoon attendances being separately counted."

So that six times a week meant attendance on three days of the week. He thought it would be considered that it was only right that that extent of attendance should be exacted from them. Then, there was the proviso:—

"Provided that this section shall not apply to any child whose place of residence is more than two miles from the nearest public school, the distance being measured by the shortest road, or who cannot conveniently reach a public school by railway."

The first part of the subsection was in accordance with the Act now in force, but the last part was new. Free railway passes were given to these children, so that with these free passes those children who lived at a distance of more than two miles away on a line of railway could reach the school. Then, the next paragraph was in accordance with the Act—namely, that referring to examinations. He would read it:—

“Provided also that the parent of any child may apply for and receive a certificate from the School Committee of the district in which such child resides, exempting such child from attendance in whole or in part at school, upon satisfying the School Committee of the existence of any one of the following grounds, namely:—

- “(1.) That the child is under efficient and regular instruction elsewhere:
- “(2.) That the child is unable to attend school by reason of sickness, danger of infection, temporary or permanent infirmity, or other unavoidable cause:
- “(3.) That the road between the child's residence and the school is not sufficiently passable:
- “(4.) That one of the Inspectors or the headmaster of any public school has, by writing under his hand, certified that the child has reached a standard of education prescribed by any regulations under the principal Act as the standard of exemption.”

This was in the Act. Then, clause 4 defined “parent” to include the guardian and householder in whose family a child resides. Clause 5 was a re-enactment of the present law, except that the word “may” was changed to “shall.” It would read in this way:—

“The School Committee of the district in which such child resides shall give the parent of such child notice in writing, in the form or to the effect of the Schedule hereto, calling upon such parent to send such child to school; and if such parent, after receiving such notice, refuses or neglects to send such child to school, such parent shall be summoned before any Stipendiary Magistrate, or any two Justices of the Peace, who shall order such parent to send such child to a public school.”

That was the alteration in clause 5. Clause 6 was in accordance with the Act. Clause 7 was a new clause, namely,—

“When any child required by this Act to attend a public school has been enrolled in the register of a public school, and being in good health does not attend at least six times in any week in the course of which the school is open nine times, the parent of such child shall be liable to a penalty of 2s. for every such week in which such child shall have attended less than six times: Provided that proceedings for the recovery of any penalty incurred by reason of insufficient attendance during any part of any month cannot be instituted except during that month or during the next following month.”

It would be a great hardship to allow months to elapse before the offence, if it was an offence,

could be judged in a Court and a penalty enforced. Then, the 8th clause dealt with penalties: “All proceedings for orders to send children to school and for recovery of penalties under this Act may be had and taken in the manner prescribed by ‘The Justices of the Peace Act, 1882.’” The 9th clause stated that any person appointed by the Education Department as truant officer might conduct prosecutions on behalf of the School Committee. That would not prevent the Committees from doing it themselves, as the Committees could do it, and did it now. It was an addition. The 10th section was a re-enactment of a clause in “The Education Act 1877 Amendment Act, 1885.” Then, clause 11 stated—

“Every penalty recovered under this Part of this Act shall be paid by the Clerk of the Court to the School Committee of the district in which such penalty is recovered, and shall thereupon become part of the School Committee Fund.

“This provision shall be deemed to be a sufficient appropriation of any money recovered as aforesaid, and a sufficient authority to the Clerk of the Court for making the payments aforesaid.”

He wished to have an alteration in this clause—namely, that the words “of the district in which such penalty is recovered” be struck out, and these words inserted in their place: “at whose instance the prosecution has been made.” Then, there was an important clause in Part II. It was very necessary; and from what he knew of the Maori children, and the means of education placed at their disposal, he thought they should be compelled to attend school just the same as the children of Europeans were. Part II. therefore dealt with compulsory attendance at Native schools; and clause 12 provided that the following expressions should have these meanings assigned to them:—

“‘Native school’ means and includes any school carried on as a school for native Maoris and half-castes under the direct control of the Minister of Education:

“‘Committee’ means a Committee for a Native school elected under any regulations from time to time prescribed by the Minister of Education for the conduct of Native schools:

“‘Chairman’ means the person from time to time elected by a Native School Committee as Chairman of such Committee.”

Then, clause 13 stated,—

“Every Native or half-caste child who, if not a Native or half-caste, would be required by this Act to attend a public school shall attend a Native school at least six times a week, subject to the same provisos and conditions as to exemption and penalty, and in all other respects, as are expressed in the First Part of this Act, except as follows:—

“(1.) The functions assigned by this Act to Primary School Committees shall be performed by the Committee.

“(2.) Prosecutions on behalf of the Committee shall be conducted by the Chairman.

"(3.) Penalties recovered shall be paid to the Public Account and be placed to the credit of the vote for Native schools.

"(4.) The passing of the Fourth Standard of the Native School Code shall be a sufficient ground for issuing a certificate of exemption."

He would move at the proper time to strike out the word "primary" in subsection (1), because it was not necessary. Then, there was the schedule, which was merely a formal thing. He thought this Bill was very much needed, and that its provisions were an improvement on the present law. He himself had considered, for very many years, that something in this direction in education matters was required. He had considered that there was a necessity for some more drastic measure than they had had; but, then, there was an objection in the way, which he had recognised to be very strong. He had thought that the mode of proceeding should be this: that the school should be open to the inspection of the police, and if the schoolmaster found that there were any children not attending school—some of those on the roll—according to the Act, he should immediately notify to the police that such and such a child was not attending. Instead of that, the Act originally passed left a great deal to the Committees. Now, the members of Committees did not like to prosecute their neighbours—they did not like to take the initiative; and so he would place the initiative on the police. People did not like a policeman to come up to their doors, especially in the country districts, where every one knew his neighbours' business rather better than the person himself; and, if they saw a policeman coming to any one's door, they would think something was "up." Under the circumstances, he thought this was the best Bill they could bring forward.

The Hon. Mr. BOWEN said the question of compulsory school-attendance was a very delicate one, and had been very difficult to deal with from the first. There were a large number of children, as they knew, especially in populous places, whose parents, from selfishness or profligacy, neglected their education; but, on the other hand, it was considered a very dangerous thing to make the educational system distasteful and even hateful to parents, especially where they were obliged, through family exigencies, to keep their children from school. It was a very difficult question, and the clauses referring to it in the Act of 1877 were a compromise between those who were anxious to have compulsory clauses at all risks and those who thought there might be considerable danger in the matter, especially on the first introduction of a national system of primary education. He had looked forward to the Bill with some anxiety, but he was bound to say he did not see, as the Bill came before them, any marked difference between the law as it stood, and that now proposed. There was a marked change in the law proposed by the Bill as introduced in another place, which he was glad to see the good sense of the representatives of the people had rejected, and that

was the provision taking the administration of the compulsory clauses away from local Committees. If there was anything a local Committee ought to see to more than another it was this question. Who knew the circumstances of their neighbours better than the local Committees? Certainly not the Education Boards. And it was not a question only of insisting on education, or of providing against neglect, but a question of inquiring into and appreciating the circumstances under which children were attending school. He knew cases where it was far better morally for the child to be kept from school to help a destitute parent than to be sent to school and leave his parent in absolute indigence. There were cases of this sort which ought to be considered, and there could be no doubt that the local Committee was the body to best consider them. He did hope, whatever might be done about education, they would never allow any interference with the local element in the system. There was always a strong tendency towards centralisation in education as in other matters. It must be remembered that one of the chief dangers lay in this: that the more intelligent the central body was, the more it interested itself in the question of education, and the more it had studied the question the more apt it was to think that it alone ought to absorb all the powers. They ought to be very careful to watch the centralising instinct, because its tendency was to destroy the local interest taken in the work of education in the country, and thus destroy a great part of its value, and certainly a great part of its efficiency. It must be remembered that the blunders of a local body could be more easily rectified than, and were never so far-reaching as, the blunders of a central office. He was therefore glad to see the alteration that had been made in this respect. One little matter had been overlooked—he thought, accidentally—by reason of an alteration in the other House. When the Bill was brought down originally it was proposed to leave the granting of exemption certificates to the Boards; but that was altered, and it was given back to the Committees—quite rightly. But in the original Act there was a provision for giving an appeal from the Committees to the Board; and there ought to be an appeal in a matter of this sort, which might, perhaps, be very important to a family. That had been left out in the Bill now before the Council. When the Bill came into Committee he would move that there be added a proviso to clause 3 that any person dissatisfied with the decision of a Committee in refusing to grant an exemption certificate might appeal to the Education Board, which might overrule or confirm such decision. He happened to know one or two cases in which appeals had been made with very good reason and justice. There happened in one case to be some local prejudice; and in another he was afraid it was a religious question which led to the controversy as to whether a child was being properly educated or not; but when the matter came before the Board there was not a shadow of a doubt that the

Hon. Mr. Montgomery

child was being educated quite as well as it would have been in a public school, and was therefore reasonably entitled to an exemption; and that was so held by the Board. Cases of that sort were sure to arise occasionally, and some provision should therefore be put back into the Bill such as at present existed in clause 90 of the Act of 1877. With regard to Native schools he hoped that before very long these schools might be placed under the Education Boards, or that some special system of local superintendence should be established. However, in the meantime he dared to say there was very good reason for keeping them still under the central authority. He was not sufficiently acquainted with the circumstances of the Native districts to be able to say. He would be glad to support the Bill, although, as he said before, he did not see any very great difference between it and the law as it stood at present. But machinery was now provided which would facilitate the enforcement of the law where the Committees found it necessary.

The Hon. Mr. KELLY said that School Committees had the same power at present as they were to have under the Bill. His experience was that School Committees, as a general rule, would not take the initiative. The Committees in his district had requested the Board to take action, and wished to divest themselves of the responsibility. He thought a provision should be inserted in the Bill that, when the Committees wished to confer on the Board the power of taking action under the Bill, they could do so. Unless the Board could so act the Bill would be practically a dead-letter in most country districts, and only be operative in boroughs or town districts.

The Hon. Mr. MONTGOMERY was understood to say that he entirely agreed with the Hon. Mr. Bowen that power should not be removed from the Committees, as they could not expect people in a district to give their attention to these matters without having a certain amount of power. At the same time, they had always felt great difficulty in compelling attendance. This was not so much the case in town districts where they had a truant officer; but it was impossible to have such an officer in many country districts. He also agreed that, if the Education Act was made oppressive on the people, instead of being the means of advancing education people would have a distaste for it, and it would fail in much of the benefit that should be derived from it. A great deal must necessarily be left to the good sense of the people. It would be noticed by the Council that clause 5 said they "shall" do so and so—"they shall take action to compel children to attend the schools."

The Hon. Mr. MACGREGOR.—What is to be done to the Committees if they do not?

The Hon. Mr. MONTGOMERY said, as the honourable gentleman knew, they could not force the Committees to take action, and a good deal must be left to the good sense of the Committees. With regard to the appeal to the Board, he thought it was very likely, as the Hon. Mr. Bowen had said, that clause

90 of the Act of 1887 had been omitted because it had been intended that the Board should manage things altogether. He would look into the matter carefully, as he thought some such provision should be restored. With regard to the matter of Native schools, he entirely agreed with the principle of having Native children educated along with others; but that was a matter requiring time—it could not be done all at once. He knew a Native school in the district in which he lived which was uncommonly well taught, and a great many European children went there. He would gladly welcome the time when the children of the Maori race and those of European origin would receive their education in the same schools; but this could only come about after some time. He believed, however, that the time was coming when the Natives and Europeans would be brought together. In the meantime, this was a move in the right direction: that the children of the Native schools must attend and receive education when the means were placed at their disposal.

Bill read the second time.

The Council adjourned at ten minutes to five o'clock p.m.

HOUSE OF REPRESENTATIVES.

Tuesday, 25th September, 1894.

Bills discharged—*Railway Charges on Fruit, &c.—Workers' Unions—Pohangina Road Board—Kirkiri Telephone—Chinese Premises—Civil Servants—Turangare-Ohingaiti Road—Awaroa Survey District—Maintenance-men on Railways—Laundries, &c.—Frozen-meat Carriage on Railways—North Island Trunk Railway—Customs Revenue—Lime Freight on Railways—Exodus to Australia—Stealing Flowers from the Cemetery—Correspondence with Judge Barton—Education Endowments—Tariff Committee—Lands Improvement and Native Lands Acquisition Bill—Government Advances to Settlers Bill.*

Mr. SPEAKER took the chair at half-past two o'clock.

PRAYERS.

BILLS DISCHARGED.

Imprisonment for Debt Abolition Bill, Adulteration Prevention Bill, Hawkers and Pedlars Bill, Lunatics Bill (No. 1), Chattels Transfer Bill, Noxious Weeds Bill, Unclaimed Land Bill, Eight Hours Bill, Poisons Importation and Carriage Bill, Municipal Corporations Bill, Electoral Bill, Commissioners' Powers Bill, Distress for Rent Abolition Bill, Pawnbrokers Bill, Sale of Beer, Wine, and Spirituous Liquors at Bellamy's Prohibition Bill, Juries Bill, Second-hand Dealers Licensing Bill, Municipal Franchise Enlargement Bill, Pharmacy Bill, Town Districts Bill, Coroners' Inquests Bill, Threshing-machine Owners' Lien Bill, Guaranteed Banks Amalgamation Prohibition Bill, Hospitals and Charitable Aid Boards Special Empowering Bill, Cemeteries Act Amendment (Cremation) Bill, Fire-brigades Bill, Teachers' Court of Appeal Bill, Criminal Code Bill (No. 8), Contagious Diseases

Act 1869 Repeal Bill, Shipping and Seamen and Marine Engineers Bill, Property Law Consolidation Bill.

RAILWAY CHARGES ON FRUIT, ETC.

On the motion of Mr. W. HUTCHISON, it was ordered, That a return (if obtainable) be laid before this House giving a comparative statement of the charges on our railways for the carriage of fruit and agricultural and dairy products for long distances—say, from ten to a hundred miles—with the charges for the same class of goods on the Australian railways.

WORKERS' UNIONS.

Major STEWARD asked the Government,—(1.) Whether workers' unions come under the provisions of "The Mining Act, 1891," in the same way as mining associations, County Councils, and Road Boards? (2.) If not, what steps are required to be taken to effect this? He had been asked by the secretary of a workers' union to put this question. Some months ago an advertisement appeared in the Government *Gazette* under which County Councils and other authorities could come under the Mining Act. A number of the members of this union who resided in the Waikaiti district were very desirous to come under the provisions of the Act.

Mr. SEDDON said the term "workers' unions" was not known, but there was nothing to prevent any number of persons from combining together to form a mining association, if they desired to take advantage of the regulations under "The Mining Act, 1891," for granting aid towards prospecting. The first thing to be done was for the local body to pass a resolution adopting the regulations. Then it was for these persons, jointly and separately, to apply to be treated as a prospecting association and as a party for prospecting purposes. Then, when the local body gave them assistance, the Government had also regulations to provide the pound for pound and its distribution.

POHANGINA ROAD BOARD.

Mr. PIRANI asked the Minister of Lands, Why deferred "thirds" are not handed over to the Pohangina Road Board in respect to the endowments disposed of by the Wanganui Harbour Board, and which are not specially exempted by law from such payment? He would like to point out to the Minister of Lands that under "The Wanganui Harbour Endowment and Borrowing Act, 1877," it was enacted that these lands must be disposed of in like manner to other waste lands within the district. Under the Waste Lands Act of the same year this clause was enacted:—

"59. One-third of the price of any block of land disposed of under this Part of this Act shall be handed over to the County Council or Road Board of the district within which such land is situated, to be expended in the construction of roads within, or to open up, the block for the benefit of the selectors. And the payments made by the selectors shall from time to time, until the amount of such one-third be reached, be paid over to such County Council

or Road Board, as the case may be. The plans of proposed roads shall in all cases receive the sanction of the Waste Lands Board of the district."

An almost exactly similar clause was enacted in the Land Acts of 1885 and 1892; and in "The Wanganui Harbour Board Endowment Sale Act, 1892," an exception was made with regard to the lands disposed of for a special settlement under that Act. Not a single penny of the thirds had been paid over to the local body. The Board in question—the Harbour Board—had certainly spent some money in making roads, but not in any way under the provisions of the Act, and he would like the Minister of Lands to explain why the Receiver of Land Revenue had not acted in a similar manner in this case to what he had done in connection with other Crown lands.

Mr. J. MCKENZIE was afraid the honourable gentleman's view of the matter was not correct: at least, according to the information he had received it appeared that section 4 of the Wanganui Harbour Endowment Act, under which most of the Wanganui Harbour endowment was disposed of, provided that after deducting the cost of survey only the whole of the proceeds should be paid to the Wanganui Harbour Board Fund; and section 8 of "The Wanganui Harbour Endowment Sale Act, 1892," specially exempted the block taken up by the special-settlement association from the payment of "thirds." That was the information he had from the department on the subject, and, if the statement of the honourable member for Palmerston were correct, then this must be wrong. However, he would take an opportunity of comparing the honourable gentleman's statement with that of the department, and see which was right and which was wrong.

Mr. PIRANI would like to ask, further, did not the Minister think, if it was necessary to exempt certain portions of land under "The Wanganui Harbour Board Endowment Sale Act, 1892," from payment of these thirds, that proved his contention, and therefore there must be some obligation to pay these "thirds" on the other lands? or why exempt one portion?

Mr. J. MCKENZIE said it was not for him to judge. There was an officer who had to decide whether the "thirds" should be paid or not. It was not in the hands of the Minister of Lands, but that officer interpreted the law. Of course he could not say that the officer was wrong, but he would look the subject up.

KIRIKIRI TELEPHONE.

Mr. HOUSTON asked the Postmaster-General, If he will establish a telephone at Kirikiri, on the Main North Road, in the Bay of Islands? His reason for asking this was that in the district of Kirikiri, situated on the Main North Road towards the Bay of Islands, there was a store which was a calling-place for a great number of commercial travellers. This was fourteen or fifteen miles from the nearest telegraph-station, and the telegraph-line was running right past the place within a few

chains of the store. It would be a great convenience to have a telephone-station there. There were a large number of people employed in the neighbourhood, and it was necessary that they should have the latest information possible from the large centres. He hoped the Minister would see his way to give the settlers this assistance. He had had the pleasure of handing in a petition on the subject a few days ago.

Mr. WARD might say he was advised that the estimated revenue was £12 per annum, and the estimated deficit £22 per annum. To open this office would cost £200, and the difficulty was, the report stated, that there was no likelihood of the revenue increasing. If the residents were very anxious to have the line, and would pay a reasonable subsidy, the matter could be considered. The amount that would be required would be about £80.

CHINESE PREMISES.

Mr. COLLINS asked the Premier, Will the Government issue instructions to have the premises owned and occupied by Chinese more efficiently inspected, that the public may be safeguarded from the overcrowded and insanitary conditions which now menace the general health of our large cities? He would scarcely have made the matter of this question a subject to bring before the House had he not felt that it was of very considerable importance. He might say that since it had appeared on the Order Paper he had received communications both from Christchurch and Wellington, distinctly proving that there was great necessity for attention to be called specifically to this matter. It was well known that the manner in which Chinese herded together in premises totally unfit for human habitation, and their manner and mode of life, were such as really to seriously menace the health of any community amongst whom they might reside. He hoped the House would receive an assurance that the attention of the proper authorities would be called to the matter, so that the evil spoken of might be redressed as speedily as possible.

Mr. SEDDON said there was no power given to the Government to make the inspection that the honourable gentleman had mentioned. The premises occupied by the Chinese would not, of course, come under the factory laws, and he did not know there was any law they would come under except the municipal law. Under the municipal law the local authorities had power to make an inspection; and he would send a copy of the question and of the honourable member's remarks upon it to the local authorities in Wellington, Christchurch, Auckland, and Dunedin, and ask them courteously to make inquiries and to attend to the matter. He himself thought it was a question that should be looked to, and looked to at once.

CIVIL SERVANTS.

Mr. HOGG asked the Premier, If he will consider the desirability of amending the conditions under which the youth of the colony are admitted to the Civil Service, so that young per-

sons who have passed the whole of the standards in the public schools, and who are sufficiently educated for the duties which they will be expected to discharge, may not be precluded from receiving employment in the departments of the State? He might say he thought it was only fair to the youth of New Zealand that, whether they belonged to the town or the country, they should have an equal opportunity of entering the public service of the colony. If the examination for the Civil Service was unnecessarily severe, some attention ought to be devoted to it. If the curriculum of the public schools was not sufficient to fit a youth to pass the entrance examination for the Civil Service, either that examination should be reduced or the curriculum of the schools should be raised. He considered that, with regard to obtaining employment in the departments of the State, the child of the country settler and the child of the city merchant should be placed on fair and equal terms.

Mr. SEDDON said there was no doubt whatever that the Civil Service Act was somewhat defective as regarded the admittance of cadets, and an expression of opinion, he thought, had been given by the House as to the direction which reform should take. He questioned very much whether this session he would be able to bring down a measure dealing with it; but at as early a date as possible next session he would be prepared to submit proposals which would widen the scope for admittance into the Civil Service. He thought the Service should be open to youths of the whole colony, instead of the advantages being given to those youths whose parents could afford to pay for private tuition. He thought every district in the colony should have a chance, but whether such districts should be the education districts or the provincial districts he could not quite say.

Sir R. STOUT said the honourable gentleman was raising debatable matter.

Mr. SEDDON was only indicating the way in which there might be an amendment, by taking the youths from the head of the lists of the respective districts he had named. He thought there was room for reform.

TURANGARERE—OHINGAITI ROAD.

Mr. STEVENS asked the Minister for Public Works, Whether the Government will place a sufficient sum of money on the public-works estimates for the purpose of completing the metalling of the North Island Main Trunk Road between Turangarere and Ohingaiti? He did not wish it to be understood that he referred to only the portion of the road that had not been metalled; it was the portions that had already been partially metalled. Many portions of the road had been insufficiently metalled, and the consequence was that the drays had cut it up during the present winter; and, if the work were not attended to, next summer the road would become absolutely impassable. During the next twelve months there would be a great deal of heavy traffic in this direction, and he hoped the Minister would

see his way to prevent this road from getting in the same position as the one running from Birmingham to Pemberton.

Mr. J. McKENZIE said that in a few days the Public Works Statement would be brought down, and the honourable gentleman would then be informed as to the various sums of money that would be provided for roads. The honourable gentleman could not expect him to anticipate that document.

AWAROA SURVEY DISTRICT.

Mr. LANG asked the Minister of Lands, if any portion of the £500 voted to open land for settlement in the Awaroa Survey District, Raglan County, remains unexpended; and, if so, will he permit it to be expended under the direct supervision of the Settlers' Thirds Committee?

Mr. J. McKENZIE said that out of the sum of £500 voted last year for these local roads there remained unexpended about £50. The other portion of the vote was expended through the Chief Surveyor at Auckland. There was no provision in law which would permit the balance of the vote to be expended under the direct supervision of the local body mentioned. The Government was only authorised to expend votes of Parliament through local authorities. As to what money was left, he would give instructions with regard to it to the Chief Surveyor.

MAINTENANCE-MEN ON RAILWAYS.

Mr. W. HUTCHISON asked the Premier, if he will bring under the notice of the Railway Commissioners, with a view to provide a remedy, the long hours of the maintenance-men on the railways, these hours occasionally extending to twelve and rarely to less than ten hours a day; and, in connection with these hours, will he call the attention of the Commissioners to the rule which states that if men have to work more than ten hours they shall, with the approval of the Inspector, be paid overtime—a rule which has become practically obsolete? He did not know whether the Premier had had any communications with the Railway Commissioners on this subject, but, if he had, no doubt such communications would be in the nature of the usual formula upon the subject, which might mean anything, but yet meant absolutely nothing. He submitted the maintenance-men were really deserving of consideration at the hands of the House. They worked away from home, and were deprived almost entirely of social intercourse with their families. They left their homes early in the morning, and they did not get back until late at night; in many cases occupying ten hours a day. He thought the fact of there being so few accidents indicated a vigilance deserving of great credit, and he hoped the Premier would interest himself in the matter, and that some consideration would be shown to these men.

Mr. SEDDON said the reply of the Railway Commissioners was that the working-hours of the maintenance-men were fixed at eight per day, or forty-eight hours per week of six

Mr. Stevens

working-days. The ordinary working-time was from eight to five. There was no rule which provided for working up to ten hours before overtime was paid, and never had been one. Overtime was paid under certain regulations for work in excess of eight hours a day. That was the reply of the Commissioners, and if it was incorrect he regretted that the Commissioners had given a misleading reply. Probably the information the honourable member had received was not in accordance with what was stated in the reply of the Commissioners; but there might be some explanation of that. The Government could only say that the reply was in accord with the Commissioners' determination with regard to the eight-hour system, and on the payment of overtime when the men worked over eight hours a day.

Mr. W. HUTCHISON thought if the Premier would make inquiry in some other form, not through the Railway Commissioners themselves—supposing he sent some one to Aramoho to make inquiries from the men themselves—he would hear a different story.

Mr. SEDDON said, if the honourable member had any information, which, of course, would be confidential, he would be quite prepared to consult with him, and to ascertain whether such information was credible or otherwise.

LAUNDRIES, ETC.

Mr. G. J. SMITH asked the Minister of Labour, whether the Government will place all laundries and other institutions which are partially supported by grants of public moneys under the provisions of the Factories Act? He wished to bring before the House the fact that certain laundries and other businesses that received help by way of grants of public money were entering into competition with outside people. The particular institution he referred to was the Mount Magdala laundry, near Christchurch. That institution had received a grant-in-aid, and it entered into competition with outside laundries. The consequence was that a number of indigent people were hindered from supplementing their limited income, or, indeed, from making a living at all, on account of the low charge for work done in that laundry. In addition to that, there was a doubt as to whether the institutions referred to came under the provisions of the Factories Act, and if that was correct he hoped the Minister of Labour would be able to see his way to bring the institution under the Factories Act.

Mr. REEVES said he would obtain a legal opinion as to whether such institutions did not come under the Factories Act already. With regard to what had fallen from the honourable member, he need scarcely remind him that there was no Factories Act regulating prices charged for washing.

FROZEN-MEAT CARRIAGE ON RAILWAYS.

Mr. G. W. RUSSELL asked the Government, Will they, in view of the probable rapid increase during the coming season of the frozen-meat export trade, request the Railway

Commissioners to convert, say, twenty of the grain-trucks into refrigerated cars for the conveyance of frozen meat on the Hurunui-Bluff line; or will they place on the supplementary estimates such a sum as may be necessary to convert the said trucks, estimated at about £1,600? He would like to draw attention to the fact that, owing to the small price of grain in recent years, there was an immense number of trucks suitable for carrying grain now rendered almost entirely useless, while the frozen-meat trade was likely to be very much larger than in previous years. Both the Christchurch companies—the Christchurch Meat Company and the Canterbury Frozen-meat Company—had already booked a large number of sheep, and it was an assured fact that at present there was no margin over and above the actual requirements of the trade on the Hurunui-Bluff line. It had been stated officially by the Commissioners that it would take £1,600 to convert twenty grain-trucks into trucks suitable for the carriage of frozen meat, and it was most important that the work should be put in hand at once. He believed the Commissioners objected to take this amount out of revenue, and if that was the case it appeared to him it was a most short-sighted policy that what was the greatest industry in the colony next to the wool industry should be in any way handicapped by a shortage of trucks during the coming season. He hoped the Government would give an assurance that the matter would be attended to, as the Commissioners, he regretted to say, had been very reluctant in connection with it. That was his experience of them, and he hoped the Government would bring down the amount necessary to have these trucks converted at once.

Mr. SEDDON said the reply of the Commissioners was to the effect that if the funds for which they had applied to the Government were provided they would probably be able to meet the request. As the honourable gentleman had stated, the sum of £1,600 was required for the purpose, and the Government admitted that there was a necessity for furthering this industry; and, considering the sum mentioned would meet the emergency, the Government would, if requested by the Railway Commissioners, make provision for the amount.

NORTH ISLAND TRUNK RAILWAY.

Mr. MITCHELSON asked the Minister of Lands, if he will this session introduce a Bill to authorise the refund to the North Island Main Trunk Loan of the amount now owing to that fund for moneys taken from it for the purchase of Native land, under the provisions of the North Island Main Trunk Railway Loan Application Act?

Mr. J. McKENZIE said this question was a very simple one, but it involved the sum of £220,000. This sum was taken out of the Main Trunk Railway Loan for the purposes of purchasing Native land along the line of railway, and it could only be replaced by passing an Act to provide money for the purpose. He was sure that the honourable gentleman op-

posite had a horror of borrowing, and would not be prepared to support a Bill to borrow money for the purpose.

Mr. BELL said it would not shock the honourable gentleman.

Mr. J. McKENZIE said the honourable gentleman should judge himself in the matter, because he (Mr. McKenzie) would certainly be very much shocked if the Government proposed to borrow £220,000 for that purpose. It would not do to take the amount out of the sum of £250,000 provided under the Bill passed this session, because it would leave only the sum of £30,000, and the Government required a great deal more than that. The proceeds accruing out of this loan were set aside as an endowment for the railway, and could not be dealt with in any other way than in accordance with the provisions of "The Land Act, 1892." He was sorry he could not promise the honourable gentleman that the Government would pass a loan Bill through this session.

CUSTOMS REVENUE.

Mr. G. HUTCHISON asked the Colonial Treasurer, Why the following motion is opposed: "That a return be laid before this House giving the amount collected for Customs revenue during the month of August last, together with the amount collected for Customs revenue during the corresponding month of last year"? He noticed in the last number of the *Journal of Labour* that the custom previously followed for one or two months in that journal of giving the Customs returns for the preceding month had been discontinued.

Mr. WARD said the answer was a similar one to that he had given on a former occasion this session. The Government entertained the opinion that it was desirable that this information should be published quarterly, not monthly.

Sir R. STOUT said it was given every week in Sydney.

Mr. WARD said they did many stupid things there.

LIME FREIGHT ON RAILWAYS.

Mr. ALLEN asked the Premier, If he is aware that a request, signed by a large number of farmers in and around the districts of Bruce, Clutha, and Tuapeka, has been forwarded to the Railway Commissioners, asking that a considerable reduction be made in the rate for the carriage of lime? What reply have the Commissioners given to this request? Will the Premier, if the reply is not favourable, ask the Commissioners to again consider the matter? Will the Premier, if he should take control of the railways, give encouragement to the farming industry by complying with the request? He had been asked by many farmers to ask for this concession in the freight of lime. It was a matter of considerable importance to the farmers, and he hoped the Government would be able to give a satisfactory answer.

Mr. SEDDON said the reply of the Commissioners was as follows:—

"The Commissioners have the petitions re-

ferred to under consideration, but, as the majority of those seeking the reduction are within the radius of twelve miles, for which the charge for conveyance of lime is only 1s. 9d. a ton, the request does not seem reasonable. The charges to stations in the districts mentioned outside this limit are exceedingly low, and will not admit of reduction without loss."

3.30. He had told the honourable member, the House, and the country that the carrying of lime and manure at very low rates more than repaid the cost by the increased production. The Commissioners had control of the railways, and, as they had said the matter was under consideration, it would be unfair to judge what course they would take. The rate named by the Commissioners seemed to him to be reasonable, but whether more could be done in this matter was a question for their consideration.

Mr. ALLEN said the honourable gentleman had not answered the last part of the question.

Mr. SEDDON said it was almost impossible for him to be Minister of Railways.

Dr. NEWMAN.—Who will be?

Mr. SEDDON said it was very hard to say, but he did not think it would be the member for Wellington Suburbs. However, this would be a matter for consideration when the Government assumed control. It would be very much out of place for him now to be pledging the Government as to what they would do. They had not got control yet. They must take everything into consideration. They must consider the condition of the colony's finance, and other matters must be considered. He had told the honourable gentleman the views which the Government held on the matter—that every encouragement should be given to the carriage of lime and manure—that they should be carried at the lowest possible rates. Further than that he could not go at present.

EXODUS TO AUSTRALIA.

Mr. DUTHIE asked the Premier, Whether he is aware that amongst the nine hundred passengers who are reported to have left Auckland for Sydney on Monday and Tuesday last there was a large proportion of desirable colonists with capital; and whether this increasing exodus to Australia has received the attention of the Government, and if they are now about to take any steps to endeavour to induce the people to remain in New Zealand? Seeing the great interest which the Premier took in bygone years in reference to an exodus of population which then occurred, he had no doubt the honourable gentleman was glad to see this question on the Order Paper. By the returns he noticed that for four months prior to September the departures were at the rate of 5,550 a year. He thought that was an indication that attention to this subject by the Government was required. He was informed from banking quarters that a number of these emigrants were taking a considerable amount of capital with them, which proved that those people who were leaving

were people whom it was desirable to retain in the country, and, by taking their capital away, that they did not intend to return. He would read extracts from a letter handed to him on the subject. The letter was dated "Kingsland, Auckland, 25th August, 1894," and said,—

"We are moving again, this time to Sydney; leaving Auckland by the 'Tasmania' on the 18th of next month. I think it was in January last that I went to Gisborne, and used your letter of introduction to Mr. S—. . . I liked what I saw of Poverty Bay, and but a few weeks ago had almost decided to go there to take up land for my two sons. The new proposals of the Government to borrow, and this general interference with everything, quite decided me to invest no more money in New Zealand."

The writer went on to explain that he was about leaving—and he did, in fact, leave—the colony by the steamer mentioned. He thought that this question deserved the attention of the Government, because such a large exodus of most desirable people was weakening the colony, which was losing the very class of people who alone could carry on the real work of settlement. He trusted the Minister would be able to give such an answer as would give encouragement, which to some extent might tend to stay this exodus.

Mr. SEDDON said the honourable member did not state the name of the gentleman who signed the letter, but the colony was well rid of such a man. Probably the writer stopped in the colony in the flourishing days, when vast sums of money were being spent on public works. He had had the benefit of the unearned increment, and had probably made a large sum of money; and now that he had to bear his fair share of the taxation, and do his duty as a good colonist, he took the first ship for other colonies. Those colonies were welcome to such colonists, and we did not regret the loss of such men. He would read the substance of a telegram which he had received upon this subject. It was admitted that some nine hundred men left, most of them being for New South Wales *en route* for the Coolgardie diggings. It was stated that the gold-fever was strong. It was generally admitted that a man going to Coolgardie would require about £20 for the journey, and £10 when he got there: any prudent men would want £10 on their arrival; on the other hand, many would go if they could only manage to arrive there. Amongst the passengers there were all classes. For instance, there were solicitors. He did not think there was much to regret in that. Then, there were clerks. Well, he thought we had a goodly number of clerks in this colony. Then, there were tradesmen, labourers, and speculators. There was no doubt that many of those men had gone on "spec." to see the place, and to stop or return just as inducement offered. To this was added the enticement of the cheap trip. The fares at the present time on board the steamers were so low that really any one who was at all tempted to take a change of air was induced to take such a trip.

Mr. Seddon

There was no doubt whatever that these low fares were doing a great deal of harm to the colony. They disturbed people and caused them to be on the move. As one who had been on the goldfields for the last thirty years, he might say that when he read of Coolgardie he began to feel a little uneasy himself. One could not help it. At the same time this matter needed to be treated seriously. He was not one of those who liked to see our people going away and no effort being made to keep them. Numbers of persons were leaving no doubt owing to the low price of gum. And settlement had been retarded in the North: that might have had something to do with a number of these men going away. If the amounts which the Government asked Parliament to vote were granted, they would put road-making in hand, and endeavour to place people on the land, and by doing that they would probably prevent others from going away. He might point out that the colony lost some fourteen thousand people in three years—from 1887 to 1890—and he would undertake to say that it would not be the fault of the present Government if anything like that happened again. They would do their best to retain the population in the colony, and make the people prosperous, contented, and happy.

STEALING FLOWERS FROM THE CEMETERY.

Mr. DUTHIE asked the Acting Minister of Justice, Whether there were any undisclosed circumstances, beyond those reported in the *New Zealand Times* of the 19th instant, that justified the apparently excessive sentence of a fine of £5 passed on one Mary Harris for stealing a flower in the public cemetery; and whether, if there are no such circumstances, the Minister will remit or materially reduce the fine? He might explain that the cemetery was vested in the City Council. The authorities wished to withdraw the case. The Magistrate, however, insisted that the person should be brought up, and then he inflicted on her what seemed to be a very excessive fine. His attention having been drawn to the matter, he wrote to the Town Clerk, who, in his reply, stated that Mrs. Harris seemed to be a respectable woman, and earned her living by washing and odd work, and to be very poor, so far as he could judge; and that she was not the systematic flower-stealer that the authorities wanted to catch. He (Mr. Duthie) might point out that to fine a washerwoman £5 who earned 15s. a week, and to make her pay the costs, would result in this: that it would take one-third of her income for six months. He thought the House would agree that under the circumstances such a large fine partook somewhat of cruelty. However, he would be glad to hear some justification for the Magistrate's action if there were circumstances to justify it; otherwise he trusted the Minister would consider the matter, and grant some remission of the fine.

Mr. REEVES said until he read the report of the Stipendiary Magistrate he took the same

view of the case as the honourable gentleman. But he had in his possession a lengthy report from Mr. Martin, which showed that this act was unfortunately a deliberate one; it was not an isolated one, nor was it the result of sudden temptation or impulse. A great deal of flower-stealing from graves had been going on, and nothing could stop it until this conviction. Since the conviction it had suddenly and completely stopped. He was bound to say, after carefully reading the report of the Magistrate, that he saw no reason for thinking that the sentence was one of undue harshness. The Magistrate imposed one-fourth of the lighter of two penalties allowed by the Act, and he did not press that the fine should be paid at once, but allowed it to be paid in weekly instalments which the woman herself said she could pay. He also made no order for imprisonment in default of the instalments not being paid, so that, in the case of default, a special application would have to be made before imprisonment could be inflicted.

Mr. DUTHIE asked if he was to understand the Minister to say that the woman had been guilty of previous acts of the same kind, or that this was not the first.

Mr. REEVES said he did not say she had been guilty of any previous acts, or that she had been accused of any previous act.

Mr. G. HUTCHISON said the honourable gentleman said it was not an isolated act.

Mr. REEVES said, Yes; it was one of a number of thefts which had taken place about the same time.

CORRESPONDENCE WITH JUDGE BARTON.

Mr. DUTHIE asked the Premier, Whether he would object to a return, if moved for, to complete the Judge Barton correspondence up to the present date being laid on the table?

Mr. SEDDON said if it was simply the correspondence relative to the Court business he could see no objection to such a return.

EDUCATION ENDOWMENTS.

Mr. J. MCKENZIE moved, That this House approves of lands proposed to be reserved as endowments for education (as set forth in Paper No. 182, laid upon the table on the 19th September, 1894) being permanently set aside as endowments for education.

Motion agreed to.

TARIFF COMMITTEE.

Mr. SEDDON, in moving the motion standing in his name, said he hoped there would be no debate upon it.

Captain RUSSELL.—Tell us what it means.

Mr. SEDDON said it simply meant that there had been evidence taken by the Tariff Committee; that documents had been submitted to the Committee which, of course, had been sent to the Government and were of a somewhat confidential nature. Of course, if any persons read through the correspondence and minute-book they might probably get an idea as to what action would be taken when

Parliament was called upon to deal with the tariff question. He thought, as these documents and the correspondence were of a somewhat confidential nature, that it was only fair they should be kept confidential.

Motion made, and question proposed, "That the minutes, evidence, documents, and proceedings of the Tariff Committee be ordered to be treated as confidential."—(Mr. Seddon.)

Dr. NEWMAN would suggest to the Premier that the resolution was quite unnecessary, because he understood that for some weeks past, whenever a motion had been brought on for extra duties on boots, shoes, ironmongery, *et cetera*, there had always been clearances of goods at the Customs in all parts of the colony, and so there would be nothing gained by this motion. It was too late.

Captain RUSSELL did not say that this was not a delicate question, in connection with which the Government was justified in proceeding cautiously; but, at the same time, there were certain conditions as to the reports of Select Committees which must be recognised. It was in the power of any member of the House to attend a Committee and hear the proceedings, and it had generally been assumed that the proceedings of a Select Committee were for the benefit of the House which appointed that Committee. Under the circumstances of the motion proposed by the Premier, there was a certain section of members of the House who would be familiar with the proceedings of the Committee on this question, but the bulk of the members who had appointed the Committee could not obtain that information. He would not like it to happen that, because they did not call attention to this matter, a precedent should be established in the future that the evidence taken by a Committee and the ordinary proceedings of a Committee should be kept private. He was not sure whether Mr. Speaker should not give his ruling as to whether the proceedings of that Committee were not the property of the House, and whether the papers should not be laid on the table under those circumstances.

Mr. SPEAKER said it was quite competent for the House to say what was to be done with regard to the custody of the minutes of proceedings and evidence, if it should think that it was necessary in the interests of the public that such evidence and correspondence should not be allowed to get abroad.

Mr. G. HUTCHISON said that he, as a member of the House, desired to see the proceedings of the Committee, and he had asked to be allowed to see them, but was met with a refusal, on the ground that they were to be kept secret. He thought that this was an extraordinary course, and he had endeavoured to find some precedent for the course suggested by the Premier, but had not been able to find one. The singularity of the proceedings now was made more marked from the fact that the Premier had stated that certain documents which were deemed confidential had been forwarded to the Government by the Committee.

Mr. SEDDON.—No.

Mr. Seddon

Mr. G. HUTCHISON understood the Premier to say that papers had been sent to the Government by the Committee which the Government considered confidential. Of course he accepted the Premier's assurance that it was not so.

Mr. SEDDON explained that what he did say was that a communication had been sent to the Government which was of a semi-confidential nature, and the Government had given the benefit of the choice to the Committee.

Mr. G. HUTCHISON understood that members of a Committee simply received a delegation of power by the House to inquire into a subject and report. It was the privilege of any member of the House to attend at a Committee sitting, except when the Committee happened to be in deliberation, when members were expected but not bound to withdraw. Members, whether present or not at meetings of a Committee, expected to have an opportunity of perusing the proceedings. He did not attach much importance to the resolutions of the Committee in question, but he thought it might be taken as absolutely correct that the proceedings of that Committee were throughout in the direction of raising the tariff duties.

An Hon. MEMBER.—No.

Mr. G. HUTCHISON said the whole tendency of the Committee was in the direction of raising the tariff duties, and of turning our Customs tariff into what he might call a prohibitive tariff.

An Hon. MEMBER.—You are fishing.

Mr. G. HUTCHISON was not at all fishing. His information was of the most reliable character. He felt convinced of that. The colony should understand the danger with which it was threatened, and that the Government had taken the present unusual course to keep the proceedings secret. That capped the whole matter, and confirmed what had been suspected to be the intention of members on the Government benches—that this colony was to be faced with a change in the tariff which would be most hurtful to the best interests of the colony.

Mr. WARD said the honourable gentleman was very astute; there was a great deal underlying the honourable gentleman's remarks. There was a great deal in the honourable gentleman's speech which, he thought, without some reply from the Government benches, might be calculated to very seriously disturb the trade of the colony. He did not know whether that was the intention of the honourable gentleman, but that might certainly be the effect his speech would have. The honourable gentleman stated that this Committee had proposed to increase the tariff, and his statement was an entirely misleading one: in fact, it was most inaccurate. The honourable gentleman had made this mode of guessing what had taken place at the proceedings of this Committee a means of creating an impression in the country that they were going to have a prohibitive tariff, and he thought that such an impression was not at all desirable. It could only be liable to create a great disturbance in trade, and possibly it would disturb the ordi-

nary importation of goods into this colony for a considerable time to come. If that were so, the object of the honourable gentleman in so frequently saying that the Customs revenue was not keeping up in the colony was quite apparent. They now found him explaining or echoing the preconceived idea for the purpose of leading the people to believe the tariff was going to be seriously interfered with. The honourable gentleman would, by first creating a drop in the revenue, afterwards assert it as a fact that the low Customs revenue had been due to the action of the Government; whereas the honourable gentleman, by the course he had suggested should be followed, would be the primary cause of it. Honourable members were sufficiently sensible, he thought, to know that in a matter of this sort the only object of the Government in suggesting that the Committee's minutes should be kept confidential was to prevent a disturbance of trade. There was nothing contained in the recommendations of the Tariff Committee which, in the ordinary course, could not be made public; but, if the suggestions of a Committee which had gone into the tariff question were published in the colony and sent abroad before the decision of the House and the Government had been arrived at in the ordinary course, it would tend to disturb the trade of those people interested. It was very much better, therefore, that the report of the Committee should be regarded as confidential, and also the correspondence and minutes. He was sure honourable members would do the Government the justice of admitting that in a matter of this sort honourable members would at once be taken into their confidence if that course were at all necessary. The honourable members who had attended the Tariff Committee had made this suggestion, and if the Government had published the proceedings they would have been abusing confidence. The only object of the motion was to prevent disturbance in trade, and he was sure that every honourable member who was animated by a desire to do his best for the country would agree that if this motion was not carried it would not be for the best interests of the country.

Mr. T. MACKENZIE said they were justified in expecting that some action would be taken by the Government in connection with the tariff. For the last two or three years they had, each financial year, a Statement which declared that they would go into this question, and as regularly, at the close of the session, that question was ignored. The Colonial Treasurer had said that the remarks of the honourable member for Patea were likely to disturb trade; but it was his own action and the action of his officers that was seriously disturbing the trade of the colony. He held in his hand a telegram from the promoter of a certain industry in the colony which stated that owing to the recent action of some of the Customs officers, and the imposition of tariffs which were never contemplated, he would be obliged to shut down his works and go to some other colony. This was an industry of very great

importance in the colony, but he did not think he was justified in disclosing the contents of the telegram just then; but he would show it to the Colonial Treasurer in confidence. It was like the proceedings of the Committee in question; it was confidential, and he knew the honourable gentleman would not ask that it should be disclosed. However, what it went to show was that, owing to the recent action of the honourable gentleman and his officers, an important industry in the colony would have to be closed down. The honourable gentleman also wished the House to understand that the Government did not contemplate an increase of the duties, but he would call the attention of the House and the country to the words of the Premier in dealing with the tariff. That honourable gentleman so far forgot himself and the interests of the colony as to say that he would support a duty of 5s. per ton to be placed on coal imported into the colony. It was also known that the Premier was in favour of a duty being placed on grain.

Mr. SEDDON.—I never said that.

Mr. T. MACKENZIE said these opinions were in the air, and the Premier had stated in the House that he would consider the propriety of putting a duty on grain. The majority of the Committee consisted of Protectionists: they knew perfectly well what the intentions of the Government and of that Committee were. There was a feeling of unrest now existing, and, even if the session were prolonged a little further, he thought something should be done to amend the tariff: it would be in the interest of the whole of our trade, and would create a feeling of tranquillity which did not at present exist.

Sir R. STOUT said he had stated when the Committee was appointed that he thought it was a great mistake. It was the duty of the Government, if they wished to have a change in the Customs tariff, to bring down their own proposals to the House, and not to send them to a Committee. He declined himself to attend the meetings of the Committee, because he did not think the Committee should deal with the matter at all. He had heard from the Treasurer that this matter would be referred to a Committee; and that seemed to him to mean that the tariff was not going to be altered this session at all, but that it was to be shunted for the next twelve months. That was the object of the Committee. The position was this: This was not a secret Committee at all, because by Standing Order 225 there was such a thing recognised as a secret Committee, but this had not been made a secret Committee, and consequently members, if they wished, could attend the Committee. Any report by this Committee could have no effect whatever at the present time. For example, one day the Free-traders on the Committee were in a majority, and they carried Free-trade. The next day the moderate Protectionists were in a majority, and they carried moderate Protection. On the third day the Protectionists were in a majority, and carried Protection: and there could be no result. He could not think that

honourable members did not want the report of the Tariff Committee to be submitted to the House, because it was contradictory to their wishes, for they ought to have the question submitted to the people of the colony. What they heard in the lobbies was that the duties were to be raised on almost every article of consumption—flour, boots, and everything else except tea, on which he did not think the duty was too high at present. He thought it was only fair that the country should know that practically the majority of the Government party would next year approve of an increase in the Customs duties. That was what had to be faced, and that was what was going to be carried. And it would have been carried in the present year if the Government had brought it down. That was exactly the position in which they were placed.

Hon. MEMBERS.—No.

4.0. Sir R. STOUT said honourable members might say "No," but one of the honourable members who cried "No" loudest was one with regard to whom the Premier had only to lift his little finger and he would go into whatever lobby he might tell him to go into. There was no doubt about that. He did not name the honourable gentleman.

Mr. SEDDON said it must be the honourable member for Dunedin City.

Sir R. STOUT said it was not a member for a southern constituency. The honourable member for Dunedin City was not pleasant to the Premier, he knew, because the honourable member for Dunedin City had a mind of his own.

Mr. SEDDON.—A reflex of yours.

Sir R. STOUT said the Government were very anxious for revenue, but did not like to put it on. He did not blame the Colonial Treasurer. What he (Sir R. Stout) said was that the Government had got to put on new duties next session, for honourable members might go on relying on the fact that new duties would have to be put on next session. There was no chance of getting out of it, with the proposals that were now before the House. It was as certain as that the sun would rise tomorrow, if their finance was to be kept safe. He did not see why the report and resolutions should not be published. It could not affect trade. Supposing he was a merchant, and had heard that Customs duties were going to be put on certain articles before Parliament met next year, he would clear the goods that were likely to have duties imposed upon them. He did not suppose that there would be any clearances of tea, but various other things would be cleared in order that, if the tariff should be increased, he would have less duties to pay. It would be far better to publish the report and resolutions, and let the merchants know what they had to look forward to. He thought the conclusions arrived at by the Committee on the separate items of the tariff should be published. Of course, it would not be right to publish any confidential information with regard to particular industries, as it might disclose the business of those who gave informa-

Sir R. Stout

tion, but he could not see what objections there could be to the country seeing what resolutions had been come to on different items of the tariff. Ought not honourable members to discuss the tariff question with their constituents, and ought not the constituents to be consulted? Supposing a member of that House told his constituents that it was proposed there should be an increased duty on grain from 9d. to 2s. "Oh, no," they would say; "we do not believe it." Then the member would tell them, "It was said so in the lobbies." What use, therefore, was there in keeping anything back? It would be talked about and known about, and would have the very opposite effect intended if the publication of these resolutions were withheld. He would therefore suggest the publication of these resolutions—excluding, of course, information of a confidential character which was given by manufacturers in the various branches of industry.

Mr. DUTHIE believed if the publication of this information had any effect at all it would be to increase clearances, and so increase the revenue for the current year. He could not understand why there should be any secrecy in the matter. Less harm would be done if the recommendations of the Committee were made known to the whole world. Unless this were done there would be an unrest in trade, in anticipation of something taking place. So far as what had been done by the Committee was concerned, nothing would really come of it. There were some members of that Committee who were very much in earnest in a desire to amend the tariff: these would have worried Ministers; and, that they might be kept quiet for the session, they were set on in a Committee to occupy their time and exhaust their energy. The Colonial Treasurer, however, did not want, nor, he was sure, for a moment intend, to upset his revenue by carrying the recommendations of the Committee into effect. He thought it would do good if these recommendations were made known to the public, and he therefore thought that the Premier ought to withdraw his motion, and allow the whole matter to be published to the world.

Mr. SEDDON desired to say that, in moving the motion, he did not think it would give rise to any debate, and therefore had not gone into the matter fully. The senior member for Wellington City had stated that, with regard to the resolutions arrived at by the Committee, one resolution was passed one day and was negatived the next. One day the Free-traders were in the ascendant, and the next day the Protectionists. That must show very clearly that in the selection of the members of that Committee the Government had acted very fairly. Where they had a Committee so evenly divided as to represent the opinions of members of that House, and where the House was so equally divided, he thought they might take it for granted that there would be nothing very serious done as far as the tariff was concerned. He said therefore,

advisedly, statements made even in this debate,—he would not say that the senior member for Wellington City had made these statements on purpose, or that the honourable gentleman would desire wilfully to cause uncertainty in trade, and loss of revenue; but none knew better than the honourable gentleman himself that, in pointing out directions in which the tariff would be amended, it would have an injurious effect between now and the next session of Parliament. Such action on the honourable gentleman's part was not what he would call patriotic. Whatever might occur, the Government were the representatives of the people, and could only pass such a tariff as would be approved of by the people, and be in the interests of the people. The people had already been consulted. The voice of the people had been given in that Chamber, and the Government would give effect to the wishes of the people.

An Hon. MEMBER.—What are the wishes of the people?

Mr. SEDDON said one of the wishes of the people was, if practicable, a free breakfast-table. When the honourable member for Wellington City occupied the position which he (Mr. Seddon) had now the honour to fill that honourable gentleman did not consult his own supporters with regard to the tariff. He consulted no one concerning it excepting a colleague, who thought the people would put up with anything he proposed. He brought down a tariff against the wishes of his own supporters, and against the wishes of the party, and of the people of the colony, and wrecked the party. With that example before him, he assured the honourable gentleman he was not prepared to wreck the party. He was prepared to take counsel with the party and with the people, and to propose such a tariff as would be acceptable to the people. He was sure the honourable members for Wellington City (Sir R. Stout and Mr. Duthie) and the honourable member for Patea would all concede that there was grave desire on the part of the Government to deal with the matter this session.

Mr. G. HUTCHISON.—The Government desire not to deal with it.

Mr. SEDDON said in the early days of the session the Government moved the appointment of this Committee, and when the honourable member for Patea wanted to limit them to fourteen days the Government agreed to a month. They had not the whole information that was required. They met the honourable gentleman, a compromise was effected, and the Committee were to report in a month. He believed every member of the Committee was anxious to report at as early a date as possible, but the moment they got into the subject they found it stupendous. They found that it would require great care, time, and attention, and they desired to do that which was perfection itself. That being the case, it was no fault of the Government that the report was not down sooner. What was the great anxiety of the honourable member for Patea? Surely he was not anxious to stay there till Christmas. His

only anxiety was this: The honourable member for Patea knew, in asking the Government to deal with this question, that it was one in regard to which, unless the greatest care was exercised, it might prove injurious to the Government and the country. The Government felt that a question of this kind required to be dealt with in such a way that no accidents would happen. Now, with regard to the articles to be raised, as far as he knew, there were one or two trades in the colony that required attention. It was now six years since any alteration in the tariff was made. The condition of the colony had altered in respect to some of the trades. At the time the tariff was passed it was thought that these trades would be encouraged by the new tariff. There had been a mistake made in regard to these particular trades, and with regard to others anomalies existed which required to be dealt with, and a change was required to be made. These changes could be made without at all increasing the tariff in the aggregate. That was the remedy—it was more a question of adjustment; and he desired to say at once that the senior member for Wellington City was incorrect in making the statement he did, that increased taxation through the tariff would be necessary next session to enable the Government to meet their engagements. It was a statement of that kind going forth that would do evil, and he at once took this opportunity of meeting it and saying that there was nothing whatever to warrant the statement being made. It was quite true there was a falling-off in two months' Customs revenue; but there was a considerable increase last month as compared with the previous month. That being the case, there was nothing to warrant the statement of the senior member for Wellington City that there must be increased taxation. He quite concurred with the remark of the honourable member for Wellington City (Mr. Duthie) that the Government for the last four years—the Liberal party—had resisted any interference with the tariff, because they believed the time was not opportune to make any change, and that there should be some certainty, some finality. Constant tinkering with the tariff, and statements that it was going to be done, were injurious to commerce; and, having that conviction, the Government had said from the commencement that now the time had arrived when something must be done, and they desired to do it, and do it in such a way that it would not be required to be touched again for some years after that was done, so that the commercial men of New Zealand would know definitely and distinctly where they were. It was from a desire that this should be done that the Government had asked for a Committee to assist them and advise them upon several matters. They had experts on the Committee. However careful the men on the Government benches might be, or however good their officers might be, they must bring in experts to their assistance, and there were on that Committee experts, enlightened men, men who felt the responsibility that was placed on their

shoulders, and who were able to advise Parliament wisely and well. Having their counsel was a decided advantage. They had now the report of the Committee on the table of the House.

An Hon. MEMBER.—No.

Mr. SEDDON said they certainly had the report of the Committee; but the honourable member for Patea desired to go behind the proceedings of the Committee, to see each and every resolution. He might want to do so, probably, for the purpose of, on the platform, attacking some member of that Committee, who would at the time have no chance of defending himself and explaining why he had voted for a given resolution or why he had not. He did not think the honourable member for Patea was incapable of doing this, and he must say it would be unfair to attack any member of the Committee on any resolution or amendment without his having an opportunity of explaining what he had done. If that could be done they would find that members of Committees appointed to deal with the question of the tariff would do like the honourable the senior member for Wellington City (Sir R. Stout) and the other member for Wellington City (Mr. Duthie)—refrain altogether from attending the Committee. There had, however, been those appointed to the Committee who had done their duty, and they had no right to be placed in a false position. Then, they had had correspondence sent in by manufacturers and commercial men, and, regarding this, the Government had treated the Committee with every confidence, but had not for a moment thought that that correspondence would be printed with the papers or become public. If those who had sent this correspondence had thought it would be made public the Government would never have received it. There must be confidence in dealing with such questions as this. He had not, in the first instance, moved that it should be a secret Committee; but, seeing what had eventuated, he asked the House to agree that, at all events, the minutes and the various resolutions passed and the references submitted should be treated as confidential. If the Government had been dealing with the tariff question he should not have objected at all, and should not have moved this motion, because they would then have had the tariff before them to have the resolutions passed into law. As the matter, however, was held over for a year, he asked the House to hold over the publication of the proceedings and the correspondence.

Motion agreed to.

LANDS IMPROVEMENT AND NATIVE LANDS ACQUISITION BILL.

On the question, That this Bill be read a third time,

Sir R. STOUT said,—I wish to make a few remarks on this Bill. I was not present when the honourable gentleman replied on its second reading, and I did not hear what was said; but there were one or two remarks made then that I wish to refer to, and I wish to put on record

Mr. Seddon

some things about this Bill that I think may be beneficial. Sir, this is a borrowing Bill. It proposes to borrow half a million. It proposes to raise this half-million in the colony, but it gives power to convert the half-million—once it is raised—under "The Consolidated Stock Act, 1877," and therefore to get the money from the London market. I do not think honourable members are aware of the total amount of loan-money that we now give the Minister to spend for roads independently of what comes out of the Public Works Fund, under "The Government Loans to Local Bodies Act, 1886," there was a sum of £200,000 to be set aside each year. That Bill is un-repealed. Under the Act of 1891 amending it £50,000 can be taken out of the £200,000 and spent on improving blocks of land, so that, if we add together the amount of money in this Bill, the amount of money that is in the Act of 1886, and the amount of money that is authorised by the Land for Settlements Act, we have the large sum of money for expenditure, or, rather, administration by the Minister of Lands, of practically £950,000.

Mr. J. MCKENZIE.—How is it made up?

Sir R. STOUT.—I will explain later on how it is made up. It has been said that the £50,000 taken by the 1891 Act cannot be spent because blocks cannot be found to spend it on. The fact is, blocks have been already proclaimed, and the estimated cost for improving those blocks has been put down at £150,566, and out of that sum only £67,833 has been expended, so that there is to expend on these blocks alone no less a sum than £82,733—practically two years' expenditure almost to go. It is true that last year only £30,000 was expended, but still there is £82,733 yet to spend over proclaimed blocks.—that is, assuming that the statement made in the Crown Lands Report is accurate. I assume that, although I notice here—and perhaps the honourable member will correct it—that the tables do not correspond with the statements; the figures are two or three hundreds out—there is some mistake somewhere. Now, honourable members may think the amount to be borrowed under the Bill is really to be spent in opening up lands for settlement. That is what has been assumed, and the preamble of the Bill says, "for the purpose of encouraging the settlement of the people upon the lands of the colony, it is expedient to give better access to such lands." The assumption is that this is to be used on roads to open up lands for settlement. Now, the fact is that that term has become quite a misnomer. Last year, and the year before, and away back—I am not saying this only of the present Minister, but of other Ministers—the money to be spent upon roads to open up Crown lands has not been spent upon roads to open up Crown lands at all, but simply on little votes given to various honourable members and various districts. Why, if we take, for example, the table in the Crown Lands Report this year—take, for example, one province, the Province of Nelson, in the schedule: that shows what areas are to be bene-

ated by roads. There are several thousands of pounds expended there, but there is not a single acre of Crown lands benefited by the expenditure; though they are headed "Roads to open up Crown Lands for Settlement." In Canterbury very little was expended, but it was not to benefit Crown lands at all. Then, under Otago, there was a vote, for example, for the Henley protective works, and a vote for the Maruwhenua Bridge, and so on, but it did not affect the Crown lands in the slightest degree.

Mr. J. MCKENZIE.—The Maruwhenua Bridge did.

Sir R. STOUT.—I am taking it that the honourable gentleman's Crown Lands Report is accurate, and if honourable members will refer to the table annexed to the Crown Lands Report they will see that what I am stating is correct, and that the tables showing the roads to open up Crown lands do not give any area of Crown lands benefited at all by the Maruwhenua Bridge. In Table 9 you will see that; so that practically, of this sum of £250,000, more than half will be spent not in opening up Crown lands at all; it is simply in the nature of giving aid to settled districts to make their roads: and it is given on no principle whatever. I can understand aid being given to roads according to mileage, or the number of roads in a district, or on some well-defined principle, but, so far as this vote of a quarter of a million is concerned, it is to be spent at the sweet will of the Minister of the day. No doubt he has to have the approval of Parliament: but how is Parliament to deal with such a question? Members may reject a vote referred to them, but they cannot put on the estimates a vote for a road that may be more necessary, and it is an invidious task to ask honourable members to vote against a road put on the estimates for the member for some particular district. That is perfectly clear from what I have stated. Honourable members who look at the table will see a column in which is stated, "Area of Crown Land rendered better accessible"—by roads; and in some districts, as I have already said, there is no area rendered better accessible, using the term in the widest possible way.

Mr. J. MCKENZIE.—You are mixing up two things.

Sir R. STOUT.—I am not mixing up two things. I am mixing up miscellaneous roads and roads to open up Crown lands, and if the honourable member will refer to the table he will see I am right. If he will refer under this head he will see that is so. The honourable gentleman asked how I made up the amount of £350,000. I will tell him. First, under this Bill there is £500,000: that is made up of £250,000 for roads, and £250,000 for Native lands *plus* roads. Now, I do not think I am going too far in saying that, out of this £250,000, £50,000 will be for roads, so that we have roads £200,000 under this Bill. Then, there is a sum of £500,000 for roads called "Loans to Local Bodies," but still roads under the Act of 1886.

Mr. J. MCKENZIE.—The Minister has not that.

Sir R. STOUT.—The honourable gentleman should read the Bill. The Minister has the £50,000, and the other £150,000 is to be made applicable to the local bodies; I am only pointing out the total amount. That is £500,000 we are going to borrow for roads. This is how I make up the other £450,000: There is Native lands, £200,000; and lands for settlement, £250,000: altogether, therefore, £950,000 borrowed for roads and lands. Now, I do not think the House appreciates what the borrowing proposals may be. It is all very well for the Minister to get up and say, "If you do not vote this you will not get roads." Well, Sir, there are things just as necessary as roads, and they are financial security and economy. We cannot in a colony like this, or in any other country, get all we want in one year, and I say this is the greatest extravagance, and that the colony cannot stand it, and that is why I stated a little while ago that we must have increased taxation. What would be thought of a Minister in England borrowing at the same rate that we are borrowing? Our population is one-fifty-seventh of that of the United Kingdom. What would be thought if a Minister in England proposed a loan of £54,000,000 for the purchase of land and for making roads? They at once would imagine he was insane. They could come to no other conclusion. I will give an instance: What did they do in reference to naval matters in 1889? What did they propose there? It was thought an extravagant vote when the Ministry asked for—what? For twenty-one and a half millions, to be spread over five years. We want at the same rate fifty-four millions for one year. Or, if you like to take all these borrowing proposals together—I am not referring to the Consols, because they

4.30. may be used for this and other Bills—we have £1,500,000 for advances to settlers and £950,000 for lands for settlement, making £2,450,000 of borrowing; and, at the same rate, the Chancellor of the English Exchequer would have come down and asked for a loan of £139,000,000.

Mr. SEDDON.—What did they borrow to get the land back in Ireland?

Sir R. STOUT.—I do not know what the honourable member is referring to; but if any proposal like this had been made by the Chancellor of the Exchequer in England, and he had come down and asked for £139,000,000, he would not have been able to maintain his seat for a single day. They would have considered him mad. And at the same rate we are asked to borrow an amount this year of £2,450,000. What I complain of in this Bill is that honourable members are continually having it thrown out at them that we do not want settlement because we do not agree to these borrowing proposals. But settlement proceeded when there was less borrowing just as quickly as now; and I say, except you lay down some well-defined scheme, that, in coming to this House threatening members by saying that they desire to oppose settlement and progress

you are casting a slur upon us, and your schemes for borrowing must land the colony in endless financial confusion. What did the people of England do after the close of the Indian Mutiny, and the United States after the Civil War? They reduced the national debt after the Indian Mutiny by £132,000,000, while after the American War the debt was reduced by the sum of £245,000,000. What are we doing? We are going to add to the public debt; and it means that for every million we are borrowing it costs us the sum of £35,000 to £40,000 a year. I say it is better to keep to some well-defined scheme, and by the Acts passed in 1886 to 1891, if carried out, you can obtain and open up land for settlement without rushing into this mad scheme. Then, again, this £40,000 which we have to pay on every million borrowed could be spent in making roads; and if you want information on this matter we have only to look at what took place last year in the tables of the Crown Lands Report, and see what actually occurred. I shall say no more about that, except one word as to the reference the honourable member made in my absence. He said the district railways were rotten purchases. I do not understand what the honourable member means by continually harping back upon what some past Government did, even if they did something wrong in the past, instead of discussing the Bill before us.

Mr. J. MCKENZIE.—You said settlement in the past was carried on as fast as it is now.

Sir R. STOUT.—I said it was carried on faster. I was not harping back on the past; and I was only showing that we could have settlement without borrowing schemes. I admit at once there will be greater difficulty in regard to settlement now than there was in the past, and for the reason that men have to go farther into the interior, and, consequently, there will be greater difficulties. The honourable gentleman wishes to cast a slur on the Government that passed the District Railways Act. Well, the honourable gentleman voted for it, and supported it; and I would not have referred to the matter but for the fact that this session, whenever Ministers are put in a corner and cannot answer fair criticism, they harp back to something that took place between 1884 and 1887. There, again, they are casting a slur on the memory of a member of the very Government who assisted and supported the very thing of which they are now talking—the memory of a man they followed.

Mr. SEDDON.—You were responsible, as the head.

Sir R. STOUT.—I am not responsible, any more than the honourable gentleman is responsible. Each member of a Ministry is responsible for his own function. But this continual harping upon the actions of their late chief is not creditable to Ministers. The total amount spent on the purchase of the district railways was only £489,000; and what railways did we get for that? For that sum we got 183 miles of railway, and I undertake to say that no railways have been so cheaply bought

in any colony in the British Empire. We got them at far less than they cost—about two-thirds of the cost; and then members should remember that in the case of those lines the colony was then paying 2 per cent. guarantee, and, as we got the money at 4 per cent., we were practically paying 2 per cent., and for this amount we got the Waimea-Gore line, the Duntroon-Hakateramea line, and the Rakaia-Ashburton line. Of course, the Rotorua line did not earn anything, because it was an uncompleted line, and until it was completed to Rotorua you could not expect it to earn money as a line for tourist traffic. But there was no objection to the purchase of that line. It would require too long a time to go into the defence of this matter, but it is easily defended, and the honourable gentleman, in talking so glibly, does not know what he is talking about. The honourable gentleman voted for the Bill in 1885, and he is now criticizing his own actions, and he is casting a slur upon what he did eight or nine years ago. I wish to say one or two words upon what occurred in Committee. I exceedingly regret that the Minister did not consent to some amendments in the Bill.

Mr. J. MCKENZIE.—So I did.

Sir R. STOUT.—Some of the suggestions I made I did so not for the purpose of injuring the Bill, but to make it more readable from a lawyer's point of view. When in Committee I did not oppose any clause, but anything I did was practically to make the Bill read better, and for the purpose of making our labours as perfect as possible. I am not going now to criticize the clauses of the Bill; I opposed clauses 2, 3, and 9, and I again repeat that they do not read correctly, and they are not what a lawyer would put together. I do not put the blame on the draftsman or the Ministry, as I know what happens. You get a Bill from the draftsman; the Bill goes through Cabinet, and amendments are suggested, and we often get the Bill here in such a shape as it would not be in if properly prepared at first. I wish to point out to the honourable gentleman that section 10 is entirely unmeaning. I pointed this out to the honourable member before. Section 10 says, "Any moneys appropriated to specific roads or bridges under this Part of this Act." There is not a single specific appropriation in the Bill. What is the meaning of it? The clause is utterly unmeaning. A clause like that could be made useful, and it is practically copied from a clause in the Public Works Appropriation Act; but it is not needed here, and is utterly useless, and it should not be here at all. I pointed it out to the honourable member, who did not think it necessary to deal with it. Another clause I wish to refer to relates to the conversion operations. I think that clause should be struck out. I refer to clause 24. I do not object to the Colonial Treasurer having the powers of conversion, but we ought to have one thing or another. If this is to be a local loan, why could we not take the money we are to get from our Consols, our Insurance, our Savings-Bank, or the Public Trust Office? If we are to rely on

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ourselves I see no reason why this section of the Bill should have been framed. I object in this Bill to the way in which we are borrowing in the colony. It is not as though we are raising the money in London, or for one, two, or fourteen years at 4 per cent. We do not do that. We write to the Agent-General and ask him to convert the stock we have issued in New Zealand. What does that mean? It is what was characterized by an English paper as "sly borrowing." We do not put the money on the London market; and when we go to the London brokers with this stock that is to be converted they do not think it is a new loan, they look at it simply as an old loan, and we are simply, by means of conversion, adding to a debt without informing our creditors. That is sly borrowing, and I do not think it is honest or fair to our creditors. The fair thing to do would be to go on the London market at once without resorting to this proposal. I believe we talk about the state of commerce and trade, but raising this money locally in this way does not tend to benefit either commerce or trade. It may be that we have money in the Savings-Bank and the Public Trust Office that cannot be invested, but that cannot be said when we are proposing to go directly to London for the purpose of borrowing money to lend to farmers. If we have money here we should have no need to go direct to London to borrow. I might have referred to the correspondence laid before the House relating to conversions, and told the House what really is the position of this question, but I do not wish to go further afield. I can only say, in reference to this particular Bill, that I think it is extravagant. I think it is too much borrowed money to spend on roads, too much borrowed money to spend on Native lands. The Minister might ask, What money scheme could be suggested without increasing the debt of the colony? Take "The Native Land Administration Act, 1886," under which the Minister could have got the Natives to lease their lands without buying it from them. That would not have injured the colony, and the colony would not have been plunged into debt. The only objection I have heard urged to that is that it would make the Maoris landlords. What do you mean by this Bill? If we borrow this money in London your real landlords will be the stock-owners at Home. They are the real landlords, and they get the sole power over us, and not the Maoris. The latter would have got their rents and spent the money in the colony. They are not people who are absentees; but under this Bill you are making your money-lender your landlord, in effect. He gets your money from you, he pays no taxes, but spends the money away from the colony, and you are giving this great benefit to absentees who pay no taxation and who spend your money out of the place at Home. I would further say, so far as the Maoris are concerned, they are utilising the land, and they can sell their rights to the Crown under the Native Land Administration Act. Parliament has the right to take from the funds the cost of rearing the lands and the cost of surveying

the lands, and, so far as Native lands are concerned, you can get them without borrowing; and you get your land opened for settlement, and you cease to be responsible to the absentee bondholders, to whom you have to pay the uttermost farthing. I could show various ways of arranging a better scheme without increasing the burdens of the colony, and it is therefore nonsense of the honourable member to say that if this Bill is not passed there will be no progress of settlement. We can have settlement and progress without plunging the colony into debt, and, depend upon it, a few years will show whether those who are now talking of this Bill not plunging the colony into debt under this wretched borrowing scheme will not regret it.

Mr. WARD.—I should like to point out one or two fallacies in the speech of the honourable member for Wellington City (Sir R. Stout). It is becoming customary in this House to make a comparison between this colony and England so far as our financial indebtedness is concerned. He said if England borrowed at the same rate as we are doing here she would require to borrow fifty-four millions per annum.

Sir R. STOUT.—No; £139,000,000.

Mr. WARD.—Surely the honourable gentleman, in fairness to the people of this colony, does not expect them to accept a statement such as that. Such a statement is calculated very seriously to mislead. What is the position? Take the honourable gentleman's own argument. Their population is fifty-seven times greater than ours. Take our indebtedness at forty millions. If the honourable gentleman's argument is worth anything, England ought at the present time to be indebted to the extent of how much?—£2,208,000,000.

Mr. BELL.—So she would be if you were Treasurer.

Mr. WARD.—I have no doubt the honourable gentleman is the possessor of what is commonly termed prescience. I have no doubt if the honourable gentleman had lived in times long gone by he would have been regarded as one of those forecasters of possible events whom it is desirable to get out of the road. It seems to me that in a case like the present the honourable gentleman's sense of reasoning for the moment is dimmed by his political prejudice against the Government. I think that is very much to be regretted. Now, coming to the arguments of the honourable member for Wellington City (Sir R. Stout), what is the position? According to his own argument, at the present time, it does not matter who is Treasurer of England—a position to which I do not aspire: I have quite enough to do as Treasurer of a country such as this—the position would be that England's indebtedness would be £2,208,000,000. Well, that would be so if the figures and arguments of the honourable gentleman were correct. The basis of the honourable gentleman's argument was this: That, England's population being fifty-seven times greater than that of this colony, if there were a similar proportion of debt their debt would be what he stated. I

say their indebtedness under such circumstances ought to be £2,208,000,000.

Sir R. STOUT.—No;—ought not to be anything.

Mr. WARD.—We have been borrowing at a certain rate: that is admitted. Our population is fifty-seven times less than that of England. That is a certainty, is it not? I say, then, if the honourable gentleman's argument is correct, England's indebtedness ought to be £2,208,000,000.

Sir R. STOUT.—Ours ought to be a fifty-seventh of England's.

Mr. WARD.—At that rate, ours ought to be a fifty-seventh of £2,208,000,000.

Sir R. STOUT.—No; a fifty-seventh of England's debt.

Mr. WARD.—If it should be a fifty-seventh of England's indebtedness, England's indebtedness should be—what?

Sir R. STOUT.—Nearly £700,000,000.

Mr. WARD.—The amount of their public indebtedness is £671,000,000. Does the honourable member ask the people in this country to accept that as a fair comparison? Does the honourable gentleman not know that railroads and many harbour works which we pay out of public funds and include in our national debt, are made out of private funds in England? In this colony, who has made our railways and harbours? Has not that expenditure been added to the ordinary indebtedness of the colony? I say that it has.

Sir R. STOUT.—Not the harbours.

Mr. WARD.—A great many harbours. Very well, take the railroads, and leave the harbours out. The private indebtedness of England on account of railways is £1,000,000,000. If you add the £1,000,000,000 to the £671,000,000, it amounts to £1,671,000,000. The honourable gentleman, in making his comparison with England, left out that £1,000,000,000 of indebtedness. There can be no question about that. All I wish to point out in connection with the honourable gentleman's argument is the absolute fallacy of the honourable member's argument in making a comparison between our indebtedness and that of England, when he leaves out the cost of the English railways and includes the cost of our railways. The honourable gentleman said that if the English Chancellor of the Exchequer went on at the rate we are going on it would soon end in national bankruptcy. I say this country is going on at nothing like the rate England has gone in indebtedness in connection with railways and other works I have mentioned. Even on a population basis that is so.

Sir R. STOUT.—In the railways the shareholders have the liability, and are not paying interest.

Mr. WARD.—Yes; and in the financial proposals which the Government have placed before the country at the present time that is precisely our position. The taxpayers will not be called upon to pay the interest.

Sir R. STOUT.—Not for the roads?

Mr. WARD.—Not on the bulk of this money. In the case of the £1,500,000 for advances to

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settlers, the return of rents and interest would recoup the colony: it would not increase the taxation. Take the £500,000 out of the £750,000 to which the honourable gentleman has alluded which is for purchase of Native and private lands: the whole of that expenditure would at once become interest-bearing, either by rents or by actual interest payable upon the amounts so expended. The bulk of the money which is being asked for will be reproductive as far as earning-power is concerned. Just a word or two in connection with what the honourable gentleman has said as to the Minister of Lands having obtained authority to spend £950,000. The honourable gentleman knows that £200,000 of the moneys to which he alludes is under the Loans to Local Bodies Act, and the honourable gentleman knows that last year, out of that £200,000, only £50,000 was set aside for expenditure by the Minister of Lands, and, of that sum, only £30,000 was actually expended.

Sir R. STOUT.—I said so.

Mr. WARD.—That is the position this year.

Sir R. STOUT.—I said so.

Mr. WARD.—The honourable gentleman also said that the Minister of Lands had £950,000 for expenditure on these works. But I would point out that the local bodies apply for their loans in the ordinary course, and that that expenditure is not made by the Minister of Lands at all. As to the £250,000 which the honourable gentleman said was to be expended entirely on roads, the greater portion of that money, I understand, is to be used for the purpose of clearing land, with the object of promoting settlement. That ought not to be included in ordinary road expenditure. If the greater portion of the £250,000 is to be expended in the clearing of bush for settlement purposes, it cannot be used for road-making.

Sir R. STOUT.—Do you know what was spent last year for roads?

Mr. WARD.—£180,000.

Sir R. STOUT.—The Minister of Lands spent £176,000 himself, besides what was spent out of the Public Works Fund.

Mr. WARD.—I understand that the greater portion of that money was expended in the maintenance of main roads.

Sir R. STOUT.—About £22,000 only.

Mr. WARD.—Well, deducting that amount from £167,000, it leaves £145,000. There is a very material difference between that amount and half a million.

Sir R. STOUT.—That was only in connection with the Minister of Lands.

Mr. WARD.—I understood the honourable gentleman to say that the Minister of Lands had £950,000 under his control. If £145,000 was expended on roads last year, it appears to me pretty clear that there cannot possibly be the increase which the honourable gentleman suggests next year.

Sir R. STOUT.—That includes loans to local bodies. There will be about £350,000 for roads.

Mr. WARD.—So far as I can gather, there is nothing like that amount for roads alone

provided in the financial expenditure of this year. I think my honourable colleague the Minister of Lands will be able to clear up that point. The honourable gentleman says, in connection with this road expenditure, that it is done upon no principle whatever. The honourable gentleman must know that this House, and not the Minister of Lands, is responsible for that; because the votes are placed before the House for it to affirm or reject. If there is no principle in the present system, the Minister of Lands is in no way responsible for that. He submits his proposals to the House after exercising the greatest care, and if the House assents to them I do not think the honourable gentleman should be accused of exercising no principle so far as this expenditure is concerned. My own view is that we should have the power of expending more annually in opening up roads for the development of settlement. I may point out that the London County Council spends a million every year on streets and roads. It gets no return whatever from that expenditure. But in the case of the bulk of the money the expenditure of which we are asking the House to authorise this year the Treasury will be recouped by the return of interest in the shape of rents.

Then, about these conversion operations: I think that was a most desirable provision. The honourable member, I know, is anxious to prevent the colony from becoming overburdened with debt, and so am I, and, I am sure, so is every member of this House; but the honourable gentleman ought to give others credit for endeavouring to exercise their intelligence to prevent that from coming about. Why are these conversion Acts on the statute-book at all? Conversion has of late years been used very successfully, and conversion was essentially part of the financial system of the colony. It is the natural sequence of obtaining money that in due course conversion operations should take place, and, if honourable members say that conversion is wrong, then the conversion Acts should be repealed.

Sir R. STOUT.—It is for the purpose of going to the London market.

Mr. WARD.—The honourable gentleman is mistaken. The conversion operations have been carried on openly in the London market. There was due publicity given, and the whole of the operations were well known on the London Stock Exchange. They were not kept in the dark upon the matter in the slightest degree; and to say that it was taking an unfair advantage in not doing the thing openly is to suggest what is not the case. I say that the conversions in the ordinary course have been carried out publicly, and were included in the deed-poll. The people most concerned would have the full knowledge of what was proposed to be done, and there can be no such thing as sly borrowing.

Sir R. STOUT.—The deed-poll is simply the power of attorney to your agents.

Mr. WARD.—It contains a good deal more than that. It contains the proposals for con-

version. It ear-marks the conversion operations. It contains the amount to be converted, and the rates payable. Now, I think that the honourable gentleman, in suggesting that the speech of the Minister of Lands was a slur upon the late Mr. Ballance, was doing the Minister of Lands a great injustice. I say, Sir, that every one who was associated with the late Mr. Ballance has the highest estimate of his character, and the highest possible respect for his memory; and, further than that, I will say that the policy which the present Government has adopted is the policy which the late Mr. Ballance was himself favourable to, and it is ridiculous to suggest that the arguments of the Minister of Lands were a slur upon his memory. At that time Mr. Ballance was not Minister for Public Works.

Sir R. STOUT.—The Minister for Public Works had nothing to do with it.

Mr. WARD.—He was only a member of the Government who were responsible for the acquisition of the private railways.

Sir R. STOUT.—He was just as responsible as any other member of the Government.

Mr. WARD.—The Government as a whole were responsible, and the honourable gentleman had no right to select the late Mr. Ballance as one upon whom the Minister of Lands had cast any slur, because I say no member of the Government would cast a slur upon the memory of the late Mr. Ballance. I should like to say this with regard to the honourable gentleman's statement as to this being an accession to the indebtedness of the colony: that he ought not to overlook the fact that this is a progressive country, which, in the ordinary course, for many years to come requires to have settlement promoted, where there will be large annual expenditure for the opening-up of roads for the settlement of the lands of the colony. And yet the honourable gentleman blames the Government for bringing down the most reasonable proposals it can suggest to the House for carrying out the policy of settlement in the colony. If my honourable friend knows of a more practical proposal he ought to suggest it, because if he can suggest a better policy for obtaining the necessary lands, and for enabling those lands to be opened up, I think the members of this House would be only too happy to hear of such proposals, and, if they were good ones, to accept them. But, Sir, we have recognised that the lifeblood of this colony must not be sapped. Settlement must go on. People must be settled on the land. Further roads must be opened up, and the necessary lands must be obtained, and the Minister of Lands, in his desire to obtain further lands for settlement, must have the necessary means at his disposal to purchase and road those lands. And how are you going to do this great work unless you have the money to do it? I say that the measure now before the House is necessary in the present position of the country. I do not believe that any impartial gentleman, looking into the details of the Bill carefully, will say that this is an unreasonable

amount of money to provide the Minister of Lands with to promote in every possible way the settlement of the country; and in my opinion increased taxation for this purpose is not justified, and will certainly not under these proposals be necessary. I can only say that the Minister of Lands has placed the whole position fairly before the House. This is part of the policy of the Government; and I do not admit what some honourable gentlemen say—namely, that the sum to be placed at the disposal of the Minister of Lands is any more than the circumstances of the country warrant.

Mr. BELL.—Sir, I should be very glad to have time to refer to one or two statements made by my honourable friend the Colonial Treasurer; but I remember that the number of his noughts is becoming almost historical, and I think he will, after reconsideration, be able to reply to himself—to reply to his own arguments outside this Chamber. I shall not occupy more time than I can help in referring to a matter which came up in Committee on this Bill. On that occasion I made a speech which the Hon. the Minister of Lands described as cruel, and he invited me to meet him on some country platform, and promised that his friends would subject me to such a bombardment of rotten eggs and bags of flour as would effectually close my mouth.

Mr. J. McKENZIE.—The honourable gentleman is not quoting what I said. What I said was, if the honourable gentleman went to any country platform and made the same speech he would stand a good chance of getting rotten eggs.

Mr. BELL.—I do not want to argue about terms, but the Minister invited me to go with him to a country platform; and I will accept the statement now made by the Minister that if I expressed the same views I should stand a good chance of having my mouth closed with rotten eggs and bags of flour. He went on to say of me that I do not represent my constituents in the City of Wellington, and, in his own eloquent and terse phrase, he said, "You will never see Wellington again." As the proceedings in Committee are not reported, I think it is only fair to those who, whether I represent them properly or not, are at the present moment my constituents, and to the electors of this provincial district generally, that they should have an opportunity of knowing what I did say. I shall now briefly restate it, in order that on some future occasion, if, as the honourable gentleman thinks, they still hold with him, they may proceed to provide themselves with the unsavoury arguments by which he expects I shall be concluded, if not convinced. I am now going to restate the position which excited the indignation of the honourable gentleman. I pass by one matter with a mere reference. I advised the honourable gentleman to use that language not to me, but to his supporters on that side of the House; at which the honourable gentleman took what I conceive to be entirely unreasonable offence, which drove him to make a direct attack upon

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myself. I did not intend to say anything offensive to the honourable gentleman. The honourable gentleman indicated that he would offer opposition to me at the next general election in Wellington; but it is only in the nature of things that he should do what he has done in the past—that he should do his best to keep me out of Parliament. Had I been on that side of the House his opposition might have had some effect. Now, Sir, with the exception of one or two clauses in the Bill the third reading of which is now before this House, I supported it, as I have always strongly supported the expenditure of the moneys of the colony upon improving Crown lands before settlement. And I also with perfect consistency supported the amendments of the honourable member for Dunedin City to introduce in the earlier clauses of this Bill such a provision as would insure that the moneys raised should be expended on roads and bridges on Crown lands, and should not be used for the purpose of works in settled districts. I was, I say, consistent in that. I then said, and I reiterate, that roads and bridges are local works, the cost of which ought to be provided by the locality out of local rates, or local loans for which interest and sinking fund are provided by the locality. I said, and I reiterate, that there is only one exception to that rule—namely, that the Crown lands of the colony may be improved before sale out of colonial moneys, in order that higher prices might be obtained. I say that is proper finance, and carrying on the business of the colony on business lines. Then I was attacked and appealed to by the honourable gentleman and by others, who asked me what I had to say with regard to settlers who had recently been settled upon Crown lands and who were without reasonable means of access, and I replied that those men had obtained their land at a price or rent fixed having regard to that inaccessibility, and that, therefore, they ought themselves either to provide out of their rates the means of access to their lands, or to do it out of borrowed money, of which they themselves should pay the interest and the sinking fund; or that, if they were to have the moneys of the colony for that purpose, they should pay a betterment tax, inasmuch as their lands were let to them at a rent based on the inaccessibility, and made accessible out of borrowed money. To that the honourable member for Masterton gave an answer quite logical. He said that my premises was wrong—that, in fact, the price paid was a price which was only fair if the land had been accessible. I do not agree with him; but, if it is so, it shows how unjustly our land-laws are administered. Now, I admit, and never was so silly as to refuse to admit, that the construction of roads and bridges through a settled district might be necessary for the purpose of opening up Crown lands adjoining and surrounding it. I did not object, or seek to object, to expenditure of that kind, nor did the amendment of the honourable member for Dunedin City limit such expenditure; but what I said, and what

I reiterate now, is this : The honourable gentleman, the Minister of Lands, has taken a letter of license by this measure. He is permitted to expend the money either in the improvement of Crown lands or in the construction of roads and bridges within settled districts. He tells us he has still to lay proposals for specific works before Parliament; and I admit that, though I do not think it is put in very precise terms, but, still, I will concede that to him and admit it. But honourable members know that it is mere pretence to say there is anything in the schedule to prevent the Minister from spending the money as he pleases. The rolling of the log is not a new game, and never will be so long as you have borrowed money. I expressed the opinion that the honourable gentleman would not be able to resist the pressure brought upon him by honourable members and by deputations from districts. I said he would not be able to resist the pressure; and, indeed, honourable members on his side agreed with that view, and expressed a belief that the West Coast would get a considerable share of this money for settled districts. I want the borrowed money, if it be borrowed at all, to be spent upon the lands of the colony, and in the improvement of the lands of the colony, and not in the relief of settlers from local rates. If money is to be spent in that way, I do not see why I should not have a road made in the City of Wellington out of colonial loan-money for the convenience of its inhabitants. I object to that in principle; but it would be as justifiable as some of the things which the honourable gentleman has taken a license for under this Bill. I say the rolling of the log is not a new game, and the rolling of the log is beginning again as fast as the honourable gentleman can set it in motion by pouring borrowed money into the colony and laying these schedules on the table.

Hon. MEMBERS.—Oh, oh!

Mr. BELL.—It is not corruption. No honourable member has anything to gain to himself. But, instead of sitting here to represent the country, each honourable member thinks, when borrowed money is going about, that it is his duty to his constituents to get some of this money. He thinks it is part of his duty as a representative in this House to do that: and that is the injury which is done to our whole political system. The Public Works Statement is held back now just as it has been held back in the past, and the reason why it is held back is simply this: that it gives opportunity to measure the merit of a constituency, and the desirability of providing expenditure among that constituency, by the political conduct of the representative of that constituency in this House. Sir, that is the reason why the Public Works Statement is held back; there is no other reason.

Mr. McGOWAN.—What a fund of information!

Mr. BELL.—The honourable member for the Thames says, What a fund of information! I do not suppose I am giving the honourable

gentleman any information in saying that. He knows it perfectly well without my stating it. I am simply stating a fact which he and other honourable gentlemen seek to keep out of the pages of *Hansard*. But it is a fact that by Bills of this kind, which give a license of this nature, the Minister is only seeking to carry on the same unfortunate and unhappy demoralisation and degradation, which has been subversive of the principles that should govern the representatives of the people in this House.

Captain RUSSELL.—I should like to say a few words, and to congratulate the House on the advance that is rapidly being made. The time was when there was no honourable member on the other side of the House who would allow there was any attempt to borrow on the part of the present Government. Sir, the most sophisticated arguments were adduced by members on that side, one after another, to prove that under no conceivable circumstances could it be alleged that any borrowing proposal had been submitted by the Government. I am glad to see, however, as we get on, and as the new members on the Government side are beginning to realise the true position of affairs, that they are beginning to admit there is very considerable borrowing in the proposals of the Government. It is a comfort, after sitting here for three months, doing very exhausting work to find there is still a laugh left in the honourable gentleman. It is no longer a question with the Government party whether there is borrowing or non-borrowing. It is now a question whether it is hundreds, or thousands, or hundreds of thousands, or millions; and they have not yet quite arrived at a conclusion, but they are beginning to think that it is a number of millions the colony is borrowing. The Colonial Treasurer just now was completely outside the mark when he endeavoured to prove that the senior member for Wellington City was wrong in his comparison between the debt of New Zealand and that of England. I do not know what the arguments he attempted to put forward amounted to, because the Colonial Treasurer got so confused that it was impossible to follow him. He went on to say that, if there was a comparison, it was a comparison favourable to New Zealand. He proceeded to speak of thousands of millions which were embarked in private concerns in the Old Country, which here are charges on the debt of the colony. But he forgot one or two essential particulars in the arguments he adduced. He drew his comparison of the railways in England and New Zealand, but forgot to tell the House this: that our railways are made entirely out of foreign borrowed money, that the locomotives of our railways are manufactured in Europe, the very rails they run upon are made outside, and the whole of the money therefore is borrowed, and interest sent back again from this country. He forgot to tell the House that the circumstances were entirely different in the case of England, inasmuch as there the whole of the money to build the railways is found within the four corners of England. The locomotives

are manufactured there, and the railways are made in England with English money, and therefore money is not sent out of the country as in the case of this colony, but is only an investment of the country itself within its own borders. Our circumstances are altogether different. He did not say that England owns one thousand millions of money lent to other countries, and that, whatever embarrassment there may be in connection with railway investments, the interest the thousand millions return to the people of England is expended in England, and therefore there is not likely to be experienced there the distress that our borrowing will bring about in New Zealand. The honourable member for Wellington City spoke of the log-rolling which is going on very fast, and he takes a more charitable view of such matters than I do myself. He thought that the rolling of the log was primarily in the interests of the constituencies. I should take a different view to that. I should say it is primarily in the interest of the man who rolls the log, and that the constituency is quite a secondary consideration: to keep himself right with his constituency is probably the motive that gives the impulse to the log. But, unfortunately, now we should not compare the public-works policy with the rolling of a log, but rather with the rolling of a snowball. A short time ago this Government called itself a distinctly non-borrowing, self-reliant one that was rolling a comparatively small snowball. During the three or four years they have been in office they have kept rolling, and rolling, and rolling until their policy, like a snowball,—different from a log,—has been one of continual increase of borrowing, until now we find a snowball so large that probably the country will be unable to bear its weight much longer, and it will melt, under the genial sunshine of true criticism, until nothing is left of it but a mass of dirt accumulated in its travels. The Colonial Treasurer said to us, "It is all very well to say we must not go into debt; but how else can we get roads?" And he requested the senior member for Wellington City to suggest some scheme by which we could get roads without further borrowing. This Bill is most iniquitous, inasmuch as it mixes up two matters—one borrowing for the improvement of Crown lands, and the other for the purchase of Native lands. It was skilfully done, no doubt, inasmuch as there is £250,000 for the improvement of "new-acquired land," as it is termed; but, as has been pointed out by many honourable members who have already spoken, it gives power to the Minister to use this money in any part of New Zealand he thinks fit. Whatever the intention of the Government may be, there is no part of New Zealand in which roads and bridges cannot be made at the will of the Minister if he chooses. I may be told that Parliament will be asked afterwards to ratify what the Minister has done. We have seen a Serjeant-at-Arms sitting in this House against the will of honourable members, but because Ministers say, "Ratify this appointment;" so they will ratify any schedule the Minister may bring

Captain Russell

down. So long as they have their present majority, so long will that majority agree to, without consideration, anything put before them. So do not let us console ourselves with the idea that there is parliamentary control. We have seen the Minister in his somewhat passionate manner do what he chooses; and so with the same strong will he compels his followers to do what he chooses. And it is the Minister of Lands who is to arrange in the future wherever a road or a bridge is to be made, and his colleagues and Parliament may do what they like if they do not choose to agree with him. Here is an undesirable set of circumstances, a precious state of things. Colleagues and Parliament are to be cast aside, and the Minister is to do exactly what he pleases. The Minister may laugh, but he knows that I am correct in saying what I say. I have a thorough dislike to giving such power to the Minister. I am convinced it is injurious to the colony; and I am also convinced of this: that, though it may be held desirable to borrow a certain sum of money annually, even then there is no very urgent necessity for it—certainly not to the extent mentioned in this Bill. It is quite possible to get sufficient funds to carry on all the roading that is required at the present time without having to borrow. On further consideration of the subject, and after looking into the figures, I find that, as for the figures of the Colonial Treasurer and his argument, they are worse even than I supposed them to be. Now, taking the debt of England at £675,000,000—I do not know the exact figures, but some honourable gentleman told us it was about that—and adding the cost of railways, £1,000,000,000, we arrive at a gross total of £1,675,000,000 for the consolidated debt of England, with the railways added, as against £40,000,000, which is the public debt of this colony. But it has been pointed out that the population of England is fifty-seven times greater than that of New Zealand, which proves this: that, taking the railway debt as a part of the public debt of England,—which it is not,—and comparing the gross amount with the public debt of New Zealand, we find that if the public debt of England were to be of the same proportion as it is in New Zealand it would amount to £2,280,000,000, as against £1,675,000,000, which the debt of England coupled with the cost of the railways really is at the present time. However, if you take the figures in another way it will still show that the indebtedness of New Zealand is infinitely greater proportionately than that of England. Deduct the cost of the railways in both instances from the sums which I have already quoted and it will leave the balance still more unfavourable for the honourable gentleman's argument than it now appears, because, on the same principle, multiplying by fifty-seven—the proportionate population of England being fifty-seven times greater than that of this colony—if the debt of England were to be taken at the same proportion as ours, their public debt would amount to £1,475,000,000, instead of

£2675,000,000, which it really is. Probably if the indebtedness of the local bodies of both countries were also taken into account our position would appear to be really worse than it appears from the last calculation. As I have already said, I believe there is a better system of getting money to road the country than this very expensive system of borrowing that is now being urged upon the House, and it is this: Whatever our opinions may be upon the nationalisation of the land, every honourable member must agree that, as the larger proportion of land has already passed from the State into the hands of private individuals, the nationalisation of the estate of the colony is practically an impossibility, and therefore the Government might well continue to sell; though I know there are persons who think that to sell an acre of land is wrong. I hold a different opinion myself. But, leaving that on one side for the moment, there can be no question that, so far as the land-tenure of the colony goes, it is impossible to nationalise the land. Therefore, having parted with the land to a certain extent, would it not be better to sell or lease what remains, under the land-laws of the colony? For my own part, I have always held that what is called the lease in perpetuity is in itself most iniquitous. We are practically giving away the estate of the colony for no purpose. Though I am told there is interest chargeable on the leasehold, yet the fact remains that as the land continues increasing in value the State will not reap the advantage accruing from that increase. Instances of this increase will readily occur to every person. The value of some land will increase tenfold or even a hundredfold within the next fifty or one hundred years, and, as the persons who take up land under the lease-in-perpetuity system only pay interest on the original value, and as some of this land, which is now sold merely as country land, will be the sites, I hope, of busy and prosperous towns, the colony will derive no advantage whatever from parting with that land on what I call the entirely wrong system of giving it away instead of reaping the advantage which is to be got from it by selling it. We should do this, instead of borrowing largely: and the need for such sums as we are now asked to authorise for land-purchase does not exist, so far as any immediate requirement is concerned, because there are large areas of country still unoccupied and unsettled. And, though I think it desirable to buy Native land, there is no necessity for so large a sum as £250,000 being authorised for buying land in addition to the £50,000 a year already authorised. I do not care to discuss the amount which the Government will have at their disposal for making roads and for the purchase of Native lands. Under this Bill there is, to my mind, an iniquitous provision by which money apparently devoted to the purchase of Native land can in reality be employed to open up roads to give access to Native land. Take that definition in its narrowest sense and you will find that it affords opportunity for a great deal of Ministerial patronage. Take it

in its widest sense, and there is scarcely a part of New Zealand in which money cannot be spent on roads and bridges under the nominal and flimsy pretext that it is being spent in giving access to Native lands. It seems to me to be quite wrong. However, reverting to the subject I was dealing with, I should very much prefer to see a certain sum devoted annually only to the purchase of Native land. Surely that would be wise and in the interest of the colony, because we must bear this in mind: We are now asked to pledge the credit of the colony, of every individual in the colony, for the purpose of giving away land to certain individuals—to certain favoured individuals, I may say. I do not mean that they will be favoured by the department; but, still, it must be felt that these persons will be favoured individuals; and yet every person in the community will be liable to taxation if the circumstances should be such that the Crown tenants are not able at any time to pay their rent: that is to say, all will then be liable to taxation for the benefit of the few. Now, surely it would be better, when a large piece of country is bought by the Government, that it should be opened up for settlement; and, instead of giving away the whole of this land to persons under lease in perpetuity, it would be desirable to divide it into such sections that you should have all kinds of settlers represented. In other words, what I advocate is that a certain area of land should be laid off for cash sales and a proportion for lease under the perpetual-lease system. The money derived from the cash sales should be expended in forming the main roads through the block, so giving employment to the perpetual-lease holders during the early days of their occupation. There is a great deal to recommend the perpetual lease, but nothing, that I see, to recommend the lease in perpetuity. But if the system were adopted that I suggest it would encourage persons with limited capital to take up land. I do not believe it is a wise thing to put persons absolutely devoid of cash on bush-land. To put men without one penny of their own on bush-land means that they will have absolutely nothing to live upon, and that they must live in continual hardship for many years—that sort of hardship which is incidental to the settler's life in a new district. I do not attach much importance to that, because the man who is not prepared to undergo hardship of that kind is hardly worth considering, and, if these men struggle on for years successfully, it will not be in misery, for so long as there is hope it will be nothing but a pleasure. But the inevitable result of putting men on the land without capital must, in my opinion, be that at the end of, say, five years or so these men will fail, and have to be bought out by those who have acquired a little capital, and they will reap the benefit of all that has been done by the original occupiers. Therefore, I say, such a scheme as this might be devised: that certain areas of land should be sold annually, and other lands opened up for selection under the per-

perpetual-lease system, to allow those with small capital to go on the land; and the perpetual-lease holders would have the advantage of having roads made by persons with capital, who wish to settle on land, but are unable to purchase land as they wish to do. This was evidenced the other day by a letter which the honourable member for Wellington City (Mr. Duthie) read from a gentleman who had been anxious to settle in New Zealand, but was frightened away by the policy of the Government. I know, myself, of similar circumstances; but if sufficient land were opened up annually for sale, and if arterial roads were constructed through blocks to enable them to be comfortably occupied, this would be obviated. It seems to me to be an utterly disastrous policy to go in for further borrowing. But if we allow men with capital to purchase land, they would give employment to the perpetual-lease holders during the earlier years of their occupation, and there would be the double advantage of having the roads made out of the land—which seems a quite legitimate principle—and of giving employment to those men without capital who are prepared to go on the land, until they are able to make a living out of it. That is what I wish to see. I should like to make a remark upon the observation of the Minister of Lands that he declined to consider the position of the North Island Trunk Railway. Money has been advanced from the funds set apart for the construction of the North Island Main Trunk Railway for the purpose of making roads, and for other purposes in connection with the supposed advancement of that railway; and, seeing that under this Bill it is contemplated to take money out of a fund—money which has yet to be raised—to recoup the Consolidated Fund for the moneys expended up to the 31st March last—I cannot see why the principle should not be further extended. We are not likely to expend a quarter of a million this year, and why, therefore, a portion of the money advanced to the Public Works Fund from the North Island Main Trunk Railway Fund should not be restored to it, so as to allow the line to be pushed on, I cannot understand. I would invite the attention of the House to the fact that large sums of money have been paid from the North Island Main Trunk Railway Fund to make roads to give access to lands on the West Coast, particularly from Wanganui, Pipiriki, Hunterville, and other places, and I would urge that there is a legitimate claim on the part of the people who live in the neighbourhood of Gisborne and the East Coast to similar consideration; and I hope the Minister, when he has passed the Bill, which is inevitable, will take into consideration the large area of country on the East Coast which has benefited not one iota, and which under his proposals, unless my vision is distorted, will be liable to the further taxation which must be imposed on the colony within the next two years to make up for the expenditure under his administration.

Mr. HEKE.—I wish to express a few words

Captain Russell

in reference to the amount set apart to be borrowed for the purchase of Native land. I think, myself, there is no necessity whatever to borrow more money to purchase Native land. I think the aim of this Government, and of every Government that may come into power, should be to try to settle all the Crown lands at the present time, and all the lands purchased from the Natives year after year, instead of borrowing more money for this purpose, which amounts to nothing but placing more taxation on the people. The aim of the Government should be to try to recoup all the money spent in purchasing Native land. If such a position could be taken, no doubt any Government that may come into power would be able to purchase Native lands when the colony is in a position to realise they are in the receipt of revenue that goes towards the extinguishment of money borrowed for this purpose. I know quite well every Government wishes to make a record in the purchase of Native lands. I think that is a folly that should be put a stop to for at least ten or twelve years, and the attention of every Government should be turned to settling the people on the land and getting a source of revenue to extinguish the money borrowed in the past. I intended to test the feeling of honourable members last night in reference to the amount set apart in the Bill; but I thought it was not advisable, nor of any use, to call for a division on it, as the evident inclination of every honourable member is towards purchasing Native land year after year, which I think to be a great mistake. Although I do not wish to say a great deal in reference to the moneys intended to be borrowed for roads and bridges—and I think it is advisable that money should be obtained for that purpose—I do not agree with the amounts, as the strain on the taxpayer is already heavy enough. The cry is raised at present to reduce the tariff. Well, I think, if the step in the direction I mentioned is taken it will be one in the right direction—namely, that of allowing taxation to be relieved on the taxpayer. I merely wish to protest against the large sum intended to be borrowed for the purchase of more Native land.

Mr. BUTTON.—I have only a few remarks to add to those I made on the second reading of the Bill. It appears to me that this Bill is simply a pill coated with sugar. The sugar in the Bill consists in its reference to roads and bridges; the nauseous part of the Bill has reference to borrowing money for this purpose. A little time ago the colony, from the North Cape to the Bluff, protested against any further borrowing, and I believe that nearly every member gave some pledge to his constituents that he would oppose any further borrowing. It was the cry throughout the length and breadth of the land that we had had enough of borrowing. I find on reading the papers that wherever a candidate spoke against increasing the debt of the colony by borrowing that sentiment was hailed with cheers. But now I find honourable members are ready to take this Bill—to swallow this pill, as I call it, because of its sugar-coating with reference to roads and

bridges. I know that the country, from one end to the other, does desire that roads and bridges should be constructed; but before the last election the country had that before it just as much as it has now. The question was just as much the burning question before we addressed the electors as it is on the present occasion, and, notwithstanding that the country settlers felt the necessity for roads and bridges, they did not desire that these roads and bridges should be constructed with borrowed money. If the sentiment of the settlers has changed, then I say, Let us have roads and bridges with money borrowed on a fair and open basis—let it be understood we go in for borrowing money for that purpose, and let the roads and bridges be specified for which the money is to be borrowed. I should have far less objection to the borrowing of money if it were to be devoted for certain specified roads and bridges scheduled in an Act or declared by Parliament. But when I come to this Act there is neither one thing nor the other. There is no guarantee that any particular road should have any particular sum. Indeed, it appears to me not to give relief to present settlers at all. The object is not to construct roads for or give facilities to those already on the land, but the first object, I believe, is to provide roads and bridges in connection with land that is to be purchased; so that if this comes into effect the settlers who expect that they will get something that will help them will find themselves very much mistaken. I say that this Bill misleads the settlers now on the land, as it will be found to give very little relief to those who are at present on the land. I believe one of the main features of the Bill is to enable the Ministry to advance money to those who have no money, in order that they may go on rough bush-land and endeavour to bring it into workable order. I quite agree with the honourable member for Hawke's Bay in this respect. He has had experience in these matters, and knows that it requires a considerable amount of experience to prepare a man for a farmer's life; and you cannot, by simply advancing a little money to men, enable them to go on to rough bush-land and become successful settlers at once. I wish to emphasize this: that this Bill is what I should call a fraud. It pretends to be a Bill to assist with roads and bridges settlers already in the country, whereas it is nothing of the kind. The money is to be advanced in connection with lands that are going to be opened up, and not those already settled. I protest against this Bill. It is only a sweet morsel held out to tempt settlers, and is entirely misleading, and I protest against money being borrowed for this purpose. If the country from north to south has changed its mind with regard to borrowing, next session we shall have learned it, and be prepared to support borrowing for legitimate purposes; and what I call legitimate purposes are those we have already expended money on. I believe that the money we have borrowed in the past for public works will give far better value than any money expended under any of these experi-

mental Acts which the present Government are initiating. I shall oppose the third reading of the Bill.

Mr. G. J. SMITH.—I shall support the third reading of the Bill. I voted for the second reading without making any remarks, as I did not wish to hinder the consideration of the Bill in Committee at the earliest moment. I should now have voted for it with much more pleasure had it had one or two alterations. I do not propose to discuss the Bill at any length, because I realise that at such a late period of the session the sooner we get some Bills passed through and into the other House the better for our prospect of an early close of the session. But I must express my opinion, in view of the fact that we have already agreed to raise £250,000 for the purchase of lands, that the amount proposed in this Bill is excessive. However, as the "true Liberal party" are strong enough to carry any sum that may be put in any Government measure, I suppose we must abide by the decision of the majority, and let the Bill go through. But there is one principle I regret is not put in this Bill, and that is the one embodied in the amendment moved last night, providing for the retention of the fee-simple by the State, and a periodical revaluation of the rent to be paid for land acquired under the Bill. I am a firm believer in State ownership of the land, and I think it is to be regretted that the House has, for the second time this session, refused to acknowledge this principle. The time, I think, is not far distant when the country will demand that the land-laws of the colony shall be changed and State ownership be recognised as the leading principle of our land-laws. It has been said that revaluation is unfair, but I merely point out that a revaluation may either be upward or downward. If the land becomes more valuable through the expenditure of public money and increase of population, or other causes, then undoubtedly the rental value of the land will be higher; on the other hand, if the value of produce falls, or if from various causes the value of the land is low, the rental to be paid will be reduced; therefore either way you look at it it is fair. I again express my regret that members of the House have, for the second time this session, refused to admit the principle of State ownership of land, with periodic revaluations of rent.

8.0. Mr. COLLINS.—I do not wish, Sir, unnecessarily to prolong the debate on the third reading of this Bill, but, as it is a matter in which I take a very great interest, and on which to my constituents I expressed very pronounced opinions, I feel justified in making one or two comments on the Bill at this stage. I may say, Sir, that during the election campaign I repeatedly and strongly advocated the purchase of Native lands for settlement purposes, and I have watched the passing of this measure through the House with a very considerable amount of interest, and interest of a very deep character. I am under the impression that this House has passed no more important measure than this

during this session. The whole of the details have been so much discussed that I shall endeavour, for the few moments I intend to trespass upon the attention of honourable members, to confine my observations to one or two points. The honourable member for Hawke's Bay, who referred to the speech of the Colonial Treasurer, endeavoured to disparage the arguments that honourable gentleman put before the House by pointing out that there was a very distinct difference between the indebtedness of private companies in England and the indebtedness of this colony. Over and over again it has been suggested that, if, in referring to the indebtedness of the colony, we take into consideration the fact that this colony has engaged in very expensive enterprises which in the Old Country fall to the charge of private companies, the relative positions of the two countries would stand very differently. It has been argued that our indebtedness during the past fifty years has increased at a rate altogether out of proportion to the indebtedness of the Old Country. Sir, the Colonial Treasurer has pointed out—and I would again draw attention to the fact—that in the Old Country very large sums of money are expended upon works of a public character, which moneys are drawn from the purses of private individuals—of private companies. In this way more than one thousand millions of money have been expended during the past fifty years on railways alone. Now, what was the reply of the honourable member for Hawke's Bay to the Colonial Treasurer's argument on this point? He says there is no comparison, because the moneys so expended are expended within the Old Country—that is, within the country in which they are raised; they were their own, drawn from people in their own country, and did not represent loans, such as the money raised for this colony represents. But if the honourable member will deal with this matter fairly—if he will not draw, as has often been said, a red-herring across the scent on this point—I think he will see there is really a very cogent argument from this standpoint. Although it may be true that these moneys are withdrawn from private persons within the country, and are expended within the country, and so cannot be termed a loan, they nevertheless represent a loan drawn from one portion of the community, the interest on which very largely comes from another portion of the community. It may be termed a loan within the country as truly as honourable members have used the term with regard to the raising of Consols within this country. The argument is exactly the same. But I would draw the attention of the House to a remarkable difference between this country and the Old Country. What is the national income of the Old Country? It is £1,250,000,000 per annum, out of which £200,000,000 represents rent and £250,000,000 represent interest. No wonder the Old Country can find funds for the construction of her own railroads without raising external loans when there are classes of private individuals within the Old Country in

Mr. Collins

receipt of such huge sums as £200,000,000 per annum for rent and £250,000,000 per annum for interest. No classes in this country are in receipt of incomes of anything like the extent of the incomes in the Old Land. And yet, what have we seen within the last fifty years? This country fifty years ago was, practically speaking, without any of the arts and appliances, the means and methods, of civilised communities. What has been done within the past fifty years? Within that time so effectually have the features of this country been transformed that persons coming from the Old Country now practically feel that they are simply stepping from one portion of Great Britain to another. They find all the means and appliances characteristic of civilised and settled communities. Now, it was impossible that this could have been done by expending money belonging to those within the colony. The people who came here were not the possessors of millions in rent and interest, and, when public works demanding such an enormous expenditure had to be carried out, it was absolutely necessary that these moneys should be obtained from a country where people were in possession of moneys that could be lent out for this purpose. I think, when we take these facts into consideration, we shall really see that there is a very considerable amount of argument, and of cogent argument too, in the material advanced by the Colonial Treasurer. Sir, I am convinced that no measure has been more demanded by the country than this measure for the settlement of the Native lands. As I said before, it is not my desire now, once again, to traverse the details of the measure. I simply desire, on the third reading, to say I believe no more useful work will have been accomplished this session than the bringing of the Native lands within the possibility of immediate settlement. I believe that will add materially to the prosperity of the country. And, Sir, while it has been urged, and may still be urged, that we are losing sight of the towns, I would again point out that the success of the country means the success of the towns, the prosperity of the country means the progress of the towns; and I feel quite convinced that if honourable members would only take a broad and generous view of the matter they would realise that they could not do better work than by setting themselves to the passing of this Bill.

Mr. EARNSHAW.—I am opposed to this measure because it is one of the number of borrowing Bills, and I oppose it all the more because of the very peculiar ground the Government have taken up in this matter. The Government, having seen, generally speaking, that the centres of population in New Zealand were opposed to a borrowing policy, and realising that it was necessary for them to control and hold the country votes, have, with great astuteness, put the borrowing to what may be termed country purposes. In other words, instead of raising money to enter upon a public-works policy, they are raising money primarily for the country districts—that is,

under cover of the department of the Minister of Lands. Now, there is one amendment which the Minister has himself made in clauses 4 and 5 which I think is a very proper amendment, and that is, the striking-out of the word "person," and putting-in of the words "number of working-men comprising an association." That, of course, will stop any man from being able to pick out the eyes of the Crown lands, which, with the Bill as it came down to us, would undoubtedly have been done. However, I oppose the Bill because it seems to me that, as has been well said, log-rolling, so far as the country votes are concerned, will be the order of the day. I endeavoured to get the word "Crown" inserted before "Lands" so as to read "Crown Lands Improvement," and I think I had good grounds for doing that, seeing that this House had voted a million and a quarter for the purchase of lands for settlement, and that in this Bill it also proposes £200,000 practically for the purpose of purchasing Native lands—that is, £200,000 for lands and £50,000, I believe, for roading these lands. Now, I think if we had a far smaller amount for roads and bridges, and confined specially to land the Crown is purchasing, then the Crown would get back the money by the enhanced value it would put upon these lands before they were settled upon. The Bill as it is now gives the Minister of Lands the control of half the votes in this House, and that, I believe, is really the main object the Government have in view in putting the Bill forward instead of bringing down the proposals in connection with public works. That, at any rate, is the way in which I look at it. This Bill, and Bills which the Minister of Lands has brought down, practically covers £800,000 of loan-money, and I say there was no member of this House returned to support any such policy. I am quite sure of that, for I have read most of the speeches of honourable members when they were addressing their constituents. I think I have read nearly every speech of every member. I went through them all, and my opinion is that the whole, or nearly the whole, party were returned to carry out the policy of the late Mr. Ballance—a non-borrowing self-reliant policy; and, instead of that, here we have proposals for £800,000 of borrowing for dealing in lands and roads. Behind this, we have other proposals for advances to settlers, and the Consols to wipe out the present issue of Treasury bills. I think, as I said before, the Government should have allowed honourable members to consult their constituencies as to whether these proposals were what they desired or not. I quite realise that no country member in this House can trust himself to oppose this measure, because every country district in New Zealand is in want of better roads—wants roads to sections that have been sold in the past but which are inaccessible, and the general wish is to see every district developed. Of course, if any country member were to oppose a measure of this kind he would be in very great danger of coming into conflict with his constituents. I quite admit that it has been a very astute

move on the part of the Government to put the new policy under the administration of the Minister of Lands, because, if they had come down to the House with borrowing proposals for public works for the construction of railroads, there is no doubt that those members who have no railroads in their districts could not have supported the vote. At the same time, though this vote is under the Minister of Lands, yet, practically, it is just as much a vote as if it had been raised for public works, because the sums of money that would have been taken out of the Public Works Fund will not come under this heading, and larger sums can be voted for public works and for railways. Whichever way you look at it, it simply means, after all is said, that the public works are to be supplemented by £300,000, because there is £250,000 for roads and bridges under this Bill, and there is £50,000 under the 1891 Act. It is very curious that, when in Committee, the Minister made very indistinct statements with regard to these loans to local bodies. First he did not know anything at all about it, then he was not going to use it, and then he made another remark, that it would be in one of the schedules he would bring down. That he should have made the three statements is one of the curious things that we often hear from the Ministerial benches. Then, there is the £50,000 more for Native lands. That really means £350,000 for the roads and bridges of the colony this year. Now, I say no member of this House was returned to support any such proposal. Not a country member was returned on that condition. Of course, there is also the £250,000 for land for settlement, and £250,000 for Native lands, making £450,000 for land-purchases this year. I am a strong believer in, and have always supported, the idea that the proper function and duty of the Government was to deplete the cities and get men on the land as fast as they could do this properly. There is no need for the Government to go in for this excessive land-purchasing when we have such a large amount of Crown lands available and already in our possession. It would be better that the money should be devoted to the roading of Crown lands we have already; and I consider the Government could open up four times the amount of land—land quite as good as the land they are purchasing under this Act. Of course, these lands are not so accessible as the land they intend to acquire, but I have always held it is not the duty of the State primarily to find land where the people desire it. So long as there is land vacant in the colony, there is the place for them: so long as the Government give them proper access to it, that should be sufficient. Now, I said before that I believe this money will be spent for log-rolling and controlling votes in this House, and that the bulk of it will not be spent in developing the Crown lands that the Ministry are going to purchase. I am sure it will be found that, when the Public Works Statement comes down, the ordinary sums of money that we have found in the past appear-

ing in that Statement for roads and bridges will really come out of this vote, and therefore this means simply and purely the raising of loan-moneys for a public-works policy. I am opposed to this policy in every shape and form, and therefore I shall vote against the Bill.

Mr. J. MCKENZIE.—Sir, it is not my intention to refer to the speech just delivered by the honourable member for Dunedin City (Mr. Earnshaw). He has thrown no new light upon the subject, and what he has given is simply a repetition of what he has said several times already this session. I intend, however, to occupy the House for a few minutes in connection with the remarks made by the senior member for Wellington City with regard to the Bill, and I am also going to refer to the medium member for Wellington City before I sit down. I regret very much indeed, and more so than anything I have had to do in this way in my life before, to have to get up here to-night and say what I am about to say. I am sorry that the honourable gentleman has forgotten his friends in the country who did so much for him in the past. Those are the *bonâ fide* settlers of New Zealand. I am sure that those people have done very much for the honourable gentleman politically. The honourable gentleman may laugh, but there is no doubt about it, and he knows it; and he also knows it is true that he has done his best to damage this Bill and to prevent it from becoming law—a measure which is intended to assist all *bonâ fide* settlers to go on the land, and to assist them when they are there. If this assistance is not given them, then, as a matter of course, settlement and progress will be checked to a large extent. I am not going to refer to the matter the honourable gentleman brought up in connection with the question whether the borrowing of money in the Colony of New Zealand or the borrowing of it in London is better, as I think my colleague the Colonial Treasurer has answered that matter sufficiently without its being necessary for me to refer to it. I come now to the question of opening up lands for settlement, and on this matter I have something to say to the honourable gentleman. The honourable gentleman told us this afternoon that land was opened up in the past without the expenditure of money in this way. This statement surprised me very much, and I challenge the honourable gentleman to prove to this House and to show where lands have been opened up in the Colony of New Zealand without large expenditure of money. I ask him, how is it possible that land can be opened up for settlement without the expenditure of money, and how is it possible that you can put people on the land, and get them to settle down, and give them access to that land, without in the first place considerable sums being expended to enable them to get on to it? In the Province of Otago in the old days the honourable member will remember, probably, what was the very first question. Was not the very first question in the life of that province the matter of the construction of roads and bridges?

Mr. Earnshaw

The same thing occurred in the settlement of Canterbury: when that province was opened up the Provincial Government received large sums from some of their lands; but where is that revenue now? Where are the millions that were got from land revenue at that time? Sir, it has not been spent on roads and bridges. The honourable gentleman must know that there were in those days very large revenues received from the sale of the lands, and spent on the land itself. Those lands were near the sea-coast.

Sir R. STOUT.—They had no railways.

Mr. J. MCKENZIE.—The lands were near the harbours, and the roads could be easily made to them; but now we have no lands of such value. We cannot get revenue of that sort; and what are we to do? Are we to check settlement, and say to the settlers we are not going to help them? It is useless talking like that, or, indeed, about what was done in the past when large sums of money were available from the sale of these lands. We have no such advantages now. We have only poor remnants of land away in the back-country, and if these happen to be of any value they must be opened up with the assistance that this Bill is going to give. The honourable gentleman was very misleading in the statement he made to this House with regard to the amount of money to be placed at the disposal of the Minister of Lands. He said that £950,000 was to be at his disposal under these measures this year. In the first place, the honourable gentleman referred to the £750,000 to be provided by the three sums which this House is about to pass, and he added £200,000 which is at the disposal of the Government under the Loans to Local Bodies Act. Now, the honourable gentleman must know that he was deceiving this House when he made the statement that £150,000 out of the £200,000 for loans to local bodies was available; because that sum is not available to the Minister in any shape or form. That money is only available for the local bodies on their making proper application, and after first appealing to the ratepayers to sanction such application. On the receipt of these applications from local bodies the Colonial Treasurer finds the money for them, but they have to show him first of all that they have passed the necessary order, and have sufficient revenue in their districts to provide both the sinking fund and the interest on the loan. This money is not a loan to the Minister of Lands at all in any shape or form: in fact, I have nothing to do with the transaction in connection with such advances to local bodies, nor have I anything to do with the expenditure. It is a matter that goes direct to the Colonial Treasurer, who deals with it entirely. Then, with regard to the honourable gentleman's statement that the Minister of Lands was authorised to spend £50,000 under the Act of 1892, what has been the result of that Act? Last year we were only able to make use of £30,000, and during the whole time the Act has been in force £67,883 was the total amount out

the £150,000 we could use within three years; therefore the honourable gentleman can see that in asking for this money the Government are not doing any more than what they proposed to do when the former Act was passed.

Sir R. STOUT.—Why did you not use more?

Mr. J. MCKENZIE.—I have explained this several times to the honourable gentleman, but he will not have the matter explained to him. I have explained to him that it has been impossible to get blocks of land suitable for the purpose that we require. We only had a few blocks of land which were suitable. The other lands recommended were not suitable, because, if we load the lands with the amount as required by the Act, the settlers will have to pay for interest such sums as will make the land so dear that they will not be able to pay the amount. The honourable gentleman does not understand the question, and I think I shall have to get him down to my office and give him a lesson on the subject. Out of this £150,000 which was at the disposal of the Treasurer for the local bodies last year, only £87,000 was granted, and this year we do not know what may be granted until the applications are made, but I can tell the honourable gentleman that not a sixpence is available for the purpose of opening up lands for settlement from that source. Now let us come to the three sums of £250,000 which he referred to and which made up the £950,000 with the £200,000 added. Taking the first amount of £250,000 for land-settlement in the South Island, I ask this House and those honourable gentlemen who come from the South, where are we going to get land for our young settlers and farmers' sons in the South Island? We have no Crown land to put them on. The honourable member for Dunedin City (Mr. Earnshaw) said there was plenty of good land, but I will pay him handsomely myself, out of my own pocket, to show me, if he can, where the land is. The honourable gentleman does not know what he is talking about, as there is no land in the South Island available. Where is the land in Canterbury? I appeal to the Canterbury members, and I ask them what they have got to say for the future of Canterbury in regard to land-settlement. There is no room for progress or any extension of settlement in Canterbury or North Otago, and I should like to see any member of this House prepared to go before his constituents and say this money is unnecessary in North Otago, Canterbury, and Hawke's Bay. I say it will be no burden to the taxpayers of the Colony of New Zealand, such as was pictured by the senior member for Wellington City tonight. The colony will lose nothing by the transaction, and other parts of the colony will not have to bear anything in the shape of additional taxation. Let us take the next £250,000—for the purchase of Native land. Surely honourable members from the North must know, if we are to get the land in the North Island that we require for settlement, the only land that we can get is Native land. Some honourable gentlemen would tell us that the policy of the Government should be to

open up these Native lands to a few wealthy speculators and lawyers in the North Island, and land-monopolists, who will swindle the Natives out of it. That is the policy some honourable members would like to see carried out; but it is not the policy that the Government intend to adopt. We say that, in regard to these Native lands, we should get them at a fair price and open them up for settlement, so that in time the colony will be recouped every sixpence it has paid for them, and interest also; therefore there will be no loss to the colony. Let us now come to the £250,000 to be provided under this Act for the opening-up of Crown lands. What does that mean? It means that many settlers at the present time are not able to get to their farms or from their farms for several months in the year, and it means that when this money is spent they will be able to get access to them, and there will be prosperity and progress of settlement. With regard to this matter, I say the members for Wellington City (Sir R. Stout and Mr. Bell) do not represent their constituency as they ought to do; and I ask, how can we settle all those lands from Hunterville to Ruapehu without giving the settlers assistance? How can we get settlers to take up all the country there, those beautiful valleys, and the Awarua Block, and say to them they are to find the money themselves to make the roads and bridges? It is impossible. It cannot be done without some assistance. It means to the City of Wellington the opening-up of a new province; and I tell every elector in the City of Wellington, from the smallest tradesman to the largest merchant, that his interests are not being represented in this House by the honourable members who made those speeches here

8.30. to-day. There are one or two more remarks which I should like to make in reference to the senior member for Wellington City before I refer to the medium member for Wellington City. The senior member accused me of stating certain things in reference to the purchase of the district railways when he was not present.

Sir R. STOUT.—I saw it in the newspapers.

Mr. J. MCKENZIE.—It does not matter where the honourable gentleman saw it. I may state that I did make a statement in connection with the purchase of the district railways—that rotten transaction from the first to last of the purchase of the district railways. Why did I make it? The honourable gentleman attacked the Government of which I am a member, and he also attacked myself, with regard to what he alleged to be our borrowing propensity, as shown in our measures. If these allegations had been made by a member who never himself had any connection with borrowing we might accept the rebuke; but in this case they were made by a gentleman who was a member of a Government which borrowed largely—for instance, for the purchase of the district railways—and I venture to say that during the time he was in office he made very large applications to Parliament for borrowing purposes.

Sir R. STOUT.—How much?

Mr. J. McKENZIE.—I cannot say how much, but it was a very large amount. Then, the honourable gentleman referred to the policy of my late chief, and said I should not have referred to this matter because he was a member of the Government which purchased these railways. But I say, with regard to the policy of my late chief, Mr. Ballance, that the Bill now before the House is an extension of his policy. He was my colleague when I introduced the Loans to Local Bodies Act, under which £50,000 was authorised, and also when £50,000 was authorised for the purchase of land under the Land for Settlements Act, and also £50,000 for Native lands. On all those occasions my late colleague told me that the sum was not sufficient, but that it was as much as he could ask the House at that time to sanction. I have no doubt, if he were here now, he would be a supporter of the policy of the present Government. The honourable gentleman has got some policy under which he is prepared to open up Crown lands without money. I say he would be the greatest benefactor to this country, or to any country, if he would bring down such a policy and explain it to the House, and let us get to work upon it. But I may say that I have never seen how that was to be done. During my career in this colony I have always found if one wanted any work done one had to find the cash for it. I say it is impossible to put people on the land without spending money. Now with regard to the medium member for Wellington City (Mr. Bell). I have already said that that honourable gentleman did not properly represent his constituents last night. I have no doubt he thinks he does; but, from my point of view, he did not do so last evening. I would not have referred to this matter to-night if the honourable gentleman did not apparently wish to place on record in *Hansard* the speech which he made last evening. I ask the honourable gentleman, how is it possible for him to say that the opening-up of land in the interior of the Wellington Province does not benefit the City of Wellington?

Mr. BELL.—I never did say that.

Mr. J. McKENZIE.—Well, how are you going to open up the land? I venture to say that if the honourable gentleman would go into the country districts and preach the policy which he has suggested I would not like to be responsible for what happened to him. The honourable gentleman said that I used towards him last night language which I should have reserved for members on this side of the House. I deny that, however, and will only say that I should be careful to use no language to one honourable member which I could not equally apply to another, and I am sure, Sir, that you do and will see that no language is applied to one member which may not be applied to another. The honourable member, however, is new to politics. I can quite understand that he is rather thin-skinned with regard to any attack made upon him in this House. The honourable gentleman imagines, I have no doubt, that he is sometimes browbeating a wit-

ness in the witness-box when he is addressing some members of this House. I believe the honourable gentleman is being trained slowly to be a very good politician, and I think that his listening to such remarks as I am making this evening will do him a great deal of good, and that he will be a better member next year than he has been this. I am going to deal very gently with the honourable gentleman, because I know he does not like to be struck very hard, and I should not like to do that. Last night I attacked the honourable gentleman rather warmly for a little time, but I am not going to do that at the present time, and I see, moreover, that he is taking the thing very pleasantly. The honourable gentleman says that it is impossible for the Minister to resist certain pressure which may be brought to bear on him. Does the honourable gentleman mean to say that any pressure can be brought on myself in connection with these roads and bridges? I venture to say that the honourable gentleman will not say that. Large numbers of honourable members have waited upon me from time to time in reference to various matters, and I am sure that none of them has brought pressure to bear upon me successfully, and that I have not acceded to any request unless I could see that it was in the interest of the colony. Then, with regard to log-rolling.

An Hon. MEMBER.—What does it mean?

Mr. J. McKENZIE.—I think it means, in politics, "You claw my back and I will claw yours." In other words, "If you only manage to give me a road or a bridge I will give you a vote in this House." I suppose that is what it means. I may say, in connection with this Bill, that my desire is to get the country settled; and when the honourable member for Hawke's Bay accuses me of making passionate appeals to honourable members, and carrying those appeals even to another place—namely, into the Cabinet-room—I am sure no member of this House can accuse me of having made a passionate appeal on the floor of the House for anything I was directly interested in myself. I venture to say that if I have ever spoken with earnestness—and when I am convinced as to the rights of a thing I always speak with earnestness—it has been when dealing with the question of doing something for the assistance of the settlers of New Zealand. I arrived in this country when I was a very young man, and I have had to make two homes for myself, and I know the difficulties of a young settler in a new country. Both in this House and in another place I have always done my best to assist the settlers of this country to get homes and land for themselves. I know as a fact that, without good roads and good bridges, in many cases settlement may be of very little value. The honourable member for Hawke's Bay referred to the large sum of money which has been taken out of the loan for the North Island Trunk Railway, and he said that that money ought to be paid back again. During the time I have been in office I have constructed a road out of this money from Pipiriki to Hunterville at a cost of something like £43,000;

and I venture to say that road has done a great deal of good to Wellington, and it has opened up a very large area of country which was almost unknown when I took office. How is it possible to expect settlers without means to do a work like that, to open up such a large tract of country? We have put a road right through the whole of the Waimarino Block, of 400,000 acres. That block was bought by my late chief, Mr. Ballance, at something more than 2s. an acre. A very large proportion of the block has since been sold as high as £1 an acre, and some parts far more than that. I think the average price was 17s. 6d. per acre. The construction of that road has been the making of that block, and it has added to its value to that extent. And I say, through this Bill we are now passing, the same thing will apply in connection with large blocks of Native land in the North Island which, without some assistance such as we can give, would have to lie dormant for years to come. At any rate, it is a work which no settlers could undertake themselves without some assistance from the colony. I have one or two words to say with reference to the remarks which fell from the honourable member for Auckland City (Mr. Button). He, of course, differs from the other two lawyers, the honourable members for Wellington City. He has quite a different opinion as to this Bill from that held by those honourable members. They said that this Bill is meant to open up land already settled, and not Crown land at all. But the honourable member for Auckland City says it is all for the Crown land. When these three eminent legal luminaries disagree in reference to the meaning of this Bill I am sure honourable members will agree with me that they do not know much about it. The honourable gentleman says the whole country is pledged against borrowing. He said he read it in the newspapers. What newspapers has he been reading? I venture to say that the only newspaper which he reads is the *Auckland Herald*, and that is the organ of the "National Ass." He gets his information from it. I advise the honourable gentleman not to take his information from that newspaper, because there are other parts of the colony besides Auckland where gentlemen make speeches and have made pledges, and know what they said about them. I venture to say that on every platform upon which I spoke I said that I really must get more land and more money for the purchase of land for settlement, if settlement was to progress. Every honourable member who supported the Land for Settlements Bill during the last election must have known that it was necessary to take more money to buy land. I have just one word to say to the honourable member for Christchurch City (Mr. G. J. Smith) in connection with the lease in perpetuity. The honourable gentleman seems to think that provision for revaluation ought to have been inserted in the Bill last night. I could not accept that amendment in this Bill by a side-issue, commencing with the revaluation on working-men only. I would say to those honourable

members who believe in revaluation that it is their duty to bring down a resolution, and test the question in the House. Let us not try it in one Bill like this; but let us have a resolution which, if it is carried in this House, will apply to every Bill dealing with land we have got, so that we shall have the same policy throughout the whole of our land-legislation. When that time comes, I will give every opportunity to any honourable member who may choose to bring forward the question to have it discussed on the floor of this House. I say it is the duty of those honourable members who believe in that system to try their strength, and see where they are in the House. If they do that, they will see what their position is, and whether the country believes in their policy. But let me say this to them: It must not only apply to the lease in perpetuity, but also to the freehold, because, if it is to be fair at all, it should be a resolution to the effect that no more land in the colony should be disposed of except on lease with revaluation. That would be a fair test-question to go to the country on; and it would be a fair test to ask the Minister to introduce the system into the land-laws of the colony. Let us not have a big question like this settled by a side-wind. Let it be fairly settled in this House, and let us see if any member is strong enough to carry such a resolution. I have, Sir, to thank those honourable members who have supported me in this Bill, and I conclude by expressing the hope that the Bill will give all the benefits that I and those who support it expect of it.

Sir R. STOUT.—I wish to make a personal explanation, Sir. The Hon. the Minister said he would like to know where I got my information from with reference to the amount of money that could be expended on blocks under "The Government Loans to Local Bodies Act Amendment Act, 1891." I would explain that the information was obtained from the honourable gentleman's own report, C.-1, page 12, laid on the table this year.

Bill read a third time.

GOVERNMENT ADVANCES TO SETTLERS BILL.

IN COMMITTEE.

Clause 22.—Duties of District Board.

Mr. EARNSHAW moved, That the words "or other property" be inserted after the word "land."

The Committee divided.

AYES, 6.

Green
McGowan

McNab
Stout.

Tellers.
Button
Earnshaw.

NOES, 43.

Bell
Buddo
Carnocross
Carnell
Collins
Crowther
Flatman

Fraser
Graham
Hall
Hall-Jones
Harris
Houston
Hutchison, G.

Hutchison, W.
Lang
Lawry
Mackintosh
Maslin
Massey
McGuire

McKenzie, J.	Pinkerton	Tanner
McKenzie, R.	Pirani	Thompson
McLachlan	Reeves	Ward
Meredith	Russell, G. W.	Willis.
Mills	Saunders	
Morrison	Smith, E. M.	<i>Tellers.</i>
Newman	Smith, G. J.	Hogg
O'Regan	Steward	Montgomery.

PAIRS.

<i>For.</i>	<i>Against.</i>
Allen	Seddon
Buchanan	Millar
Duthie	Cadman
Hutchison, G.	Larnach
Kelly, J. W.	Duncan
Mitchelson	Carroll
McKenzie, J.	Stevens
Russell, W. R.	Parata
Te Ao.	Pere.

Majority against, 37.

Amendment negatived.

Clause 24.—Classes of land on which money may be advanced.

Subsection (1).—"Freehold land held in fee-simple under 'The Land Transfer Act, 1885.'" Mr. CARNCROSS moved, That the word "rural" be inserted after "freehold."

The Committee divided.

AYES, 17.

Carncross	Lang	Montgomery
Collins	Maslin	Saunders
Crowther	Massey	Tanner.
Fraser	McGuire	<i>Tellers.</i>
Green	McLachlan	Houston
Hutchison, G.	Meredith	Thompson.

NOES, 31.

Bell	Mackintosh	Pirani
Buddo	McGowan	Reeves
Buick	McKenzie, J.	Smith, E. M.
Carnell	McKenzie, R.	Smith, G. J.
Earnshaw	McNab	Stout
Flatman	Mills	Ward
Hall	Mitchelson	Willis.
Hall-Jones	Morrison	
Harris	Newman	<i>Tellers.</i>
Hogg	O'Regan	Graham
Lawry	Pinkerton	Russell, G. W.

PAIRS.

<i>For.</i>	<i>Against.</i>
Allen	Larnach
Buchanan	Millar
Duthie	Cadman
Kelly, J. W.	Duncan
Mackenzie, T.	Stevens
Russell, W. R.	Parata
Te Ao.	Pere.

Majority against, 14.

Amendment negatived.

Mr. WARD moved to insert, at the end of subsection (1), the words "or registered under 'The Deeds Registration Act, 1868.'"

The Committee divided.

AYES, 44.

Buddo	Carncross	Crowther
Buick	Carnell	Earnshaw
Button	Collins	Graham

Green	McKenzie, J.	Saunders
Hall	McKenzie, R.	Seddon
Hall-Jones	McLachlan	Smith, E. M.
Harris	McNab	Smith, G. J.
Hogg	Meredith	Steward
Hutchison, G.	Mills	Stout
Lang	Morrison	Tanner
Lawry	O'Regan	Ward
Mackintosh	Pinkerton	Willis.
Massey	Pirani	<i>Tellers.</i>
McGowan	Reeves	Houston
McGuire	Russell, G. W.	Thompson.

NOES, 7.

Fraser	Newman	<i>Tellers.</i>
Maslin	Wilson.	Bell
Montgomery		Flatman.

PAIRS.

<i>For.</i>	<i>Against.</i>
Cadman	Duthie
Duncan	Kelly, J. W.
Larnach	Allen
Millar	Buchanan
Parata	Russell, W. R.
Pere	Te Ao
Stevens.	Mackenzie, T.

Majority for, 37.

Amendment agreed to.

Mr. PIRANI moved to strike out subsection (3), with the view of inserting, "Crown lands held under Parts III. and VI. of 'The Land Act, 1892.'"

Subsection struck out, and words proposed inserted.

Sir R. STOUT moved to add, "Crown lands held on lease as small grazing-runs under 'The Land Act, 1885,' or under 'The Land Act, 1892.'"

Amendment agreed to.

Mr. R. MCKENZIE moved to add, "Crown lands held under agricultural lease under the Mining Act, and Crown lands not being held for mining purposes under 'The Westland and Nelson Coalfields Administration Act, 1877.'"

Words added, and clause, as amended, agreed to.

Clause 27.—"(1.) Such Agents shall have full power and authority to raise from time to time in Great Britain or elsewhere, by bonds, debentures, or scrip, or by the issue of inscribed stock under 'The New Zealand Consolidated Stock Act, 1877,' or otherwise, such sum or sums, not exceeding in the aggregate the sum of one million five hundred thousand pounds in any one year, as the Governor in Council may from time to time authorise: Provided that, whenever the total amount of bonds or other securities authorised to be created in any one year is not issued within such year, the aforesaid Agents may, at any subsequent period, create and issue bonds or other securities for the balance of the amount so authorised as aforesaid, in addition to the amount authorised to be issued at or during such subsequent period.

"(2.) The authority hereby conferred upon the Governor in Council is a continuing authority, and may be exercised from time to time until this Part of this Act is repealed."

Mr. MONTGOMERY moved to strike out the words "five hundred thousand," for the purpose of reducing the amount to one million.

The Committee divided on the question, "That the words proposed to be omitted stand part of the clause."

AYES, 28.

Buddo	Joyce	Pirani
Carnell	Kelly, W.	Russell, G. W.
Carroll	Larnach	Seddon
Collins	Lawry	Smith, E. M.
Flatman	Mackintosh	Ward
Hall	McGowan	Willis.
Hall-Jones	McKenzie, R.	
Harris	McLachlan	<i>Tellers.</i>
Hogg	Morrison	Mills
Houston	Parata	Pinkerton.

NOES, 28.

Allen	Hutchison, W.	Russell, W. R.
Bell	Mackenzie, T.	Smith, G. J.
Buick	Maslin	Stout
Carnecross	Massey	Tanner
Crowther	McGuire	Thompson
Earnshaw	McNab	Wilson.
Fraser	Meredith	
Graham	Mitchelson	<i>Tellers.</i>
Green	Newman	Lang
Heke	O'Regan	Montgomery.

PAIRS.

<i>For.</i>	<i>Against.</i>
Cadman	Duthie
McKenzie, J.	Button
Reeves	Buchanan
Stevens.	Te Ao.

The CHAIRMAN gave his casting-vote in favour of the "Ayes."

Amendment negatived, and words retained.

Mr. MONTGOMERY moved to strike out the words "in any one year."

The Committee divided on the question, "That the words proposed to be omitted stand part of the clause."

AYES, 28.

Carnecross	Larnach	Pinkerton
Carnell	Lawry	Pirani
Collins	Mackintosh	Russell, G. W.
Flatman	McGowan	Seddon
Hall	McKenzie, R.	Stevens
Harris	Montgomery	Ward.
Hogg	Morrison	
Houston	O'Regan	<i>Tellers.</i>
Joyce	Parata	Mills
Kelly, W.	Pere	Smith, E. M.

NOES, 27.

Allen	Heko	Russell, W. R.
Bell	Hutchison, G.	Smith, G. J.
Buddo	Lang	Stout
Buick	Mackenzie, T.	Tanner
Crowther	Maslin	Willis
Earnshaw	Massey	Wilson.
Fraser	McGuire	<i>Tellers.</i>
Graham	McNab	Meredith
Green	Newman	Thompson.
Hall-Jones		

PAIRS.

<i>For.</i>	<i>Against.</i>
Cadman	Duthie
Duncan	Kelly, J. W.
McKenzie, J.	Button
Millar	Te Ao
Reeves.	Buchanan.

Majority for, 1.

Amendment negatived, and words retained.

Subsection (2) was struck out, and the following substituted in lieu thereof: "Provided further that the authority hereby conferred upon the Governor under this Act shall absolutely cease after the expiration of two years from the coming into operation of this Act; and provided further that the total amount raised under this Act shall not exceed in the aggregate three millions sterling."

Clause 31.—"No bond, debenture, or other security issued under this Part of this Act shall be sold or otherwise disposed of at a price which will yield to the purchaser thereof a higher rate of interest by the year than four pounds for every hundred pounds of the purchase-money given for the same; but such bonds, debentures, or other securities may for the purposes of temporary advances be hypothecated or mortgaged upon such terms as to interest as the said Agents may deem expedient."

Sir R. STOUT moved, That the words "four pounds" be struck out, with the view of inserting "three pounds ten shillings" in lieu thereof.

The Committee divided on the question, "That the words proposed to be omitted stand part of the clause."

AYES, 34.

Buddo	Lawry	Pinkerton
Carnecross	Maslin	Pirani
Carnell	McGowan	Russell, G. W.
Collins	McKenzie, R.	Seddon
Flatman	McLachlan	Smith, E. M.
Hall	McNab	Stevens
Hall-Jones	Meredith	Tanner
Harris	Mills	Willis.
Hogg	Montgomery	
Houston	O'Regan	<i>Tellers.</i>
Kelly, W.	Parata	Joyce
Larnach	Pere	Morrison.

NOES, 18.

Bell	Hutchison, G.	Smith, G. J.
Buick	Lang	Stout
Crowther	Mackenzie, T.	Thompson.
Earnshaw	Massey	<i>Tellers.</i>
Graham	McGuire	Allen
Green	Russell, W. R.	Fraser.
Heke		

PAIRS.

<i>For.</i>	<i>Against.</i>
Cadman	Duthie
Duncan	Kelly, J. W.
McKenzie, J.	Button
Millar	Te Ao
Reeves.	Buchanan.

Majority for, 16.

Amendment negatived.

Mr. G. J. SMITH moved, That progress be reported.

The Committee divided.

AYES, 27.

Allen	Heke	Parata
Bell	Hutchison, G.	Russell, W. R.
Buddo	Lang	Smith, G. J.
Collins	Mackenzie, T.	Stout
Crowther	Maslin	Tanner
Earnshaw	Massey	Thompson.
Fraser	McGuire	<i>Tellers.</i>
Graham	McNab	Carncross
Green	Newman	Russell, G. W.
Hall-Jones		

NOES, 27.

Buick	Lawry	Pinkerton
Carnell	McGowan	Pirani
Flatman	McKenzie, R.	Seddon
Hall	McLachlan	Stevens
Harris	Meredith	Ward
Hogg	Mills	Willis.
Houston	Montgomery	<i>Tellers.</i>
Joyce	O'Regan	Morrison
Kelly, W.	Pere	Smith, E. M.
Larnach		

PAIRS.

<i>For.</i>		<i>Against.</i>
Buchanan		Reeves
Buttton		McKenzie, J.
Duthie		Cadman
Kelly, J. W.		Duncan
Te Ao		Millar
Wilson.		Mackintosh.

The CHAIRMAN gave his casting-vote with the "Noes."

Motion negatived.

Mr. EARNSHAW moved, That progress be reported.

The Committee divided.

AYES, 21.

Allen	Lang	Parata
Bell	Mackenzie, T.	Russell, W. R.
Buick	Maslin	Smith, G. J.
Crowther	Massey	Tanner.
Earnshaw	McGuire	<i>Tellers.</i>
Fraser	McNab	Heke
Green	Newman	Hutchison, G.
Hall-Jones		

NOES, 32.

Buddo	Larnach	Pirani
Carncross	Lawry	Seddon
Carnell	McGowan	Smith, E. M.
Collins	McKenzie, R.	Stevens
Flatman	McLachlan	Stout
Graham	Meredith	Thompson
Hall	Mills	Ward
Harris	Montgomery	Willis.
Hogg	Morrison	<i>Tellers.</i>
Joyce	Pere	O'Regan
Kelly, W.	Pinkerton	Russell, G. W.

PAIRS.

<i>For.</i>		<i>Against.</i>
Buchanan		Reeves
Buttton		McKenzie, J.
Duthie		Cadman

Kelly, J. W.

Te Ao

Wilson.

Duncan

Millar

Mackintosh.

Majority against, 11.

Motion negatived.

Progress subsequently reported.

The House adjourned at three o'clock a.m.

LEGISLATIVE COUNCIL.

Wednesday, 26th September, 1894.

First Reading—Third Readings—Cheviot and Pomahaka Estates—Shops and Shop-assistants Bill—Government Railways Bill—Land for Settlements Bill—Factories Bill.

The Hon. the SPEAKER took the chair at half-past two o'clock.

PRAYERS.

FIRST READING.

Lands Improvement and Native Lands Acquisition Bill.

THIRD READINGS.

Shops and Shop-assistants Bill, Westland and Nelson Coalfields Administration Bill, New Zealand Company's Land-claimants Bill.

CHEVIOT AND POMAHAKA ESTATES.

The Hon. Mr. ORMOND asked the Government,—(1.) How many settlers have taken up land in the Cheviot Estate, particularising the different classes of land so taken up, the total acreage of each class, and the number of settlers to each class? (2.) How many of each class of settler is now settled on the land? (3.) What acreage of the estate remains undisposed of, and how many settlers of each class will such residue provide for? (4.) Similar information as above in respect to the Pomahaka Estate?

The Hon. Sir P. A. BUCKLEY said the reply of the department was as follows:—

"Cheviot.—The number of settlers who have taken up land on the Cheviot Estate up to the 21st June, 1894, was 317, and the acreage and classification is as follows:—

System.	No. of Sections.	No. of Settlers.	Area.
Town lands, cash ...	56	47	A. R. P. 13 2 20
Suburban lands, cash ...	25	25	125 1 13
Rural lands, cash ...	9	9	6,366 2 25
Lease in perpetuity...	107	107	23,936 2 38
Village-homestead ...	90	90	2,418 1 21
Grazing-farms ...	31	31	43,633 0 6
Pastoral ...	8	8	3,171 1 6
Totals ...	326	317	79,627 3 34

"The number of settlers on the land on the 21st June was 171, exclusive of children and persons employed by settlers; but the time allowed for residence has not yet expired. The number of each class cannot be given.

"The acreage remaining undisposed-of is 3,066 acres, which is to be retained for future village, recreation, and other reserves.

"*Pomahaka*.—The number of selectors who have taken up land on this estate is eighteen. They are all of one class—rural lands. The total acreage occupied by these settlers is 4,548 acres 3 roods and 22 perches. The acreage of the estate undisposed of is 2,717 acres 1 rood 38 perches; providing sections for eleven more persons."

SHOPS AND SHOP-ASSISTANTS BILL.

The Hon. Mr. SWANSON, in moving the motion standing in his name, might refer, first of all, to Standing Order 141, which said, "Whenever any matter of privilege or order arises it shall be immediately taken into consideration." If it had not been that the writer of the letter he complained about stated that he was present when everything which was said by Mr. Tregear before the Committee was spoken he would not have troubled himself with what appeared in newspapers; but, coming from the quarter from which it came, it would be throwing discredit on what he had said if he did not contradict it; and he thought the Council should permit the evidence given by Mr. Tregear to be printed. He would read the letter:—

"*The Shop-hours and Mr. Tregear.*

"To the Editor.

"SIR,—A report in your paper of this morning narrates that the Hon. Mr. Swanson, in speaking to the Shop-hours Bill, quoted from Mr. Tregear's evidence before the Labour Bills Committee to the effect that the half-holiday closing would be a hardship on the small shopkeepers. As one of those who were present when Mr. Tregear's evidence was given, allow me to state that the two hours during which he was examined were spent in giving his reasons why the holiday should be compulsory. At the end, however, after much sentiment had been talked about shops kept by widows, cripples, and others—people who gleaned their profits when other larger shops were shut—he was asked if he thought closing such shops would be a hardship to them, and he answered that he supposed it would. I hope his evidence in full will be printed.—I am, &c.,

"LIBERAL."

The insinuation contained in that letter was that he had put words into the mouth of Mr. Tregear which he never uttered. He would read some of Mr. Tregear's evidence:—

"*Hon. Mr. Richardson.*] Do you know the feelings of the shopkeepers themselves in regard to this legislation?—I have attended several meetings of employers in Dunedin, Christchurch, and Auckland, and here. I considered that the employers came forward in the most manly way to meet the wishes of the assistants."

The witness, Mr. Tregear, seemed to see that the large shopkeeper could get a holiday whenever he liked, and that his business could be carried on by his assistants as well in his absence as when he was present, and very likely a little better. He did not say that the holiday

was wanted by the large shopkeeper for himself, but for his assistants, and the employers came forward in the most manly way to help them.

"*Hon. Mr. Richardson.*] Do you mean the large or the small employers?—I attended a large number of meetings where both were fairly represented, but the smaller shopkeepers were not so eager as the larger ones."

And that was what he (Mr. Swanson) said. Mr. Tregear was asked about the most effective way of carrying out the object of the Bill, and various objections were put forward, and it was suggested that the half-day should be taken and made a sort of Sunday, and that all shops should be shut:—

"Suppose all the shops to be shut, and the day settled, would not that meet the case?—Yes; I think so.

"Much more simply than any other?—Yes; more simply, and more desirably if it could be done.

"*Hon. Mr. Bowen.*] Do you not think that the sanitary clauses are the most important part of the Bill? Have you had any representations from the small shopkeepers in different parts of the colony who really have to work on afternoons, getting, as it were, the scraps of business that fall from the tables of the rich shopkeepers? You are aware that there are many people,—widows and others,—who get their livelihood in a small way when the large shops are closed?—I have had such representations made to me from persons who employ no shop-assistants—many of them women, who stand behind a half-door that is open, and carry on a trade. These people complain bitterly. They say that their livelihood is going to be taken away from them.

"Indeed, they carry on their trade with their domestic living?—Yes.

"But it is after the ordinary hours when trade is carried on that I am referring to?—Yes.

"They do most of their work when the big shops are closed?—It will be a hardship on them—many of the very small shopkeepers: I admit that."

He did think that he had some cause of complaint of the extremely "Liberal" gentleman who wrote that letter; and he thought the Council had some cause to complain when persons who were present at meetings of Committees published statements which were in flat contradiction of the facts. He would not weary the Council, otherwise he could read the whole of the evidence, which would bear out his statement; but he did hope that "Liberal" would be obliged for once, and that the evidence would be printed. He could assure any one who would look over it that more would be found to the same purpose. He had seen a letter signed by Mr. Tregear in the newspapers, and which put very mildly that, while he said there would be cases of hardship, it was not to be inferred that he opposed the Bill; on the contrary, he went before the Committee to support the Bill, and did so to the best of his ability. But the stern truth drew those

answers from him, and he was not the man to deny them when the questions were fairly put to him.

Motion made, and question proposed, "*That the evidence given by Mr. Tregear upon the Shops and Shop-assistants Bill be laid upon the table, and that the said evidence be printed.*"

—(Hon. Mr. SWANSON.)

The Hon. Mr. RIGG said that as a rule he did not think it was judicious on the part of members to take too much notice of correspondence which appeared in the newspapers; but on this occasion, as the letter purported to come from one who was present, he thought the honourable gentleman was quite right in taking up the position which he had done, and also in putting himself right with the Council. He quite agreed that the honourable gentleman stated the facts fairly; but he thought something more would be necessary. He thought some attempt should be made to ascertain who the member of the Committee was who was guilty of such bad taste as to write to the newspapers in connection with a matter which had come before a Committee of the Council. He did not intend to oppose the motion; but he rose for the purpose of proposing an amendment. The evidence of Mr. Tregear was valuable evidence; but at the same time there was other evidence which he thought it was just as desirable should be published. Therefore he proposed to amend the motion so that the whole of the evidence taken before the Labour Bills Committee on the Shops and Shop-assistants Bill should be printed. He therefore moved, *After the word "That," to strike out the words following, with the view of inserting "all the evidence taken by the Committee on the Shops and Shop-assistants Bill be laid on the table and be printed."*

The Hon. Sir G. S. WHITMORE wished to say there was a reason for publishing the evidence of Mr. Tregear only. As the honourable gentleman stated, it had been falsely reported in the public Press; and considering the period of the session, and the quantity of evidence that was taken,—to none of which reference had been made, and in respect of which the same argument would not apply,—he thought, for the purpose of putting the honourable gentleman right, if they confined themselves to the evidence of Mr. Tregear, that probably would be the wiser plan. Therefore he would oppose any more evidence being printed, as it might be very costly, and the evidence might take a long time to put into print, and thus there would be delay in getting a contradiction made of the statement which had gone the rounds of the Press.

The Hon. Mr. REYNOLDS had been just going to say exactly what the Hon. Sir George Whitmore had stated. In the one case there was a necessity for printing the evidence, inasmuch as the veracity of one of the members of the Council was impugned. It was necessary that the evidence should be printed, so that it should not appear that the writer of the letter referred to was speaking the truth. He did not think it was necessary to carry the printing

Hon. Mr. Swanson

any further. He thought there was far too much printing in the blue-books. If the writer of the letter was a member of the Committee he did very wrong in revealing anything which took place at the Committee. It was contrary to their Standing Orders that anything which took place in Committees should be made public. He thought it was hardly worth while as the session would soon close, but if there was more time it might be advisable that inquiries should be made as to who the culprit was who wrote the letter which appeared in the newspaper.

The Hon. Mr. JENNINGS trusted the amendment of the Hon. Mr. Rigg would be accepted. There was only one other witness who gave evidence before the Committee on the Bill, and that was Mr. Blair, of the firm of Lyon and Blair. That gentleman was in favour of the Saturday half-holiday. He did not think it was altogether fair that only one side of a question should be printed. Personally he had very great sympathy with the position which the Hon. Mr. Swanson had been placed in by the writer of the letter. He was inclined to think that no member of the Committee wrote that letter. He thought it would be far better to let this matter be dealt with by the Chairman of the Labour Bills Committee, and it could be ascertained if any member of the Committee did write the letter. He trusted the Council would accept the amendment, and allow the whole of the evidence to be printed.

The Hon. Mr. RICHARDSON said, as Chairman of the Committee, and having taken that position temporarily, he thought it was only fair to say a word or two, especially in view of what had fallen from the honourable member who had just spoken. He thought the Council had better allow the small amount of extra evidence to be printed. Mr. Blair was by no means in favour of this Bill. He stated that he had been established here for a great many years, and he had made it an invariable rule to close for a half-day on Saturday every week. He said, "All I want is to carry on my business in my own way."

The Hon. Mr. SWANSON had not the slightest objection to accept the amendment. The matter had been very neatly put by the Chairman. Nobody could contradict anything that Mr. Blair said. He gave all his workers a half-holiday on Saturday, and, if the half-holiday was changed to some other day, he wished to go on doing then as he was doing now. Everything he said was self-evident.

Motion, as amended, agreed to.

GOVERNMENT RAILWAYS BILL.

On the question, *That this Bill be now read the third time,*

The Hon. Mr. JENKINSON asked the honourable gentleman in charge of the Bill if he had made inquiry into clause 7, relating to leave of absence.

The Hon. Sir P. A. BUCKLEY said he had received the following memorandum from the

Under-Secretary for Public Works upon the question :—

“Memorandum for the Hon. the Attorney-General.

“In response to your request by telephone, I have the honour to state that clause 7 of the above Bill (the first part of the clause) was inserted for the purpose of insuring at least one week's uninterrupted leave to every railway employé. Many of the men only get three days' leave at present, and they don't always get even these three days all at one time. The class of men alluded to are men who are paid overtime if they work beyond the regulation hours. Men who are not paid overtime get one week's leave per annum in addition to the three days.

“When the clause was under discussion in the House Sir Robert Stout pointed out that it might operate to curtail the leave of such of the officers who, under the present regulations, are entitled to more than a week per annum. The latter part of clause 7 was therefore moved by Sir Robert, and accepted by the Premier.

“Some of the railway employés get two weeks' leave per annum, and others (the clerical and Head Office staff) three weeks'.”

Bill read the third time.

LAND FOR SETTLEMENTS BILL.

The Hon. Mr. MONTGOMERY moved, *That the Hon. the Speaker leave the chair, in order that the Council may go into Committee on this Bill.*

The Hon. Mr. STEVENS.—Sir, I propose to make a few remarks on this motion. Having spoken on the principle of this Bill on the second reading, it is not my intention to repeat any of the arguments then used, or to say anything at all as to the general effect of the proposals in the Bill; but, having been Chairman of the Waste Lands Committee, which has had charge of the Bill, I think it right, for the information of the Council, that I should detail some of the principal changes that have been made in it. The position is not an ordinary one, as will be seen by honourable members on reference to the Bill. It has undergone enormous changes, and it will be for me to show that these are necessary, before going into the main changes that have been made. I might say that most of the earlier ones are incidental to the greater change: many of them are merely verbal, and are put in for the purpose of making the Bill work more smoothly. There is one point which I should mention: it is with reference to the proviso in clause 21. This proviso has been put in by the Committee to put an end to all doubt as to the power of any Government to increase the amount mentioned in the clause limiting the expenditure to £250,000 within the year. I ask the attention of honourable members to the large change that has been made in the Bill, and the reason for it. The existing law enables the Government to take land within certain limits by voluntary agreement. This Bill was introduced by the Government this session for the purpose of adding the compulsory power in the taking of

land to the power which already exists; and when the Committee came to examine the Bill, and especially clauses 6 and 7, they found that the state in which the Bill then was made the proposed compulsory power of taking land absolutely inoperative. The Committee then addressed itself to putting the Bill into such a shape that it would carry out the views of the Government on that point; and I will explain the manner in which it so happened that the Bill was inoperative for the purpose for which the Government brought it down. There is power given in the Bill to an owner to make a selection from the block as to which the notification of taking may be given to him, and for this purpose the land notified to be taken is subject to selection by the owner, for retention, of 1,000 acres of first-class land, or 2,000 acres of second-class land, or 5,000 acres of pastoral land. There is a further provision in the Bill, which honourable members will see on page 3, clause 7, subsection (3), for the purpose of this compulsory taking, and selection by the owner of the portion he wishes to retain. The clause says what land shall be deemed to be first-class, second-class, and pastoral that he is enabled to select from; but the Bill was so admirably constructed, and was passed in such a complete and perfect shape, that there was absolutely no authority in it—no Court, no power, nor any other machinery—to say how the land should be deemed to be of any of the classes. It comes to this: that, if an owner received a notice, all he would have to do would be to get his solicitor to serve the Government with a notice to stop proceedings for the taking of the land. I believe that is understood to have been absolutely the position of the Bill as it came to the Council. It has been an exceedingly arduous task, and one of extreme difficulty, both for the Committee and the legal advisers of the Government, to get machinery put into the Bill that shall carry out the intentions of the Government with regard to it. The Committee, with the assistance of the Government Law Advisers, have reconstructed the Bill so far as the classifying of land is concerned, and, starting with the notification, they have made provision for the Compensation Court acting as the classifying authority. The Court having, then, classified the land, the claim of the owner to be allowed to retain so much of it will be considered by the Compensation Court—that is, within the limit prescribed—and the Court will decide the quantity to which the owner is entitled, having regard to the class of land which is established by the classification made by the Court. The Court then will proceed to consider the compensation to which the owner is entitled, and subsequently the Proclamation will issue, and the land will be taken, and the whole proceedings will be completed. I think the Council, on examining these clauses, will see that a great deal of care has been taken with them. I take no special credit to myself, though the Committee is entitled to some credit, and I think that the professional assistance that has been given

is also entitled to credit for the present shape of the new clauses. I should say, however, that the production of the whole Bill as originally introduced is not at all creditable, for in the course of a long experience I have never before known a measure of policy that has come to this Council, or left the House of Representatives, in the condition in which we received this measure. Let me point out to honourable gentlemen in connection with this matter that this Council is repeatedly assailed for opposing measures which are supposed to be of a Liberal character, and it has been assailed in regard to this particular question repeatedly. The Council, if it desired to defeat this Bill, had nothing whatever to do but to pass it in the form in which it came to it. If it desired to justify the attacks which have been made upon it, it could have passed the Bill exactly as it came to the Council. But the Committee felt that the Council would not take up such a position—that it owed a duty to the public, and that it was not their business to take advantage of any accidental circumstances to defeat a measure of policy,—as on the second reading, when we said that, however much we disliked this measure for the compulsory seizing of land, nevertheless, it having been before the country, and having been adopted by the constituencies, we did not feel inclined to reject that principle. What I have said I now repeat: that the rejection of the principle would be complete had the Council taken advantage of the Bill as it came to this Council; but through the medium of these clauses the Committee have made it a workable measure.

The Hon. Mr. ORMOND.—Sir, my honourable friend who has just spoken has, I think, very clearly defined the position of this Bill when it came to the Council, and what has been done with it by the Committee, and he has made it so clear that I, as one member of the Committee, may say he has, in my opinion, in the clearest terms put the position before the Council; and I think it will have the advantage of showing those outside the Council how much care is taken with important measures like this in their preparation. Sir, this Bill is an important policy Bill, and it is not too much to say that it came down here in an entirely unworkmanlike condition, and my honourable friend put it rightly when he said that had the Committee of the Council left it where it was the Minister could not have availed himself of this policy at all. He would have been brought up on the threshold with a faulty Act, which did not carry out the objects for which it was created. I cannot help adding to what my honourable friend has said, that when Government policy measures like this come down in this state it shows very little care on the part of those who prepare them. This is supposed to be a great plank in the platform of legislation on which we are now engaged, and it is instructive to see what was the condition in which it came before us. I was not here when this Bill was discussed on its second reading, and I therefore want to take advantage of this opportunity to say a few words

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about it. Again referring to the condition of the Bill, I should like to say a few words as to what the Bill was in its entirety when it first came down to the Legislature. I myself was of opinion, and am of opinion still, that the Bill is going to do very great injury to the country in general. That is my opinion about it. But, Sir, when it came down to the Legislature first it had in it a provision which, to my mind, made it more objectionable than it is at the present time. In the Bill as it came down there was a proposal that the Minister should have the right to take out of any property in the country such pieces or portions as he thought fit, and to leave the rest. Sir, I want to point out again that there was an utter want of thought or consideration, in my opinion, for what the effect of that proposal would be to the country. Nothing could be proposed, in my opinion, that would more injure the confidence of the people outside the colony, and in the colony, than that proposal, if it became law; and yet it was recommended as part of the policy. There is a very large amount of English capital invested in this country; and what would have been the position of that capital had such a provision been passed? Why, any security which any individual or company may have in the country would have been liable to be destroyed at a moment's notice by the action of the Government. Could there be anything that would more thoroughly injure our credit than such a proposal as that? It is true that that proposal is not now in the Bill. I think it was withdrawn almost before the Legislature considered it.

The Hon. Mr. MONTGOMERY.—Hear, hear.

The Hon. Mr. ORMOND.—My honourable friend says "Hear, hear," but he forgets that this already has done its injury. This thing has gone Home. It has been acted upon, and it has already done a great deal of injury to the credit of the colony. We have still, Sir, to recognise that the Government that proposed it is a Government that is still in office, and, probably, is likely to be in office for some time, and that that was its deliberate proposal. I have personal knowledge of very considerable injury having been done to the colony by that proposal. I know of cases of companies that were proposing to increase their capital which they were prepared to invest in the country, which have taken alarm at this proposal, and which have abandoned any idea of increasing their capital; and the effect of that proposal cannot be exaggerated, and has been most mischievous. It adds to the evidence offered by my honourable friend who spoke before me that this Bill, as it came down—important measure as it is—was very ill-considered. Now, Sir, I should like to say a word or two about the constitutional position of the Council with regard to this measure, and I do so because, as far as I follow the debate on the second reading, this point was treated in different ways by those who spoke on the matter. Sir, my view may be summed up in a very few words. It is this:

that this principle of compulsory land-taking which was refused assent by the Council before the elections—that this principle had been proposed, of course, by the present Government. The present Government obtained a large majority at the elections, and it is reasonable to agree that this was a portion of their policy which was approved of at the elections—that is to say, the principle of the compulsory taking of land; and, that being the case, it would not become the Council to take any action which would override what may be said to be the will of the public on the subject. But, Sir, when I say that that principle has been affirmed, I should like to draw the line there, and to say that is all, in my opinion, that was affirmed during the late elections. The subject received no very great attention. It was, no doubt, made one of the subjects referred to, but, so far as I was able to follow the elections, there was nothing done, either by the Government in the speeches of its individual members, or by the speeches in general of those who addressed the public, in defining the lines upon which the proposal was to be given effect to; and it appears to me that in this Bill we have now before us there is an evidence of utter failure, particularly on the part of the representative branch of the Legislature, to do in Committee what I think ought to have been their special duty—that is, to define clearly the lines of settlement on which this principle is to be carried into effect. Sir, this Bill is singularly defective in defining those lines; and of all important subjects, if this Bill has the importance which is ascribed to it, it is one of the planks which ought to have been mainly attended to by the representative branch of the Legislature. What were the cries we did hear, for instance, at the elections in relation to this measure? Sir, so far as I remember, they may be summed up in words like this: Land for the landless; land for the artisans near the centres; and land for the farmer, especially for the man who tilled the land. So far as my knowledge goes, those were the three main principles which were to be provided for: the principle of close settlement was to be provided for. Well, what is there in this Bill to give effect to a condition of things such as that, supposing those to have been the planks? Take one portion, say clause 4, which is the clause relating to the manner in which the Minister of Lands can dispose of lands—one of the provisions, in fact, for providing land for settlement under the Land Acts; and then clauses 2, 3, and 4, providing for the settlement of land in the shape of farms and grazing-runs, that runs right through the Bill, exchanges of pasture land, and so on. You lose sight, if you examine the measure carefully, of the main object, which is the settlement of the people on the land; and it appears to be a measure devised largely for the purpose of borrowing money to purchase land to be disposed of again as grazing-runs or sheep-farms. Now, Sir, I say, if such an intention had been placed before the people they would not have given their assent to the compulsory principle. What

they did mean was close settlement of one or two kinds chiefly, and they mean this still. And I will point out presently that under the Bill as it stands close settlement, especially in the neighbourhood of large centres, cannot be carried out under this Bill; it is almost expressly prohibited; and therefore, from my point of view, this Bill is a departure from what was intended, the intention being, as I have said, to further close settlement, and farming of the class I have referred to. In looking at this question we are assisted a great deal by the administration of the past year, and if we look at the administration of the past year—particulars of which were very fully and kindly given by the Colonial Secretary to me to-day, in answer to a question—we arrive at what, as I shall show to the Council, is exactly the class of settlement that has been carried out during the past year, and this I shall try to contrast with the kind of settlement which ought to be carried out if in this Bill we are to give effect to what, I contend, the people ask that land should be taken for on the compulsory principle. In the return which my honourable friend gave us to-day there is information afforded as to the purchase and disposal of the Cheviot Estate, on which a sum of £260,000 was expended. That is a sum exceeding the amount which is to be given for expenditure in this year, or in any one year, under this Bill—that is to say, £250,000. Well, just let us see what has been achieved in Cheviot. Sir, my honourable friend answered my question to-day as to what has been done in Cheviot, and the results are given in these particulars, which I think I have taken out correctly. They show that in the Cheviot Estate—which consists of 79,657 acres, and which cost, as I have said, £260,220, there have been 326 sections disposed of to 317 selectors, who, between them, have got this 79,657 acres. In working this out, I find these 317 selectors have cost the colony £821 each to place on the land.

The Hon. Mr. MONTGOMERY.—Cost the colony?

The Hon. Mr. ORMOND.—Yes. The cost of the estate was, as I have said, £260,000; the selectors settled on the land—they are not all on the land; only 171 are on the land, according to the answer I got to-day—but there are 317 who have selected and taken up land, and taken up nearly the whole of it. And I say, again, that they have cost the colony £821 a settler. Now, this is a very important thing. That is why I asked the question, so as to try to arrive at what it is leading us to, and what we are getting for our money. I noticed the other day that Sir Robert Stout, in a speech in another place, in talking of this matter, quoted the Hon. Mr. Ward, who in the speech that he quoted said that the expectation of the Government was that with £250,000 of expenditure they would settle 1,250 people. If this were right, the cost to the colony would be £1,250, instead of £821. That can be taken, I suppose, as a correct statement of what the Government are achieving in the way of settlement of the land. I find, looking at the

class of settlement—still quoting from the return the honourable gentleman gave me to-day—107 lease-in-perpetuity selectors, who had taken up an average of 223 acres each, making a total acreage of 23,936 acres; and thirty-one grazing-farms, of 1,407 acres. In addition to this, I find nine rural settlers taking up 6,358 acres, and eight pastoral settlers with 3,171 acres; making up a total of 77,098 acres. So that it will be seen the bulk of this land has gone into the hands of comparatively a few people. This also is a very important point in connection with the question we are now considering. According to the information with regard to the only other property the Government have dealt with—the Pomahaka Estate—a great deal of it is undisposed of. There is a total of 7,265 acres, and eighteen lease-in-perpetuity selectors have been put on the land, and eleven are expected to be, making twenty-nine settlers on 7,265 acres. I have not the correct cost of the Pomahaka Estate, but I am told it is £18,000 or over. In this case, the twenty-nine settlers on the Pomahaka Block have cost the country £605 each. It is fair for us, in considering this measure having for its object the settlement of the people on the land, to say that the settlement of these two blocks, which is claimed to be successful, is evidence of how it is to be done in the future, especially when we examine the Bill and find, as I have pointed out, that its provisions are mainly, apparently, in the direction of obtaining land, not for close settlement, but for grazing-runs and sheep-farms. Now I want to say a few words as to the class of settlement that, in my opinion, ought to be provided for, as against the class of settlement which has been provided for at Cheviot and Pomahaka,—and before I leave Cheviot and Pomahaka I should like to ask the Council and the Government where this is going to end. Now, how are you going, by any reasonable borrowing in the world, to settle people on the land, if it is going to cost these sums to put them on? And I am going to ask why it is not right that better provision should first be made for those who have far greater wants, whose necessity is fifty thousand times greater than that of the people who have been put on land which was already in profitable occupation. I want to point out what class of settlement ought to be, in my opinion, the justification for a measure like this, and ought to be provided for first. First we will take the farming class—the men who are at present living in agricultural and pastoral districts—men who have not had an opportunity of obtaining land on which partly to maintain themselves while they are partly maintaining themselves by employment in the districts where they are located: because I hold that this class of settlement is the most legitimate to be first provided for. It is a very large class, and a very valuable class—a class out of which can be built up a homestead farming-class, who, if put in a proper position, would establish themselves to great advantage, and be of great advantage to the country. I know in many parts of the country there is

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an absence of the class of land open for these people to occupy, and I would say that what is needed for them is a class of land which should not be taken up in very large acreage, but should be of first-class quality, and within easy reach of a market, near a railway, and where employment can be obtained in times when men are not engaged on their own farms. If these conditions were fulfilled the Government would be establishing a class which would be of value to the country. The next class I say the country might provide for to advantage is the artisan class in the towns. I know that among this class there is a feeling that they have a claim to consideration in land-settlement, and the thinking men amongst them think that if they were within reasonable reach of towns—say, two to five miles—if the Government granted them limited acreages small proprietaries of these people could be put down in numbers of fifty or twenty, and so on: they could attend to their ordinary business; and they could work on their land on those days on which there is no employment for them as artisans; and I am sorry to say there are many of those days amongst all the artisan classes at present—one or two days in each week on which their trades do not work—and I fear there are going to be more during the year coming on. If provision were made for this class by giving them a small acreage of good land in such positions, on which to establish homes, they would be assisted to provide for themselves in the intervals between their work. I conceive that to be a statesmanlike way of providing for a class of people who are at present in not very satisfactory circumstances; and they ought to be provided for next to the farmer class, or at the same time. Now, what could be done with the money in that direction? I have taken out roughly what, it appears to me, could be a means of giving effect to such a scheme as I have just sketched out. We have got £250,000 to spend in the year. Suppose out of that we devoted £100,000 to the settlement of people of the artisan class on pieces of land, say, from one to five acres in extent. I say such an acreage, within four or five miles of the centres, would be a great provision to assist such men to maintain themselves and their families. What could be done in this way? So far as I am able to ascertain—not sticking exactly to the four centres named in the Bill, but extending it to all the large centres in the colony—you could get such land at from £50 to £100 an acre. That is what I consider a full valuation. Then, supposing I am right, and you adopted a one-acre system, you would have a thousand sections for artisans of this class, and, if two acres, you would have five hundred. I would go on and say what could be done with the small-farm business. There, I should say, for the class of settlement I have sketched out, the areas of the allotments should be from five to twenty acres, supposing the land to be of first-class quality. It could be bought in situations I have in my eye all over the country at from £5 to £30; and if this were done, and if

the sections were five acres, five hundred people could be settled, and, if ten acres, two hundred and fifty people could be settled. I say this is capable of being given effect to, and would work out results which, as compared with the Cheviot business, would be of incalculable benefit to the country. In the one case you would provide for a class of settlement for which there is a demand; and in the other you are interfering with settlement which, at any rate to a certain extent, is beneficial, and with very inadequate and poor results. And, so far as I am able to follow this Bill, it does not provide for the class of settlement to which I have referred. And I will tell you why. The Bill limits the acreage within reach of centres which the Government can take to five hundred acres. There are few such properties in existence within this distance of the centres, and therefore the Bill shows that the Government does not at all take into consideration the necessity for providing for this class of settlers. These are my views in connection with the settlement that is wanted as against that given effect to at Cheviot and Pomahaka; and I give these ideas in the hope that they will become known, and that the fact of their being put forward in a public way may lead to a different class of settlement being carried on under the Bill from that which has been given effect to during the past year in the cases of Cheviot and Pomahaka. I want further to say this of the class of settlement of the land that has been given effect to at Cheviot and Pomahaka: that, if the country does make up its mind that it is necessary to provide this class of settlement, the field for it is mainly in the North Island of the colony, where Native land is lying waste much more suitable for the purpose than the lands that have been taken, and which could be got at a tithe of the cost of the settlement at Cheviot. I am not of opinion that this class of settlement at the present time needs to be provided for by the State. There is land for sale wherever you go: in fact, I do not know of any land which is not for sale, or whose owner would not be glad to sell it if he could. I want now to say a few words about the injurious effects of this Bill; and they are many. The instances which occur in our every-day life are numerous in which we hear from our friends, and from persons who come into the country and go out of it, how this Bill is operating. What are its tendencies? Its tendencies are to take away all interest in beautifying the country, and improving it, and making homesteads in it. That is what it is doing. I could give the names of many persons whom I know whose cases bear out what I say. There are instances within the knowledge of many of us in which friends within the last month or six weeks intended to go out into the country where they have property, and they intended to improve it, to build on it, to plant it, and to make homes for themselves and their children after them, and they have given up that intention because of this Bill. Why should they go out?

AN HON. MEMBER.—Why?

THE HON. MR. ORMOND.—I will tell the honourable member why. He perhaps does not know it. A man who has taken up a waste piece of land, and who has improved it with the view of handing it down to his children, has something to live for. But this Bill takes that land away from him; and if you can imagine anything worse for the country I do not know it. This Bill is also stopping what is the lifeblood of all new countries—the inflow of settlers with capital. While I have been here I have met gentlemen who have come from the other colonies and from Home, and who say they like the country and everything about it but its laws and their interference with the liberty of the subject, and everything which is tending to destroy individuality and the desire of settling the country. That is what the legislation which we are at present engaged upon is producing. And it is driving away the class of people who are wanted; and much misery is being created in our midst by what is going on. If my honourable friends lived in country like that which I come from they would see the misery which is being brought on the country at the present time. There are numbers of unemployed in the country such as those who live in a city like Wellington do not dream of. It is no exaggeration to say that men are travelling in hordes through the pastoral districts of the colony, and they are being maintained and fed. It is with great regret that I, an old settler, should say so, but they are going about from house to house begging bread; and, to my mind, that is a miserable state of things. That state of things is probably greatly owing to legislation of this kind, which is stopping the introduction of capital and the employment of money, which if not discouraged would provide the very thing which the men whom I have referred to require, and which they should be able to get, living in a young country like this. I have stated almost all I want to say upon this measure. I feel very strongly upon it. I think the injury which it will effect will be more indirect than direct. I do not anticipate any direct injury from it at all, I may say, but I do repeat that it will have a deterrent effect upon the employment of money; it will have a deterrent effect upon the settlers, discouraging them from improving their land. I do not know that at this stage of the session we should attempt an alteration of this Bill. I think this Bill, as I have said before, is altogether inadequate to provide for proper settlement. I feel strongly in regard to this Bill, as I did with respect to the recent Bank Bill. I felt then, and expressed the opinion, that the Legislature was devolving upon the Government the rights and the duties of the Legislature; and I say so again in regard to this Bill—that it is failing altogether to mark out the lines that the Government should act under. There is very little of it in any of the policy Bills which we are having brought before us. I shall not myself attempt to make any amendments in the Bill, although I express

the opinions which I have done as to its being altogether inadequate. And I shall also not do so because doing so would lead us probably into altercations with the other branch of the Legislature at a time when no sufficient consideration could be given to the subject. In the other branch of the Legislature attempts were made to make provision for close settlement, and such attempts were defeated. Therefore, if the Council were now to enter on such a course as I have indicated, we should be entering upon something that would bring us into conflict with the other branch of the Legislature at a period of the session when it would be hopeless that the point at issue could be properly settled.

The Hon. Sir G. S. WHITMORE.—I personally have always been in favour of peace. If the owners of large estates are to be tormented as they have been for several years, and threatened to have their properties taken from them, I think there ought to be something like a reasonable provision made for buying them all out. If we are to have charges of "constructive crime and social-peatism" brought against any people in the country, I think the wisest way would be to buy them out. I think, as the Hon. Mr. Ormond just said, they would be perfectly willing to sell, and shake the dust of this colony off their feet. I am quite certain there would be no difficulty at all in doing that: but there is one thing that I must say. I cannot see that this amendment of the present Act provides for it. That is, the Minister ought not to be encouraged to come down here and claim the credit of buying properties at absurd prices at a time when produce must be cheap, and when the value of land is not very great. I do not think that point has been met by the provisions of the altered Bill. There ought to be a distinct provision for that. There ought to be a minimum price which the Government should pay for any land—that is to say, the price on which the owners of the property are being taxed. I hope that may be altered in Committee. I may say that I should be in favour of withdrawing the limit mentioned in the Bill, and enabling the Government, if they choose, and if they are wise enough to buy up all the great estates and large properties, to try what they can do with those properties. With regard to what the Hon. Mr. Ormond said with reference to provision being made for the artisan class, that is, to a large extent, what the late Mr. Ballance proposed. He proposed, and he tried, to place these men near centres where when their labour was not permanently required, they might have little homesteads to which they could retire when they were out of work, and where their families could live while they happened to be away. Then they could return to their homesteads when they were not employed in other ways. I think that would be a much better system than this general system of taking everybody's property away from him, and giving it to people who can just afford to carry on small farms. However, that is a detail which I should not like to interfere with. I hope that I may be able in

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Committee to induce the Council to place a minimum price on any purchase made under the Bill. Without that, this is a confiscatory measure. It has no other purpose, as I understand it, than to remove from the community that class of persons who are always railed against, and who have been for the last few years perpetually attacked. Adequate money is not provided in this Bill to buy out both the land-proprietor, and that person more wicked still, the absentee. I think the Bill is defective in that particular. As I have said, I think, in Committee, it would be wise if we took pains to see that there shall be a minimum price, and that land shall be taken at the land-tax valuation with 10 per cent. added. If that is put in the Bill, the measure may have a fair chance of succeeding. Large properties will be bought, and then it will be for the Government to decide whether it will carry out Mr. Ballance's principle of placing a labour colony on the land, and giving labourers or artisans an opportunity of becoming members of the small yeoman class of freehold farmers. I, for my part, think we should provide for that class of people.

The Hon. Mr. SHRIMSKI.—Reference has been made to the Ohevot Estate by the Hon. Mr. Ormond, and I agree with him to a certain extent. No doubt the purchase was a very extravagant one, and very likely it will not return interest on the money expended upon it. I believe the honourable gentleman simply referred to the original cost, without adding to it the cost of roads and bridges; but unfortunately the Government were driven into this purchase by the act of the former owners in not agreeing to the valuation which the Land-tax Commissioner put upon it. Consequently, under the circumstances, we are not to blame. With regard to the Bill itself now under consideration, I think its effects will not be so serious as some honourable members anticipate. It may prejudicially affect one, but at the same time it will probably benefit hundreds. Speaking for myself, I know that in the district where I live we have large tracts of country adjoining the town which are in the hands of large estate-owners and absentees, who, while they draw everything they can from the colony, spend very little in it. Sir, if properties like that were bought from the New Zealand Land Company—such as the property adjoining the Town of Oamaru—I have not the slightest doubt that, instead of being overburdened as we are now by enormous taxation, and the place being almost starved out, that locality would become a very prosperous one. The land, I believe, could be purchased at a far lower price than that fixed by the Hon. Mr. Ormond. I have no doubt that the suggestion of the Hon. Mr. Ormond is a very good one. Near any centre where the Government can acquire land it should be acquired, and cut up into small allotments, which would be beneficial to settlement, and I have no doubt that if the Government would do that they could get more than the five hundred, or even five thousand acres adjoining the Town of Oamaru, and

in many other localities besides. I speak from my own experience. I am certain that the Government could purchase land which I do not suppose would exceed in cost £18 an acre—the very best of land; and while this might perhaps be injurious to one individual it would benefit many hundreds. Under these circumstances I think I am in duty bound to vote for the Bill.

The Hon. Dr. GRACE.—Sir, I feel very much interested in the two speeches that have been delivered by the Hon. Mr. Stevens and the Hon. Mr. Ormond upon this Bill. I should like to say, in relation to the position which the Hon. Mr. Stevens has so clearly stated to the Council, that this new experience merely affords an additional proof of the extreme difficulty of effecting practical legislation when dealing with complex subjects. We must not forget that when a new Parliament is elected a very large number of the members returned to the Legislature are absolutely without parliamentary experience, and it is very difficult indeed for the leaders of a House, in a somewhat tempestuous atmosphere, to control all the elements which thoroughly ordered and perfectly regulated lead to the best results. I am not now seeking to exculpate the Government from any measure of blame that may perhaps attach to it as to the character of the drafting of this measure. I feel that it is extremely difficult to find in a Minister of the Crown a sufficiently varied capacity so as to render him equal to the various efforts he has got to put forth in different directions for the furtherance of his objects, whether political, or social, or directed purely and simply in a naked manner for the good of the commonwealth. I say that, so far as the clearing-up of this difficulty goes, it is merely a distinct proof of the absolute necessity for a second Chamber in any colony situated such as ours is. And this experience merely affords another guarantee to the country of the fact that no party spirit, about which we have so often heard lately, will ever be availed of to the disadvantage of the best interests of the colony in this Chamber. Were it otherwise, would it not have been the simplest thing in the world for the Council, by neglecting its sacred duty, to allow this measure to lapse through the incompetence and inefficiency of the measure itself?

The Hon. Mr. MONTGOMERY.—The Select Committee would have rectified that.

The Hon. Dr. GRACE.—My honourable friend Mr. Montgomery alleges that such a condition of things could not have been possible, because the Select Committee would have rectified such a deficiency in the Act. Sir, the Select Committee is a part of the Council, and, if that Select Committee had been influenced by any party spirit, there is no doubt whatever that the business of the country would have been less well done than it is. But I merely wish to indicate this—I merely wish to draw attention of colonists to this little fact: The sense of the Council is against the Land for Settlements Bill, and yet the Land for Settlements Bill is made into an

efficient and practicable measure by the Legislative Council. Why is that so? Simply because we are, in reality, all thoroughly in earnest about advancing the welfare of the community. And if we take diverse views about what are the best interests of the colony we are here to give expression to those diverse views, and the discussion which follows leads to results as hitherto—ending in great practical benefit to the colony. Sir, here is another illustration of the value of the application of unbiassed practical capacity to the public business. That is all I claim for the Council in relation to this measure. I would say to my honourable friend Mr. Ormond that, though I agree very largely with his speech, and I agree with it entirely where he says that the kind of settlement he suggests would be most beneficial to the colony,—though I agree with him in these particulars, these details, I do not agree with all that he has said in his speech; and here you will at once perceive that members who may be in accord in relation to general principles often form different views as to means and results. I am not of opinion that the country is at present flooded by unemployed owing to mischief resulting from this proposed measure, or any such proposed measure. I am of opinion that the number of our unemployed very largely depends upon the price of our products in London, and I am convinced that the incidence of the taxation on property is so severe and is so severely felt that the margin of profit left for the employment of labour has been seriously diminished by our financial system. I think that an average earning of something like 6 per cent. is as much as is obtained from land in this colony. Now, inasmuch as half the value of the land in the colony, or, perhaps, rather more, is mortgaged at an average rate of something over 6 per cent.,—and not very much over, for there are misconceptions in relation to the current rates of interest,—the margin left to the owner of the property for his personal expenditure, and for employment in any further industries, is very limited, and this margin has been very seriously reduced of late by the constantly-declining English market. Now, Sir, that I hold to be the fundamental cause of the number of our unemployed. To that prominent reason, based on the fluctuations in prices of our commodities in London, has to be added, in my judgment, the fact that labour has of late uniformly demanded more for its share than colonists could afford to pay. That being so, I feel that labour, between the two poles,—through the low prices of our commodities in London, and the high prices demanded in the shape of wages—is suffering a very bad time; and I am of opinion that the condition of labour cannot be improved except through the instrumentality of higher rates for our commodities in England, and lower rates demanded for labour in the colony. Now, with regard to the general principle of the Bill, I made no comment upon the measure on its second reading, because last year, when the Bill was before the Council for considera-

tion, I pointed out that there was one fundamental error which was bound to act most gravely against the interests of the colony, and that fundamental error lay in the fact that as the Bill originally came to this Council twelve months ago any portion of a man's property outside a given area might be selected for settlement by the Crown without remedy to the owner in relation to the balance. I sought to show that the effect of that would be that land-proprietors would have great difficulty in borrowing money on their properties, owing to the insecure condition in which the balance of the property, when the Government had selected from it, would be left. Now, this Bill contains a provision by which the Government must buy the whole of a property in case the person whose property is sought to be diminished demands it. This Bill, by providing recourse to the property-holder in the way of affording him a right to demand that the Government shall purchase the whole of his property, removes that fundamental commercial fault, as I take it, in last year's measure. In connection with the sentimental view of this measure, and its effect upon settlement and the improvement of lands generally, personally I do not attach so much importance to that element as my honourable friend Mr. Ormond does, because I hold that, within an area restricted to one thousand acres in one instance, two thousand acres in another, five thousand acres in a third, and five hundred acres in a fourth, men will have plenty of land left for the cultivation of their natural enthusiasm in the direction of improving lands; and I hold that when the public come to understand that this measure reduces to a practical form the present problems which are exercising the minds of the Legislature it will restore confidence among the people. It is perfectly true the proverb still holds good, "Give a dog a bad name and hang him." We have got a bad name, but we are vastly too useful to hang yet. We have too much in us to make it possible for such a character as we have recently obtained for wild legislation to ruin our future. I am satisfied that this kind of legislation, during the current period of incubation, affects our interests prejudicially; I am satisfied that this kind of legislation does restrict the introduction of capital; but I am inclined to believe that a juster appreciation of our real ends, and a wider knowledge of our real difficulties, will put us outside the sphere of this kind of prejudice, and lead to a restoration of confidence. Now, I would say, what would property-holders, in their own interest, have the colony to do? In my view the general and local taxation of land is already overburdensome. In my view the productive power of land will soon have reached its limit, owing to the check put upon the energy of the people by the small returns for capital so employed. What then would be the remedy for a condition of that kind? The answer, it seems to me, is to broaden the basis of taxation, and broaden out the foundation of the landed interest. How can that better be done than by increasing settle-

ment? I hold it is a question of the character of the settlement that is to be effected under a Bill of this kind, and I hold, if a measure of this kind is wisely administered solely for the purpose of settlement, and free from collateral issues, that the measure itself is a measure of promise. I do not know that we could possibly have a better illustration than the condition of the Town of Oamaru. There are many such districts in the colony, where there is no progress and no settlement, yet where the land is fit for settlement, and where, as I hold, under this measure settlement could be effected beneficially to all parties; and surely, if a landed proprietor receives a price arranged by a Judge of the Supreme Court and two Assessors he will have received a sufficiency for the land that he has parted with. If our experience is worth anything, does it not show that the trouble with a large number of landed proprietors is that they have too much land and too little money, and that their land is not saleable? If we admit all this, we must admit that the particular effect of a measure of this kind cannot be deleterious to the interests of this colony. I agree absolutely that our experience in relation to the settlement of Pomahaka, and, so far as we know, of Cheviot, has not been satisfactory, and I have no doubt what the Hon. Mr. Ormond meant was that we had in the Cheviot business eight hundred and odd pounds a year with each settler at risk. Of course, the settler has not cost the colony eight hundred and odd pounds; but we have a risk of £800 upon each man, which is a very large risk to have in relation to what is a problematical experiment. If I understand the honourable gentleman's argument, it is that we should have a less amount of risk per head, and we should afford to each person a better chance of profitably working than we have hitherto afforded him. In this view I agree with the honourable gentleman entirely, and also with his view that our speculation in regard to Cheviot and Pomahaka has not been a desirable speculation. In point of fact, we must settle the country, and I hold it is impossible for us to maintain our financial solvency unless we extend the basis of settlement; and if this Bill is carefully administered, and if we profit by experience already in regard to both Pomahaka and the Cheviot, it ought to be successful.

The Hon. Mr. MACGREGOR.—Sir, as one who is in favour of the principles of this Bill, and as one who has also taken some part as a member of the Waste Lands Committee in shaping it, I think it is fair to say a few words at this stage, and in doing so I may say that I entirely agree with what has been said by the Hon. Mr. Stevens, the Chairman of the Committee—that if this Bill had been passed by this Council in the form in which it was presented to us by the House of Representatives I am convinced that not a single acre of land could have been taken compulsorily under the provisions of it. That is a very startling fact, and it is a very startling commentary on the manner in which a Bill of so much importance as this

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was prepared in the first instance, and the manner in which it was passed through the other branch of the Legislature. I may say that the honourable gentleman in charge of the Bill here, and who was also in charge of the Bill in the Waste Lands Committee, will admit that this statement is correct, and that no one was more surprised than the honourable gentleman to find that the Bill was in this condition. The honourable gentleman in charge of the Bill seemed not to be aware of it; and, indeed, no one who had taken any part in the handling of the Bill seemed to have discovered that the Bill was so absolutely inept a measure as it was found to be in many respects. I feel bound to mention the attitude towards the Bill taken by those members of the Waste Lands Committee who are opposed to the principle of the Bill. On the Waste Lands Committee there were several members of this Council who are entirely opposed to the principle of the Bill, and yet it was found that in amending it they did their utmost loyalty to bring it into workable form. It is a very imperfectly-drawn measure, and it is a duty that we owe to those honourable gentlemen that we should acknowledge that attitude, and also the attitude of the Council as a whole towards the Bill. This attitude has been to me one of agreeable surprise. I think the statement made by the last speaker, to the effect that the majority of the members of this Council are opposed to the principles of the Bill, is correct; but I am convinced that the majority have given way on the ground that it is considered that a mandate has been received from the country, and that a Bill to this effect should be passed. That being so, it has caused me very great surprise, I must admit, to find that those members of the Council who are so strongly opposed to the principles of the Bill have given themselves so much trouble and devoted so much time and consideration to put it into the shape by which the intentions of the Government could be carried out. With regard to the Bill itself, I may say that I am in favour of it; but at the same time I feel bound to say this Bill is not precisely on the lines that I should have liked to see it. There was, I admit, a very grave objection raised by the Hon. Mr. Ormond, that this measure is not what the country expected—that is to say, that it was mainly intended to provide land for the landless. That, I am convinced, is the kind of measure which the country did desire, and the measure which the country now desires. The statement of the Hon. Mr. Ormond is correct: the Bill is so framed at present that land in the neighbourhood of the cities cannot be acquired for the purposes of this Bill—that is to say, land in small areas, because it is only in small areas that land can be acquired in the neighbourhood of cities. Yet by the provisions of this Bill the owner of land in the neighbourhood of a city is entitled to say to the Minister, "You can go about your business. I have five hundred acres of land, but you cannot take it." This objection arises from the fact that the Bill is altogether too ambitious. The

whole scheme is too ambitious. The amount to be borrowed is too large; and the area of land to be taken is also too large. The Bill, I am quite sure, would be found very much more advantageous if it had been laid down upon very much more moderate lines; and if the areas to be taken and the areas to be disposed of were very much smaller: then I am quite sure that the requirements of the country would have been very much better served. But I am quite sure that we shall before long have to amend the Bill, so as to make provision for small settlement in the neighbourhood of cities. All depends upon the administration of the Act. The land is to be disposed of under regulations made under the Land Act of 1892, and under those regulations the area may be large or small. I have no doubt that the Minister, in the administration of this Act, will so frame the regulations as to make provision for small settlement; and there is ample power for the framing of these regulations. However, all depends upon the manner in which this Act is administered. I have no doubt that, when the Bill comes to be amended, as, to my mind, it will have to be next session, the Minister will find that his best course is to amend it in such a way as to make provision for small settlement near the towns: then I am convinced the Act will be found exceedingly advantageous. At present, even with the very large number of amendments that have been made in the Bill by the Waste Lands Committee, it is still very far from being a perfect measure. In point of fact, it is an extremely incomplete measure, with all the "doctoring" it has received. Still, it has been very much improved, and, as I have said, if the Act is wisely administered, as no doubt it will be, I am convinced that, notwithstanding its defects, it will be found to be an advantageous measure.

The Hon. Mr. BOWEN.—Sir, it is inevitable that a Bill that has been brought down to the Council from a special Committee so completely changed as this Bill has been should provoke a sort of second-reading debate on going into Committee. I am very glad this debate has taken place, if only for the opportunity we have had of listening to so very interesting and practical a speech as the speech my honourable friend Mr. Ormond made just now, and which I think will be very useful outside the walls of the Council. I cannot let the Bill go into Committee without taking the opportunity of expressing my opinion as to the principle of the Bill, because, although it is admitted that the main features of this Bill have been before the country and will be passed,—perhaps in a modified shape, but still passed,—it does not follow that those who disapprove of the principle of the Bill should be expected silently to swallow that principle. Sir, I think that there is in this Bill a principle which may be mitigated in practice, but which is morally bad; and I am quite sure that it is distinctly a check to colonisation. Colonisation, I repeat, is almost at an end in this country—it will be killed outright by this Bill. I mean colonisa-

tion in the sense in which we have always understood it. I was rather surprised at my honourable friend Dr. Grace suggesting that it is a mere sentimental view which people hold when they believe their Crown grant confers an absolute right—that it was only a sentimental view which people had when they thought, having settled on their land and improved it, through years of toil and self-denial and anxiety, with the hope of handing it down to their children, that it could not be taken from them by a Minister. That, Sir, is no sentimental view, but the view which used to be held by all Englishmen as to the tenure of any property to which they were legally entitled. But it has been said or suggested that this measure was absolutely necessary in order to settle the country—to settle people on the land; that such confiscation as has hitherto been known only in countries ruled by despotic tyrants was the result of all available land being occupied in this country by monopolists. Well, Sir, notwithstanding the passing of this Bill, I believe the compulsory clauses will scarcely ever be put in force. Apart from all the Crown land still unoccupied, and the large areas of Native lands unpurchased and now lying waste, there is too much privately-owned land being offered for sale all over the country, and not only land that is some distance up the country, but such land, near to the centres of population, as my honourable friend Mr. Ormond spoke of. Now, it is very difficult to speak of private individuals, and not fair to quote them without special authority, or to bring their private affairs on the floor of the Council; but there is one case which I will mention here, because the gentleman I speak of has himself written to the newspapers to state the case. This gentleman is very well known in Canterbury—my honourable friend Mr. Stevens will know all about him: I refer to Mr. Henry Gray—an extremely careful man, and a man whose word can be taken as sufficient assurance for everything he says. Well, this gentleman, who, I may say, is a thorough judge of land, wrote to the newspapers the other day in Canterbury stating that he offered all his land to the Government, that it was situated about Christchurch, that it was good land, and land in many parts particularly well suited for close settlement—and that it was offered at the Government valuation—that is, at the price put upon it by the Government for taxation purposes,—and the Government price was lower than any price which the Hon. Mr. Ormond suggested this afternoon: and yet it was refused. And since this land was refused by the Government he has sold it at a price higher than the Government valuation—higher than the price at which it was offered by him to the Government.

The Hon. Mr. MONTGOMERY.—The whole of the land?

The Hon. Mr. BOWEN.—Yes; the whole of the land, which shows that he did not set an exorbitant price on any part of it. He wrote to the papers to give publicity to his statement, and therefore I feel justified in quoting

this as one instance among hundreds to show that plenty of land is available at a reasonable price.

The Hon. Mr. MONTGOMERY.—Did he sell the whole of the land?

The Hon. Mr. BOWEN.—He sold the land he offered. His letter can be easily found; I have not got it by me at this moment. I say this is not an isolated case. There is plenty of land of all kinds to be got in the country at a very reasonable price, and at such a price as any jury would put upon it. There is plenty of it in every province in the country, and therefore I do not believe that these compulsory clauses were wanted, and I do not believe they will be put in force, or that it will be necessary to put them in force. But I do think it is advisable that every care should be taken, and every check put on the purchase of land, so that only that which is really useful and beneficial for settlement should be bought, and that there should be no mistake made about it. With that view, I propose in Committee to suggest an amendment in section 6. There is now a Court provided by the Act for purchasing, and I intend to propose a clause to this effect:—

“No land shall be taken compulsorily until a description thereof has been forwarded to the Council of the county in which such land is situated, or, in any county in which ‘The Counties Act, 1886,’ is suspended, to the Road Boards within the said county, and the said county or the majority of the said Road Boards have reported to the Governor on the suitability of the land proposed to be taken. It shall be the duty of such County Council or Road Boards (as the case may be) to report their opinion forthwith.”

I think, Sir, this would be a very useful check, and one that the Government themselves ought to be glad to accept, because it will give them an opportunity of obtaining local information about the land in question which may be more valuable than what they can get from the official Board. At any rate, it will be further light on the subject, which is not to be despised. Most of the questions left for discussion in this Bill are Committee questions. I hope that any reasonable amendments will be accepted by the Government in the spirit in which they are offered, and that there will be a fair and reasonable discussion on the clauses of the Bill.

The Hon. Mr. MONTGOMERY.—With regard to what my honourable friend Mr. Stevens has said, there is no doubt that the Bill came up, in so far as its machinery is concerned, in a somewhat imperfect state. In fact, Sir, from what I heard of the discussion when it was taking place in the other House, there was a difficulty how to classify land as first-, second-, and third-class; and when it came before a Select Committee of men who had been said to be hostile to the Bill they did their duty, just as those who were in favour of it did their duty, in endeavouring to make perfect that which was not perfect before. I think the Hon. Mr. MacGregor said that the Minister in charge of the Bill suggested that which has

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been adopted—namely, that a Board of Arbitrators should be the Court to decide as to the three classes of land; and, at any rate, during the consideration of the Bill before the Committee, very great care and attention was bestowed on these points; and also very great care and judgment were used by the Chairman, my honourable friend Mr. Stevens, in developing that idea of bringing the machinery into such a shape that the Arbitration Court would not only judge of the value of the land, but also under what class that land should be brought. I can understand that it would have been better if the Bill had been brought to this Council in a more perfect form; but, Sir, this is a revising Chamber: in fact, the very reason of its existence is that it is a revising Chamber. Members here are not supposed to be swayed by political or partisan feeling. We simply, therefore, in the Committee, performed our duty, and, I think, did it well, and the Hon. Mr. Stevens in that Committee devoted a great deal of time and attention and clear judgment, prompted by his wish to make the Bill as perfect as possible. I think I am only giving him his due in saying this. Now, Sir, I wish to say a few words respecting what the Hon. Mr. Ormond stated. He spoke of the Bill as it came down to the other branch of the Legislature; but I only want to speak of the Bill as it comes here, because, whatever possible effect it might have had, whatever obscurity there was in regard to this policy, or whatever wrong this policy might have committed in its immature state as it was brought down or passed through another place, I only know the Bill as it comes here. If I go outside that I go into political questions at once which I do not wish to go into at all, because I think we should endeavour to have as little expression of political party feeling in this Chamber as possible. That there will be party feeling I can quite understand, but I think it would be a matter to be deplored that there should be any expression of party feeling which might call forth rejoinders, for, depend upon it, if one man is actuated by feeling, and expresses it strongly against another man, that other man will have something to say in reply. The Hon. Mr. Ormond said that the principle of the Bill had been affirmed at the general elections, and that therefore he would vote for it. He did not like the principle, but it had been affirmed by the country. But he went on to ask, "What would have happened under this Bill if the Cheviot Estate had been taken under its provisions?" Now, the Cheviot Estate would probably never have been purchased under this Bill at all. The Cheviot Estate was purchased because if it had not been so purchased the revenue would have suffered very much. It was entirely for the protection of the revenue of the country that it was purchased; and then, Sir, the Government, having got it, naturally had to make the best of that particular block. I do not at all say the Government would have bought the land under this Bill. But when they got that estate, and put men on it in small sections of good agricultural land,

they had to make sections of larger area, some partly good and some not so good; and then there were other sections outside that again that were only fit for grazing purposes, that could not be cultivated to advantage, and they had to let that in larger sections still. And, when my honourable friend Mr. Ormond puts forth to this colony without any explanation that we have spent £821 in placing every settler upon that land, what does he mean? When you speak of the cost of the settlers placed upon the land, what does it mean in the usual acceptation of the word? That the colony has gone to this expense?

The Hon. Mr. ORMOND.—Will my honourable friend allow me to say that I used the word "borrowed"—"borrowed" to that extent on each individual settler?

The Hon. Mr. MONTGOMERY.—No, Sir; I put down the honourable gentleman's words. If he does say he said that, I must not continue, but I was astonished to hear him put it in that shape, because I do not think it was ingenious; I think, in point of fact, it was disingenuous. Now, the men have, after obtaining allotments under a system of public tender at auction, gone upon this land at Cheviot, and they have to pay so much rent per annum. If they fulfil their engagements it has cost the country nothing—not a shilling. I mention this because, if it were not put into a very different shape from that which my honourable friend has put it in, it would go forth to the world that the expense of putting roads and bridges, and so forth, and the expense of putting men upon this land, have cost the country so much, and therefore that it is a failure. Now, I saw the return for Pomahaka; we shall learn more about that by-and-by, and shall know by-and-by something more about the assertions that were made, and about the insinuations that have been thrown out against Ministers' characters. In the meantime, from the report that has been placed on the table, it does not appear to have been an unsuccessful affair. Now, a few words more, which I have to say to my honourable friend Mr. Ormond—a gentleman who has occupied high places in the colony, and who is deservedly listened to with great attention. He did not confine himself to speaking to this Bill, but he spoke about the legislation of the country—that is, of the present Government—as shaking confidence. Well, the answer to this will be just as short as what he gave us. It is, that I do not think it has shaken confidence. It is only a matter of opinion on his part, and my opinion differs from his entirely. And what has my honourable friend done with regard to settlement for the number of years he was in power in this colony? What has he done? I do not speak of what he himself has done upon his own private estate, but what has he done for the people of the colony?

The Hon. Mr. ORMOND.—I have settled a great many more people than you have.

The Hon. Mr. MONTGOMERY.—Then, what we have is this: My honourable friend makes it a personal question. From a personal point of view, he asks what have I done? Well, per-

haps he is wrong. Perhaps he is entirely wrong. I did not acquire my property at the extremely cheap rate he acquired his. Let us be personal, if you like; but he has no right to say that he has done more than I have. I can compare my passage through the world with his; and, though I have not done so well for myself, I have done quite as well for other people. I was simply speaking of my honourable friend as a public man who has held prominent positions in this country for a number of years. He comes here to-day and says the Government are not going the right way about the matter, and that we should acquire lands in the North Island and settle people upon it. Why, Sir, it seems to me that he is dreaming, or he thinks that we must be. This is the first Government that ever did anything towards assisting the people to go upon the lands of the North Island. Sir, there is a Bill in another place that proposes to buy land to the value of £250,000 in the North Island—bush-land—to road it, to assist settlers to go upon it, and to advance money to assist in cutting the timber down, so that the settlers can live during the time they are getting their land under grass. This is the first time that has been done. This is the first Government that has said the land shall not be parted with for the future in large blocks to individuals in the manner in which it has been in the past, as we all know, so that it was characterized by an honourable gentleman in another place not many years ago by saying that the title-deeds were smeared with rum and blood. I remember that very well. The present Government is one that is objected to because it is said not to have taken the proper means of putting settlers on the land. Sir, the desire is to put men upon the land upon small holdings in places where they can beneficially occupy them; to put men upon larger holdings where the land will support them, with their families; and not to buy land, as the Hon. Mr. Ormond has said, for sheep-runs—to buy one man's sheep-run to put the sheep of another man upon it. The Bill is different from the Bill of last year, and from the Land for Settlements Act of 1892, but has increased the area, because the owner of a property from which the Government wants five or ten thousand acres may now say, "No, take the lot"; and, if the Government be obliged to take the whole property, necessarily there will be some land in it adapted for grazing only, and consequently they have increased the size of the sections to meet that difficulty. Now, I can understand very well that many people may think the proper way to settle people upon the land is in small sections, that they could work for the larger holders. That might be very well. It would be the means of bringing labour to the doors of the larger property-holders, and would be very convenient for them. But what the Government want to see is hundreds or thousands of settlers upon the land making homes for themselves—that is one of the reasons why the sections are larger—to make homes for themselves where they can bring up their families as independent

Hon. Mr. Montgomery

men, and not mere bits of land which they could simply have habitations upon, so that, in order to live, they must go to richer men not far away and ask for work. Sir, it is a thoroughly democratic measure. It is to put men upon land, so that they can live without having to take off their caps and beg other people to give them employment. I have never disguised from myself the fact that this is a measure I have always wanted; it is one to provide for settlement,—not merely one to provide labour for those men who are holders of fifty or sixty thousand acres. My honourable friend Dr. Grace, in the very kindly and good spirit which always characterizes him, spoke of this measure as being one that was against the sense of the Council, but as one that the Council would pass. Well, I believe that is so. But does not that show, when it has been passed by an overwhelming majority in another place, after a general election, that this Council is not in touch with the people—that the sentiment in this Council is not in touch with the sentiment of the people? Well, Sir, I think it is a wise thing on the part of honourable members who do not like the principle of the Bill, yet find the country will have it, to endeavour to make the best of it—to make it as perfect as we can. I think that shows wisdom, and also a commendable feeling on their part that I am sure is the one that should characterize every man in this House. I have not been able to reply to my honourable friend Mr. Bowen, who brought forward a particular instance. To do that I should have to get particular information. I have sent for it, and I should have had it had I been apprised before that the case would be referred to. I have this information: "That the Board reported it was not suitable for settlement." That was the reason it was not purchased; but the papers will be in my hands very shortly. I have sent for them. I admit my honourable friend Mr. Bowen would not put forward a thing he did not believe. I know he would not do that, and I paid a great deal of attention to what he said, and at the time he spoke it was in my mind that he was only speaking on one side of the question, as furnished to him. Mr. Henry Gray himself has very strong feeling in the matter, and very strong objections to Government measures, and to the Government, and generally he likes to keep things as they are. I would ask the Hon. Mr. Bowen's attention to this matter respecting this land of Mr. Gray's. Mr. Gray is a very estimable man, is a very strong partisan, and is very strong against the Government. He says,—

"I deliberately charge Ministers with purposely abstaining from buying, with the object of having an apparent reason for forcible resumption."

I think you can see the strong party feeling there. He offered 17,400 acres of land at £80,000—take all or none. Now, this is what the Surveyor-General says:—

"Mr. Gray offered about 14,700 acres in various parts of Canterbury, most of which was near Waikare, and pastoral country; the

prices varied from £4 to £22 18s. an acre, the prices being conditional on the purchase of the whole. The Board rejected all but 663 acres, as not being in districts where land was wanted, or as too high-priced, or as partly pastoral country; and a special report was made by Ranger Mussen on the 663 acres, which showed the land to be suitable, but it was incumbered by three years' leases, which prevented the Board recommending. The other blocks were well known to Ranger, and did not require inspection. Total sum asked was over £80,000."

The Board reports that with the exception of 663 acres it is not suitable for settlement. The Minister had nothing to do with it, beyond giving careful attention to this report. When my honourable friend knows this, he will see it was out of the power of the Minister to buy the whole land. I think, when the honourable gentleman hears the facts of the case, he will understand that the information given to him was one-sided information, given by a man who, however estimable in his private character, is such an opponent of the Government, and such a strong partisan, that he is not a person to be relied upon in this matter; and I am sure he will be very careful about receiving information from him again.

The Hon. Mr. ORMOND.—One word in personal explanation. My honourable friend said I had been disingenuous to the Council in saying that each settler put upon the land had cost the Government so-and-so. My argument was founded on the colony having borrowed money for this purpose of settling the people on the land taken compulsorily, and my argument was that every settler on the Cheviot had caused the country to borrow and incur a liability of £821. That was my statement, quite clearly, as will be seen when my speech is reported. There is nothing disingenuous in that. I also wish to say that I am sorry I was tempted into making the retort I did to my honourable friend when he was good enough to say I had never had any part in putting people on the land. He had begun the personality most distinctly, and I am sorry I took part in being personal in such a matter.

The Hon. Mr. MONTGOMERY was understood to say,—I was speaking of the honourable gentleman simply as a Minister of the Crown, and did not speak of him as an individual, and after his attack on the Government policy I think I was justified in speaking as I did.

Bill committed.

FACTORIES BILL.

The Hon. Sir P. A. BUCKLEY moved, *That the Hon. the Speaker leave the chair, in order that the Council may go into Committee on this Bill.*

The Hon. Mr. RIGG.—Sir, I desire to say a few words on this Bill, as I did not speak on the second reading, understanding that the debate would not take place on that occasion, but on the question of going into Committee. The question was then asked as to the necessity for this Bill, and I propose to answer that

question now. In the first place, the Bill now before us is a consolidation measure. In the second place, it has been found desirable to remedy defects in one or two important clauses of the main Act. The first of these occurs in the provision which gives a half-holiday every week to women and young persons. It was found, when the Act had been in force something like eighteen months, that a few words in this provision entirely nullified its effect, and, such is the irony of fate, that it was left to the honorary solicitor of the Wellington Trades Council to find out that defect when defending an employer against a charge brought by the Factories Inspector. This solicitor was Mr. J. W. Poynton; and since that decision was given on the point raised by him there has been in many cases a systematic evasion of the law so far as the half-holiday is concerned. Then, again, the law has been evaded to a certain extent owing to the definition of what a factory is. In the Act now in force any place employing more than three persons is held to be a factory, but there is no provision to meet the case of an establishment kept by one man, who takes orders and distributes his work to various people who do the work at their own residences. This point is not altogether met in the Bill before us, although it is to some extent. It is a matter that I consider requires some attention, and I am sorry it is one so difficult to deal with as completely as I could wish. There is a new provision introduced in the Bill to deal with an objectionable practice that has arisen in consequence—namely, what is known as home work. It has been found that wherever this practice has grown to any extent the most objectionable results have followed. It is one of the most fruitful causes of sweating, for the reason that the people whose necessities are greatest are generally those who take the work home. Again, owing to this practice, it is found that contagious and infectious diseases are readily transmitted; so much so that the London County Council has found it necessary to strictly prohibit home work in their clothing contracts. In the Bill now before us it is proposed to follow the law already in force in the State of Massachusetts, and to cause all these tenement-made goods to be labelled. I should have preferred to have seen the Bill go a little further in that direction, and I think it would have been better to have prohibited home work altogether. I am quite aware that at this time last year I did suggest that this provision of labelling should be adopted; but since then, having read of the evils resulting,—particularly how, in the slums of London, this clothing material is used by the people for bedding and to keep themselves warm, and all the diseases that have followed from the practice,—I should have preferred to have seen a provision to this effect—namely, that all clothing made for sale should be made only in a registered factory. I had some intention of moving a provision to this effect, but I have decided, on thinking it over, to leave it to the gentleman in charge of the Bill to

consider whether it is desirable to take this course or not.

The Hon. Sir P. A. BUCKLEY.—Let us get into Committee, and we shall see.

The Hon. Mr. RIGG.—I do not know whether the honourable gentleman wishes me to speak or not, but I have a very few more words to say, and, with his permission, I will say them. In the Bill as it came down there is a provision—and I believe it is also in the Act—that girls employed in type-setting may be allowed two holidays other than the Queen's Birthday and Easter Monday. I do not know why that was put in the Act at all; for the reason that on every newspaper there is a fixed staff, and whenever it is thought desirable to bring out the newspaper it is necessary that the whole staff should be present, and I cannot see how it is possible in such cases to give the girls, who, I understand, are employed in some numbers on some papers in New Zealand, holidays other than those mentioned. It would be just as inconvenient to employers as on the days named in the Act. I trust the Bill will pass in something like the shape in which it has come from the Labour Bills Committee, and then I feel satisfied that, so far as factory legislation is concerned, it is not likely that we shall be troubled for some time to come.

The Hon. Mr. SHRIMSKI.—I think the suggestion made by the honourable gentleman that goods should be manufactured in factories only will act very arbitrarily and cruelly. There are in this colony many women who have to take home work, and at the same time to look after their families; and, if we compelled them to go to factories to work, what would become of their children? Who would look after them and send them to school? I think it would be a very cruel provision, and it seems to me that the more privileges and concessions that are given to a certain class the more they want; and, under the circumstances, I think my honourable friend ought to be perfectly satisfied with the Bill as it stands, without trying to stuff anything more into it, thereby bringing about unnecessary cruelty.

Bill committed.

IN COMMITTEE.

Clause 64.—Persons entitled to half-holiday.

The Hon. Mr. MACGREGOR moved, That the clause be struck out.

The Committee divided on the question, "That the clause proposed to be omitted stand part of the Bill."

AYES, 7.

Bolt	Jennings	Rigg
Feldwick	Kerr	Swanson.
Jenkinson		

NOES, 16.

Acland	Kelly	Reynolds
Barnicoat	MacGregor	Richardson
Bonar	Montgomery	Stevens
Bowen	Ormond	Walker, L.
Buckley	Pharazyn	Whitmore.
Dignan		

Majority against, 9.

Hon. Mr. Rigg

Clause struck out.

Bill reported, with amendments.

The Council adjourned at twenty-seven minutes to eleven p.m.

HOUSE OF REPRESENTATIVES.

Wednesday, 26th September, 1894.

First Readings—Government Advances to Settlers Bill.

Mr. SPEAKER took the chair at half-past two o'clock.

PRAYERS.

FIRST READINGS.

Workmen's Wages Bill, Hospitals and Charitable Aid Bill.

GOVERNMENT ADVANCES TO SETTLERS BILL.

IN COMMITTEE.

Clause 39.—Colonial Treasurer may raise sums by land-bonds.

Mr. G. W. RUSSELL moved to leave out all the words after "It shall be lawful for the Colonial Treasurer to," for the purpose of inserting instead the words "agree with any person entitled to receive money under the provisions of this Act for the issue to such persons of debentures bearing four per centum per annum in such sums as may be agreed upon."

The Committee divided on the question, "That the words proposed to be omitted stand part of the clause."

AYES, 34.

Buddo	Houston	Parata
Buick	Hutcheon, W.	Pinkerton
Carncross	Joyce	Pirani
Carnell	Mackintosh	Reeves
Carroll	McGowan	Smith, E. M.
Dunoon	McKenzie, J.	Stevens
Flatman	McKenzie, R.	Steward
Graham	McLachlan	Ward.
Hall	McNab	
Hall-Jones	Meredith	<i>Tellers.</i>
Harris	Morrison	Lawry
Hogg	O'Regan	Mills.

NOES, 25.

Allen	Lang	Stout
Bell	Mackenzie, T.	Tanner
Buchanan	Maslin	Te Ao
Collins	Massey	Thompson
Crowther	Mitchelson	Wilson.
Fraser	Newman	
Green	Russell, W. R.	<i>Tellers.</i>
Hutcheon, G.	Saunders	Montgomery
Kelly, J. W.	Smith, G. J.	Russell, G. W.

PAIR.

<i>For.</i>	<i>Against.</i>
Cadman.	Duthie.

Majority for, 9.

Amendment negatived.

Clause agreed to.

Part IV.—Advances on mortgages.

Clause 41, subsection (3).—"No advance shall be granted for a sum of less than fifty or more than five thousand pounds, and every advance shall be for fifty pounds or a multiple of fifty pounds."

Mr. G. J. SMITH moved to strike out the word "five," with the view of inserting "one" in lieu thereof.

The Committee divided on the question, "That the word proposed to be omitted stand part of the subsection."

AYES, 36.

Bell	Larnach	Pirani
Buddo	Lawry	Reeves
Button	Mackintosh	Russell, G. W.
Carnell	Massey	Seddon
Carroll	McGowan	Smith, E. M.
Collins	McKenzie, J.	Stevens
Crowther	McKenzie, R.	Steward
Duncan	McLachlan	Ward
Flatman	Montgomery	Willis.
Hall	Morrison	<i>Tellers.</i>
Harris	O'Regan	Joyce
Hogg	Pinkerton	Mills.
Kelly, W.		

NOES, 26.

Allen	Hall-Jones	Meredith
Buchanan	Heke	Russell, W. R.
Buick	Houston	Saunders
Carncross	Hutchison, G.	Stout
Duthie	Lang	Tanner
Earnshaw	Mackenzie, T.	Wilson.
Fraser	Maslin	<i>Tellers.</i>
Graham	McGuire	Smith, G. J.
Green	McNab	Thompson.

PAIRS.

<i>For.</i>	<i>Against.</i>
Cadman	Mitchelson
Millar	Button
Pere.	Te Ao.

Majority for, 10.

Amendment negatived.

Mr. WARD moved the addition of the following, as subclause (4): "Not more than five thousand pounds shall be advanced to any one borrower."

Amendment agreed to.

Mr. G. W. RUSSELL moved, That the following words be added to the clause: "Applications for loans not exceeding five hundred pounds shall have priority over applications for larger sums."

Amendment agreed to.

Mr. J. G. SMITH moved the addition of the following proviso: "Provided, further, that no application for sums over one thousand pounds shall be granted until the expiration of one month from the date of the application being received."

The Committee divided.

AYES, 21.

Bell	Duthie	Hall-Jones
Buchanan	Earnshaw	Heke
Buddo	Fraser	Hutchison, G.
Buick	Green	Lang

Maslin
Massey
McNab
Newman

Russell, W. R.
Stout
Wilson.

Tellers.
Allen
Smith, G. J.

NOES, 42.

Carncross
Carnell
Carroll
Collins
Crowther
Duncan
Flatman
Graham
Hall
Hogg
Houston
Hutchison, W.
Joyce
Kelly, J. W.
Kelly, W.

Larnach
Lawry
Mackenzie, T.
Mackintosh
McGuire
McKenzie, J.
McLachlan
Meredith
Mills
Montgomery
Morrison

Reeves
Russell, G. W.
Saunders
Seddon
Smith, E. M.
Stevens
Steward
Tanner
Thompson
Ward
Willis.

Tellers.
Parata
Pinkerton
Pirani
McGowan.

PAIRS.

<i>For.</i>	<i>Against.</i>
Button	Millar
Mitchelson	Cadman
Te Ao.	Pere.

Majority against, 21.

Amendment negatived.

Sir R. STOUT moved the following addition: "Provided always that all applications for loans within a period of fourteen days shall be deemed simultaneous applications."

Amendment negatived.

Mr. THOMPSON moved the following addition: "Provided also that not more than twenty-five thousand pounds shall be lent in one electorate until all applications from other electorates are considered by the Board."

The Committee divided.

AYES, 15.

Duthie
Earnshaw
Green
Heke
Houston
Lang

Mackenzie, T.
Massey
McGuire
McKenzie, R.
Russell, W. R.

Stout
Wilson.
Tellers.
Newman
Thompson.

NOES, 42.

Buddo
Buick
Carncross
Carnell
Carroll
Collins
Duncan
Flatman
Graham
Hall
Hall-Jones
Harris
Hogg
Joyce
Kelly, J. W.

Kelly, W.
Lawry
Mackintosh
Maslin
McGowan
McKenzie, J.
McLachlan
McNab
Meredith
Mills
Montgomery
Parata
Pinkerton
Pirani

Reeves
Russell, G. W.
Saunders
Seddon
Smith, E. M.
Smith, G. J.
Stevens
Steward
Tanner
Ward
Willis.
Tellers.
Morrison
O'Regan.

PAIRS.

<i>For.</i>	<i>Against.</i>
Buchanan	Millar
Button	Hutchison, W.
Hutchison, G.	Larnach

Mitchelson Cadman
Te Ao. Pere.

Majority against, 27.

Amendment negatived.

Mr. G. J. SMITH moved to add, at the end of the clause, the words "All moneys advanced under this Act shall, as far as possible, be distributed throughout the various provincial districts proportionate to the population of such districts."

The Committee divided.

AYES, 9.

Allen	Mitchelson	<i>Tellers.</i>
Earnshaw	Newman	Smith, G. J.
Heke	Russell, W. R.	Stout.
Massey		

NOES, 41.

Buddo	Kelly, W.	Parata
Buick	Lawry	Pinkerton
Carnell	Mackenzie, T.	Russell, G. W.
Carroll	Mackintosh	Saunders
Collins	Maslin	Seddon
Crowther	McGowan	Smith, E. M.
Duncan	McKenzie, J.	Stevens
Flatman	McKenzie, R.	Tanner
Graham	McLachlan	Thompson
Hall-Jones	McNab	Ward
Harris	Meredith	Willis.
Houston	Mills	<i>Tellers.</i>
Joyce	Montgomery	Hogg
Kelly, J. W.	O'Regan	Morrison.

PAIRS.

For.

Against.

Bell	Millar
Button	Hutchison, W.
Duthie	Cadman
Green	Carncross
Hutchison, G.	Larnach
Lang	Steward
McGuire	Reeves
Te Ao	Pere
Wilson.	Pirani.

Majority against, 32.

Amendment negatived.

Clause 42. — Conditions subject to which advances will be made.

Mr. THOMPSON moved to strike out "two-thirds," with the view of inserting "one-half," as the limit to which advances could be made.

The Committee divided on the question, "That the word 'two-thirds,' proposed to be omitted, stand part of the clause."

AYES, 32.

Buddo	Kelly, W.	Newman
Carnell	Lawry	Parata
Carroll	Mackintosh	Pinkerton
Collins	Maslin	Russell, G. W.
Crowther	McGowan	Seddon
Flatman	McKenzie, J.	Stevens
Hall	McKenzie, R.	Ward
Hall-Jones	McLachlan	Willis.
Harris	Meredith	<i>Tellers.</i>
Hogg	Mills	Duncan
Joyce	Morrison	Smith, E. M.

NOES, 19.

Allen	Massey	Smith, G. J.
Buick	McNab	Stout
Earnshaw	Mitchelson	Tanner.
Graham	Montgomery	
Heke	O'Regan	<i>Tellers.</i>
Houston	Russell, W. R.	Buchanan
Kelly, J. W.	Saunders	Thompson.

PAIRS.

For.

Against.

Cadman	Duthie
Carncross	Green
Hutchison, W.	Button
Larnach	Hutchison, G.
Millar	Bell
Pere	Te Ao
Pirani	Wilson
Reeves	McGuire
Steward.	Lang.

Majority against, 13.

Amendment negatived.

Mr. WARD moved to add, at the end of subsection (1), the following words: "if it consists of rural land, or one-half if it consists of urban or suburban land; and the class of land shall, in each instance, be determined by the Board."

The Committee divided.

AYES, 44.

Allen	Kelly, J. W.	Morrison
Buchanan	Kelly, W.	Newman
Buddo	Lawry	Parata
Buick	Mackenzie, T.	Pinkerton
Carnell	Mackintosh	Russell, W. R.
Carroll	Maslin	Saunders
Crowther	McGowan	Seddon
Duncan	McKenzie, J.	Smith, E. M.
Flatman	McKenzie, R.	Stevens
Fraser	McLachlan	Tanner
Graham	McNab	Ward
Hall	Meredith	Willis.
Hall-Jones	Mills	<i>Tellers.</i>
Harris	Mitchelson	Collins
Hogg	Montgomery	Russell, G. W.

NOES, 8.

Earnshaw	O'Regan	<i>Tellers.</i>
Heke	Smith, G. J.	Houston
Massey	Thompson.	Stout.

PAIRS.

For.

Against.

Cadman	Duthie
Carncross	Green
Hutchison, W.	Button
Larnach	Hutchison, G.
Millar	Bell
Pere	Te Ao
Pirani	Wilson
Reeves	McGuire
Steward.	Lang.

Majority for, 36.

Words added.

Subsection (3).

Mr. MASLIN moved, That the words "the lessee's interest in the lease" be struck out, with a view to inserting the following words: "permanent improvements made on the land."

The Committee divided on the question, "That the words proposed to be struck out stand part of the clause."

AYES, 34.

Allen	Hogg	Parata
Buchanan	Joyce	Pinkerton
Buddo	Kelly, W.	Seddon
Carnell	Lawry	Smith, E. M.
Carroll	Mackenzie, T.	Stevens
Crowther	Massey	Stout
Duncan	McGowan	Ward
Flatman	McKenzie, J.	Willis.
Fraser	McKenzie, R.	
Graham	Meredith	<i>Tellers.</i>
Harris	Mitchelson	McLachlan
Heke	Morrison	Mills.

NOES, 10.

Buick	McNab	<i>Tellers.</i>
Collins	Montgomery	Maslin
Hall-Jones	O'Regan	Russell, G. W.
Kelly, J. W.	Smith, G. J.	

PAIRS.

<i>For.</i>	<i>Against.</i>
Cadman	Duthie
Carncross	Green
Flatman	Kelly, J. W.
Houston	McGuire
Hutchison, W.	Button
Larnach	Hutchison, G.
Mackintosh	Newman
Millar	Bell
Pere	Te Ao
Pirani	Wilson
Reeves	Russell, W. R.
Steward.	Lang.

Majority for, 24.

Amendment negatived.

Clause 43. — Provisions relating to mortgage.

Subsection (2).—"The term of the loan shall be thirty-six and one-half years."

Mr. G. W. RUSSELL moved, That the words "thirty-six and one-half years" be struck out, with a view to inserting the words "not more than ten years."

The Committee divided on the question, "That the words proposed to be omitted stand part of the subsection."

AYES, 39.

Allen	Heke	Mitchelson
Buchanan	Hogg	Montgomery
Buddo	Kelly, W.	Morrison
Buick	Lawry	Parata
Carnell	Mackenzie, T.	Pinkerton
Carroll	Maslin	Seddon
Collins	Massey	Smith, E. M.
Crowther	McGowan	Stevens
Duncan	McKenzie, J.	Ward
Fraser	McKenzie, R.	Willis.
Graham	McLachlan	<i>Tellers.</i>
Hall	McNab	Joyce
Hall-Jones	Meredith	Mills.
Harris		

NOES, 4.

Smith, G. J.	<i>Tellers.</i>
Stout.	O'Regan
	Russell, G. W.

PAIRS.

<i>For.</i>	<i>Against.</i>
Cadman	Duthie
Carncross	Green
Flatman	Kelly, J. W.
Houston	McGuire
Hutchison, W.	Button
Larnach	Hutchison, G.
Mackintosh	Newman
Millar	Bell
Pere	Te Ao
Pirani	Wilson
Reeves	Russell, W. R.
Steward.	Lawry.

Majority for, 35.

Amendment negatived.

Mr. WARD moved, That the following be added to subclause (2):—

"Provided that in the covenants implied in mortgages of land registered under 'The Deeds Registration Act, 1868,' that Act shall be read in lieu of 'The Land Transfer Act, 1885,' whenever the last-mentioned Act occurs."

Amendment agreed to.

Mr. WARD moved, That the following be added as a new subclause:—

"Every mortgage docket of land registered under 'The Deeds Registration Act, 1868,' shall, for all purposes whatsoever, be deemed to be a deed or instrument within the meaning of that Act, and a deed of conveyance of land by way of mortgage within the meaning of 'The Property Law Consolidation Act, 1883,' and may be registered under the former Act accordingly, the Superintendent being the mortgagee and the person signing the docket being the mortgagor, of the land therein mentioned."

Amendment agreed to.

Subsection (9).—"The form of mortgage in the Third Schedule of this Act (hereinafter called 'the mortgage docket') shall be used."

Mr. WARD moved, That these words be struck out, and the following inserted in lieu thereof:—

"(9.) The respective forms of mortgage in the first and second parts of the Third Schedule to this Act (hereinafter called 'the mortgage docket') shall be used for mortgages of land held under 'The Land Transfer Act, 1885,' and land registered under 'The Deeds Registration Act, 1868,' respectively."

Amendment agreed to.

Clause 50.—Form of land-bond.

Subsection (3).—"Shall have the same currency as the mortgage for the purposes of which it was issued."

Mr. BELL moved, That these words be struck out.

The Committee divided on the question, "That the words proposed to be struck out stand part of the clause."

AYES, 30.

Buddo	Harris	McKenzie, J.
Buick	Hogg	McKenzie, R.
Carnell	Kelly, W.	McLachlan
Carroll	Lawry	McNab
Duncan	Mackenzie, T.	Meredith
Hall	Maslin	Mills
Hall-Jones	McGowan	Morrison

Parata	Stevens	<i>Tellers.</i>
Pinkerton	Ward	Collins
Seddon	Willis.	Graham.
Smith, E. M.		

NOES, 10.

Allen	Massey	<i>Tellers.</i>
Buchanan	Mitchelson	Russell, G. W.
Earnshaw	Montgomery	Smith, G. J.
Fraser	Stout	

PAIRS.

<i>For.</i>	<i>Against.</i>
Cadman	Duthie
Carncross	Green
Flatman	Kelly, J. W.
Houston	McGuire
Hutchison, W.	Button
Joyce	Heke
Larnach	Hutchison, G.
Mackintosh	Newman
Millar	Bell
Pere	Te Ao
Pirani	Wilson
Reeves	Russell, W. R.
Steward.	Lang.

Majority, for, 20.

Amendment negatived.

Clause 51.—Land-bonds to be Government securities.

Sir R. STOUT moved the following proviso: "Provided that no moneys belonging to the Government Insurance Department or Public Trust Office shall be invested in land-bonds or debentures under this Act."

The Committee divided.

AYES, 14.

Allen	Hall-Jones	Montgomery
Buick	Mackenzie, T.	Smith, G. J.
Earnshaw	Massey	<i>Tellers.</i>
Fraser	McNab	Buchanan
Graham	Mitchelson	Stout.

NOES, 26.

Buddo	Maslin	Parata
Carnell	McGowan	Pinkerton
Carroll	McKenzie, J.	Seddon
Collins	McKenzie, R.	Stevens
Duncan	McLachlan	Ward
Hall	Meredith	Willis.
Harris	Mills	<i>Tellers.</i>
Kelly, W.	Morrison	Hogg
Lawry	O'Regan	Smith, E. M.

PAIRS.

<i>For.</i>	<i>Against.</i>
Bell	Millar
Button	Hutchison, W.
Duthie	Cadman
Green	Carncross
Heke	Joyce
Hutchison, G.	Larnach
Kelly, J. W.	Flatman
Lang	Steward
McGuire	Houston
Newman	Mackintosh
Russell, W. R.	Reeves
Te Ao	Pere
Wilson.	Pirani.

Majority against, 12.

Amendment negatived.

Clause 78.—Bankruptcy Act not to apply.

The Committee divided on the question, "That the clause be a clause of the Bill."

AYES, 24.

Buddo	McKenzie, J.	Seddon
Carnell	McKenzie, R.	Smith, E. M.
Carroll	McLachlan	Stevens
Collins	Meredith	Ward
Graham	Mills	Willis.
Harris	O'Regan	<i>Tellers.</i>
Hogg	Pinkerton	Montgomery
Lawry	Russell, G. W.	Morrison.
McGowan		

NOES, 11.

Allen	Hall-Jones	Stout.
Buick	Maslin	<i>Tellers.</i>
Fraser	McNab	Earnshaw
Hall	Mitchelson	Smith, G. J.

PAIRS.

<i>For.</i>	<i>Against.</i>
Cadman	Duthie
Carncross	Green
Duncan	Buchanan
Flatman	Kelly, J. W.
Houston	McGuire
Hutchison, W.	Button
Joyce	Heke
Kelly, W.	Mackenzie, T.
Larnach	Hutchison, G.
Mackintosh	Newman
Millar	Bell
Pere	Te Ao
Pirani	Wilson
Reeves	Russell, W. R.
Steward.	Lang.

Majority for, 13.

Clause agreed to.

New clause 11.—"The Governor in Council may also, from time to time, appoint such Valuers, not being members of the staff, as he may deem necessary for the business aforesaid, and they shall be paid such remuneration as may be appropriated by the General Assembly."

Agreed to.

New clause 71.—"Every person employed in the business of the Advances to Settlers Office who directly or indirectly takes any fee or reward from any applicant for a loan under this Act shall be dismissed from his office, and be liable to imprisonment for any term not exceeding two years, with or without hard labour."

Agreed to.

Bill reported, with amendments.

ADJOURNMENT.

3.0. Mr. SEDDON moved the adjournment of the House.

Mr. G. J. SMITH, with the permission of the House, desired to make a few remarks, and he trusted anything he might say would be considered strictly in order.

Mr. SPEAKER asked if the honourable gentleman was speaking on a private matter or on the public business of the question of the adjournment of the House.

Mr. G. J. SMITH thought the matter affected the conduct of public business.

Mr. SPEAKER said that if the honourable gentleman spoke to public business that was one thing, but a private matter had better be dealt with as a matter of personal explanation.

Mr. G. J. SMITH thought the House would grant him the necessary permission, seeing it affected him personally.

Mr. SEDDON thought it might lead to unnecessary debate.

Mr. G. J. SMITH said that at the time of the election he was returned against the wishes of some of the members of the Ministry, and since then, on various occasions, he had found it very difficult to get information on public subjects from several members of the Ministry. The last thing he had to complain of had occurred the other day, when a meeting of the Liberal party was held of which he did not receive any notice, and, as his exclusion had been notified throughout the colony, he wished to place his position before the House, his constituents, and the colony generally. He had written to Mr. Mills, the senior Whip, as follows:—

"25th September, 1894.

"DEAR MR. MILLS,—I understand there is to be held to-day a caucus of the Liberal party, and that cards have been issued for same. As I have not received a card, I shall be glad to know, at your early convenience, whether this is an oversight, or intentional. — Yours sincerely,

"GEORGE J. SMITH.

"C. H. Mills, Esq., M.H.R."

Later on he saw Mr. Mills, and received from him a verbal answer; but, in case of misunderstanding, he wrote to him again, as follows:—

"25th September, 1894.

"DEAR MR. MILLS,—Referring to our conversation of to-day, I shall be glad if you will favour me with a written reply to my letter of this morning, so that there may not be any misunderstanding on the matter referred to.—

Yours very truly, "GEORGE J. SMITH.

"C. H. Mills, Esq., M.H.R."

To that communication he received a reply as follows:—

"Wellington, 25th September, 1894.

"DEAR MR. SMITH,—Your note of this date to hand, asking if it was an oversight, or if it was intentional, not sending you an invitation to the caucus meeting of the Liberal party held to-day. In reply, I regret to say it was not an oversight, as your actions and attitude to the Government during the session have been such, we could not think you wished to be recognised as one of the true Liberal party.—Yours truly,

"C. H. MILLS (for Whips).

"George J. Smith, Esq., M.H.R."

Now, in connection with that letter, he merely wished to say that the only Government policy Bill which he had not supported had been the Consols Bill. He had voted for the second reading of every policy measure with that exception, but he had had certain ob-

jections to that Bill as brought down, the nature of which he had specified. Where the friction first started was in reference to the Land for Settlements Bill. He supported the principle of that Bill, but differed from the tenure given under it. Since then opportunities had been taken on certain occasions with the intention of damaging him in his constituency, by endeavouring to prove that, while he professed to come to the House as a Liberal, he had really come as a Conservative, if such terms were applicable to parties in New Zealand. He wished to place on record that it had been stated that it was the desire of the Ministry to force a few of their supporters over to the Opposition benches—that they would be very glad if they went over. That was the position Ministers were taking up, and not only that, but they would be very glad if some of the troublesome members, who declined to be governed by a domineering autocracy, would go over. He supposed he could take the Minister of Lands as a member of the Liberal party, but all he could say was that, if the members of the Liberal party could not show more courtesy than that honourable gentleman, he was sorry for them.

Mr. SPEAKER said the honourable member was now reflecting on other members of the House, and he should confine himself to a personal explanation, and not go beyond the fair bounds of such explanation.

Mr. G. J. SMITH said, unfortunately, the forms of the House would not allow him to refer to a previous debate, but when the Hon. the Minister of Lands made use of the expression towards him in the course of the evening which he did—

Mr. SPEAKER said the time to refer to anything said in a debate was when the occurrence took place, and it would be out of order to do so now.

Mr. G. J. SMITH said he was not referring to it; he recognised that the forms of the House precluded him from so doing. He would suppose the honourable gentleman was a member of the Liberal party, and came to that House a Liberal, but he could not see that his action was in consonance with his professions.

Mr. SPEAKER said the honourable gentleman was exceeding the limit allowed for a personal explanation, and he must request him to confine himself to a personal explanation, and not, by reflecting upon other members, introduce matter tending to create an irregular debate.

Mr. G. J. SMITH said he would abide by the rules of the House; but he only wished to place on record that he himself had been subjected to certain things which, unfortunately, by the forms of the House, he could not refer to. He wished to say, however, to the members of the Liberal party, and also to the members on the other side of the House, that he believed that they had the kindest feelings towards him. While he had come there to support the Liberal party, he was not prepared to sink his own individuality in any way; and, if honourable gentlemen who from time to time

showed a certain independence were not careful they would also be treated as he had been. He had nothing more to say. He thanked the House very sincerely for listening to his explanation, and he trusted that, so far as he was concerned, he would even outlive the ill-will of some of the members of the Ministry.

Mr. J. MCKENZIE did not know what the honourable gentleman alluded to as to the Minister of Lands. He did not insult the honourable gentleman. The fact of the matter was, he did not speak to the honourable gentleman, either in the lobby or in the House, and if the honourable gentleman thought that was discourtesy he could not help it, because the honourable gentleman generally passed him and gave him the cold shoulder, and he was certainly not going to run after the honourable gentleman on any occasion. He did not know what the honourable gentleman referred to further than that. If the honourable gentleman would speak to him when the Speaker was not present he would, he thought, be able to explain matters to him. So far as the honourable gentleman was concerned, and as to his being a member of the Liberal party, he for one had never looked upon the honourable gentleman as being a member of the Liberal party. He never thought he was one. The first time he knew the honourable member claimed to be a Liberal was that night.

Sir R. STOUT thought it was very unfair of the Minister of Lands to say that an honourable member was not a member of the Liberal party; and he was glad to think—

Mr. J. MCKENZIE.—I never looked upon him as such.

Sir R. STOUT said, well, the honourable gentleman's vision had been very short: that was all he could say. The honourable member, as Minister, ought particularly to have read the honourable member's opinions before coming to any conclusion; and he would undertake to say that, so far as Liberalism was concerned, the honourable member for Christchurch City was a Radical, and went far beyond many Liberals, and probably further than the honourable gentleman himself. He could not refer to what had taken place in Committee, and was sorry the forms of the House prevented it.

Mr. HALL-JONES would just like to say, in respect to the honourable member for Christchurch City, that he had known him for many years, and had always known him as a gentleman of extremely Radical views, and when he learned that the honourable member was coming to that House he was pleased to think they would have among them a gentleman who was as good a Liberal as any member of the Liberal party. Since that time nothing had occurred to cause him to alter that opinion.

Mr. COLLINS said, as Mr. G. J. Smith was his colleague, and as he held views upon some questions differing much from that gentleman's, he would like to say that he had known Mr. Smith for a number of years, and he had known him to be a Liberal. He knew Mr. Smith to be a Liberal of pronounced Liberal views. He

himself regarded Mr. Smith as a Liberal—in fact, politically speaking, as a Radical. As Mr. Smith's colleague, and holding in many respects views radically opposed to those of the honourable gentleman, he was bound to say that he exceedingly regretted that any friction should have occurred between the honourable gentleman and any one in that House. Mr. Smith had been uniformly courteous to him in spite of some differences of opinion, and he hoped that courtesy which he had always extended to others would be extended to the honourable member himself. He was exceedingly sorry that any friction of that kind should have occurred; and, if the result of the statement the honourable gentleman had made would be to heal any breach which had been made he would be glad, and if it could place him in the position which he ought to occupy before the House and the country—and particularly before his constituents—he would be very glad that Mr. Smith had made the statement. He thought the Minister of Lands—whom he had invariably found as courteous as Mr. Smith—had failed to understand the honourable gentleman. He really thought, if the two honourable gentlemen could be brought face to face, or if Mr. Smith would see the Minister, as the Minister had suggested, and have five minutes' conversation with him, they would settle the whole business, and become as great friends as they ought to be.

Mr. G. W. RUSSELL, speaking as a member of the Liberal party, thought a very much larger question was involved than simply the position of one member of that party. Had the leaders of a party the right to say whether a member should or should not be regarded as belonging to the party? It seemed to him that that was the question that underlay the matter. For his part, he could only say that, while he was a loyal Liberal, he would never place himself in the position of being expected entirely to subordinate every opinion he held. While he supported the general policy of the Government, he should always reserve to himself the right to criticize details, and, where he thought proper, to vote against any measure that came up. He should be very sorry indeed if the time should come that, because he chose to take up that position, he should no longer be regarded as a member of the Liberal party. He thought that, unless some important division had taken place in which the member for Christchurch City had clearly gone over to the Conservative party, and had thus placed himself outside the Liberal party, the party had no right to shut him out from caucuses or from meetings which were recognised as meetings of the party. That was his view of the matter. Speaking of Mr. Smith, the member for Christchurch City, he did not wish to make any complimentary remarks to that honourable gentleman, because he did not need them. The honourable gentleman held an undoubtedly strong position in Christchurch, and was recognised by all the Liberal associations there as a Liberal. He thought it was very unfortunate that the Whips had taken the ill-advised course

Mr. G. J. Smith

they had taken to prevent the honourable member from attending the caucus. It was well known that the honourable member for Selwyn, who so often took up a strong position against the Government, was invited to the meeting.

Mr. SEDDON said it was well, perhaps, that the honourable member for Christchurch City had brought the matter forward. The honourable member said, in his opening remarks, as applied to the Ministry, that he was returned to the House against the wishes, at all events, of some of the members of the Ministry. He took it, from that, that the honourable member was alluding to his colleague the Minister of Education. If that was the case, it gave him the key to the whole position.

Mr. G. J. SMITH explained that he had not specified the Minister of Education, and he had better leave it there. He might say that he would exclude the Colonial Treasurer, if he had to specify particular members.

Mr. SEDDON said, then the honourable member made it all the worse for himself. He did not know whether he alluded to him (Mr. Seddon), but if he did he could tell the honourable member he was making a great mistake, and this error might, perhaps, have led the honourable member to form a very erroneous opinion. They all recognised that, whoever was returned to the House as a member of the Liberal party, they should come there as equals, and, no matter what might have occurred during the elections, they were, after election, members of the party and entitled to friendly consideration. Whoever was elected as the choice of the people had been accepted by him (Mr. Seddon), in the position he held, as a member of the party. On the honourable member's arrival in Wellington he was treated by him (Mr. Seddon) cordially, and the honourable gentleman could not say that he had ever treated him discourteously. If there was any difference, and if the honourable gentleman had felt himself aggrieved at the action of any of the Ministers, it was his duty to have spoken to him on the matter. Now, he challenged the honourable member; he could not say that he had done so.

Mr. G. J. SMITH.—Hear, hear.

Mr. SEDDON.—Very well; there the honourable gentleman had made a mistake, for he ought to have spoken to him. Now they came to this question of the exclusion from the caucus the other day. The honourable member had said that he had voted, with one exception, for the Liberal measures. Now, he would refer the honourable gentleman to the fact that up till the 13th September he had on sixty occasions voted against the Government.

Mr. G. J. SMITH.—Would the honourable gentleman say whether on matters of principle or on matters of detail?

Mr. SEDDON said there was no mistaking what he had said—namely, that, according to the division-lists, the honourable gentleman, up till the 13th September, had voted sixty times against the Ministry.

Sir R. STOUT said some of the Ministry had voted against the Government.

Mr. SEDDON said the senior member for Wellington City would like to see that perhaps. At all events, he was only giving the honourable gentleman facts: on sixty different occasions he had voted against the Ministry. How could the Ministry, under such circumstances, look upon him as a supporter? He said it was unreasonable for him to expect it for a moment. Could it be said that the honourable gentleman had any sympathy with a Ministry against which he had voted sixty times? Under the circumstances, they could not take the honourable member for Selwyn and the honourable member for Inangahua and put them in the same category with Mr. Smith, the member for Christchurch City. Some honourable members received occasionally from the honourable member for Selwyn those lectures which did young members good. They got the benefit of his ripe experience. He was the Nestor and the father of the House, and, though they might disagree with a great deal of what he said, still they knew it was well intended, and it sometimes proved beneficial. He did not object to that at all, but he did object to a member like Mr. Smith claiming to be a Government supporter, and yet never missing an opportunity of voting against them. The honourable member for Christchurch City felt himself aggrieved. He said he had heard members of the Ministry say the party was too strong, and that they desired to further strengthen themselves by driving from the party a certain number of members. It was a peculiar way to strengthen a party—reducing its numbers. He must say, as head of the party, he would not take that course to strengthen the party. Far from it. He said the Liberal party was never so strong as it was at present, and it was his duty, in the interests of the party and of Liberalism, and in the interests of the people, to keep it strong. He hoped he had made it so. Whoever had informed the honourable member of what he had stated to the House had informed him of that which was incorrect. He would say this: If it was simply in name that members belonged to the Liberal party of this colony, and they were always voting against the Liberal party, they might go where they liked; but they must not claim to be of the Liberal party, and yet always vote against it. That was what he said to the honourable gentleman. He would say again there was not, as far as he knew, anything whatever personal in this. They were, on the member for Christchurch City admitting the error of his ways, quite prepared—those who were of the party—to kill the fatted calf. There was another point to be considered. He was grieved that the honourable member, when he found what had occurred, when he asked the senior Whip whether it was an oversight or whether it was intentional, did not ask for an explanation. He (Mr. Seddon) would have said, "Well, there are a number of your votes you have given on nearly every occasion against the Government. Surely the Government cannot always be wrong,

that you should be always right. If you desire to be of the party and remain with it, there are occasions when it is necessary that you should subordinate yourself; when you must, in the interests of the party and of Liberalism, assist the party, and not always be found against it."

Mr. G. J. SMITH said if the whip had not been used so much it would have been better for the party.

Mr. SEDDON said wherever there was mutiny, and that mutiny was likely to spread, and it had been caused by one who had acted so antagonistically as the honourable gentleman had done, he had no right to complain of the whip.

Mr. MITCHELSON.—Let us go home.

Mr. SEDDON said that was all very well, but he could not allow those remarks to go. A personal explanation had been allowed to the honourable gentleman, and, when a serious accusation had been made against Ministers, he had a perfect right to answer it. An explanation had been given by his honourable colleague the Minister of Lands as to any discourtesy being intended. His colleague was not to the manner gentle born, and he might be a little brusque in manner, but those who knew him the longest must know very well that he was warm-hearted, and that when honourable members went to see him on business or anything connected with his department he was always willing and glad to meet them and discuss matters with them. After this explanation, he thought that probably there would be a reunion; and he hoped himself, as far as regarded the Minister of Education, who had been specially alluded to—

Mr. G. J. SMITH.—I never mentioned the Minister of Education.

Mr. SEDDON said it would have been better if the honourable gentleman had done so. He (Mr. Seddon) knew to whom the honourable gentleman alluded. The honourable gentleman, in saying that he knew that he had come to the House against his (Mr. Seddon's) colleague's will—

Mr. G. J. SMITH.—I never said anything of the kind.

Mr. SEDDON said his colleague was not present to speak for himself. So far as he had known or seen matters affecting the honourable gentleman, there was no feeling at all in the matter. If the matter had come on sooner, and there had been an explanation, it would have removed the impression from the honourable gentleman's mind. It was for the honourable gentleman by his conduct hereafter to prove that he was still a supporter of the Liberal party. He would be judged by his works, but judging by his works hitherto he had not been at all true to that party.

The House adjourned at half-past three o'clock a.m.

Mr. Seddon

LEGISLATIVE COUNCIL.

Thursday, 27th September, 1894.

Second Reading—Third Reading—Education Endowments—Factories Bill—Lands Improvement and Native Lands Acquisition Bill—Rating on Unimproved Value Bill.

The Hon. the SPEAKER took the chair at half-past two o'clock.

PRAYERS.

SECOND READING.

Rating Bill.

THIRD READING.

Inspection of Machinery Bill.

EDUCATION ENDOWMENTS.

On the motion of the Hon. Sir P. A. BUCKLEY, it was resolved, That this Council approves of the lands proposed to be reserved as endowments for education, as set forth in Paper No. 118, of 19th September, 1894, being permanently set aside as endowments for education.

FACTORIES BILL.

RECOMMENDED.

Clause 63, subsection (3).—Employment of females and young persons in printing offices on holidays.

The Hon. Mr. BONAR moved to insert in paragraph (c), after the words "employed in," the words "fish-preserving factories or."

The Committee divided.

AYES, 23.

Acland	MacGregor	Shrimski
Bonar	Mantell	Stevens
Bowen	Morris	Swanson
Dignan	Ormond	Walker, L.
Feldwick	Peacock	Whitmore
Grace	Pharazyn	Whyte
Holmes	Reynolds	Williams.
Kenny	Richardson	

NOES, 7.

Barnicoat	Jennings	McCullough
Bolt	Kelly	Montgomery.
Buckley		

PAIR.

For.
Oliver.

Against.
Jenkinson.

Majority for, 16.

Amendment agreed to.

Bill reported, with further amendment.

The Hon. Sir P. A. BUCKLEY moved, That the Bill be now read the third time.

The Council divided on the question, "That the word 'now,' proposed to be omitted, stand part of the question."

AYES, 21.

Acland	Feldwick	Montgomery
Baillie	Holmes	Morris
Barnicoat	Jennings	Reynolds
Bolt	Kelly	Richardson
Bonar	Kenny	Rigg
Buckley	Kerr	Walker, L.
Dignan	McCullough	Whyte.

NOES, 11.

Bowen	Ormond	Stevens
Grace	Peacock	Swanson
MacGregor	Pharazyn	Williams.
Mantell	Shrimski	

PAIR.

For.	Against.
Oliver.	Jenkinson.

Majority for, 10.

Amendment negatived.

Bill read the third time.

LANDS IMPROVEMENT AND NATIVE
LANDS ACQUISITION BILL.

The Hon. Sir P. A. BUCKLEY.—This Bill, as honourable members will notice from a perusal of it, is divided into three Parts. The Third Part has for its object the providing of the sinews of war, so to speak, for carrying out the objects embraced in Parts I. and II. I need scarcely remind honourable members that it is impossible in a new country like this to carry out the work of colonisation from ordinary revenue, and that the money to the credit of the Public Works Fund has for a long time been a diminishing quantity. The First Part of the Bill has for its object the giving of assistance to settlers who intend to settle down in bush-country, or the upper parts of the country, and, while so engaged, to give them employment, in order that they may ultimately make homes for themselves. The demand made upon the Government for lands of this description is probably greater than honourable members are aware of, and the requirements are very great in order to enable people to settle upon lands of this character, as, of course, it is necessary that there should be roads and bridges and conveniences for them to get to their homes. It was my fortune, a few weeks before the opening of Parliament, to go up to a part of this province which has been settled for about thirty years, and, really, it was only about two years ago that for the first time the settlers were able to attain to what is known as civilisation. During that time they had to hump everything on their backs, and submit to much suffering and hardship, and, owing to the absence of any roads to their lands, some of these settlers had not left the place for two or three years. The Bill provides that any appropriation for roads and bridges, and for other improvements upon the lands to be acquired, must be submitted to Parliament, and that the estimates for carrying out such works must also be submitted to Parliament. So that there shall be no concealment of anything that is going on, Parliament is to have this matter under its control, and is to be able to say whether any work ought or ought not to be carried out. It is proposed by the Bill to give facilities to associations to settle in the upper parts of the country, and to go upon bush-lands to make homes for themselves; and it is also provided that such associations shall have priority over those persons who may become selectors under the Land Act of 1892. The Board is to ascertain the unim-

proved value, and add to that the value of the improvements paid for by the State, and upon the two values will be estimated the annual rental which these selectors have to pay. That is a fair way of dealing with people of that class who are desirous of settling upon country of that description, and it is becoming a very serious demand indeed upon the Government. Then, the funds accruing to the amount of £250,000 it is provided shall be paid into a separate account, to be known as a "Land Improvement Account." This money it is provided shall not be appropriated for any other purpose. It is provided, however, that local authorities shall have the power of arrangement or agreement with the Minister to expend such money in any particular locality. That is, I think, a very good arrangement, because the local bodies will take great care that not more than is necessary is expended. I now come to the Second Part of the Bill, and I tell honourable members that the acquisition of Native land has become a very important matter. We have at present under negotiation many thousands of acres of land, and we want to get funds—£250,000—for further Native-land-purchasing. When I tell honourable members that there are under negotiation at present large areas of land in several parts of the colony—for instance, in the King-country there are 700,000 to 800,000 acres, in the Gisborne district 500,000 or 600,000, and I may say that some of this is the finest land in the world; in the Awarua Block 130,000 acres beyond that already acquired, and in the Wanganui district some 300,000 acres—they will see that the amount we are asking for for the purpose of the acquisition of land—namely, £250,000—is not a very large amount. These are the features of the Bill which I wish to call attention to. The Third Part is merely the machinery part, to enable the Treasurer to issue the necessary debentures to obtain the money for the purposes mentioned in Parts I. and II. I move, *That the Bill be now read the second time.*

The Hon. Mr. ORMOND.—Sir, this Bill is for purposes that I think all sides of the Council will agree are desirable—that is, the settlement of Native lands, a large portion of which is at present lying idle, and which it is in the interests of the colony to have improved. It appears, however, to me that the Bill would have been very much better if it had been kept distinct—that is to say, if Part II., relating to the purchase, settlement, and improvement of Native lands, had been put in a separate Bill. It would have been more convenient if this had been done. I want to make a few remarks upon the Bill, prefacing them by saying that I agree generally in the purpose for which the Bill is designed. There are some provisions in it, however, which I think will require consideration when we go into Committee, and it is well to point out a few of them which are worth such consideration. Part I. provides funds to the extent of £250,000 for the opening-up of land practically for settlement, and it is provided in the earlier clauses, 2 and 3, that a

statement of such work shall be laid before Parliament at the opening of each session. Does my honourable friend the Colonial Secretary mean that we are not going to apply this Bill until after the next session of Parliament?

The Hon. Sir P. A. BUCKLEY.—No; because it deals with land which is now under contract.

The Hon. Mr. ORMOND.—If the Government wish to take full advantage of this Act it could attain its object by putting in the schedules of the Public Works Statement those works they can see their way to recommend, so that a year shall not be lost in the development of the country. I come now to clause 4, which, to some extent, ought to be read with clause 5. It is defined in that clause that any number of "working-men" may comprise an association; and I want to know why that term should be used in this Bill. Why should not settlers' sons and people of any class who desire to take up land be allowed to come under the Bill and to form associations? This, perhaps, is a Committee objection; but, still, it is objectionable to see a clause of the kind in a Bill of this nature, and I hope it will be amended when we go into Committee. Going on a little further, honourable members will see that in this same clause power is given to these associations to make arrangements with the Minister; and, if honourable members will consider this clause with clauses 5 and 6, they will see that by such an agreement the persons taking up land become entitled to be considered the persons who can get land under the Land Act.

The Hon. Sir P. A. BUCKLEY.—By priority.

The Hon. Mr. ORMOND.—Yes. I think I am fairly stating the position when I say that the Minister is put in the position, in my opinion, of overriding the Land Act; and we ought to be very careful not to permit that. In the Land Act we have carefully embodied provisions that none shall, by accident, or chance, or favour, get first in these applications; but under this measure it will be quite possible for members of these associations, by private communication with the Minister, to get into a position of advantage which they ought not to have over people having the same right to competition; and I think, therefore, we shall have to look carefully into these provisions when we get into Committee on this Bill. I will illustrate the danger of this provision by pointing out what has happened in a locality in this Provincial District of Wellington, and close to the Hawke's Bay boundaries; and the case I shall refer to will show how necessary it is that every opportunity should be given that land may not be taken or occupied without a full knowledge of the persons who are interested therein. Now, land in the Provincial Districts of Wellington and Hawke's Bay is becoming a minimum quantity—that is, Crown land suitable for settlement. Just on the boundaries of the Wellington Provincial District, between Hawke's Bay and Wellington, there was a large block of land, containing something like eighty thousand acres. It was situated at the back of

Akiteo. Those members who are acquainted with the locality will know where I mean. This land was in the neighbourhood of a pastoral district where there have been a large number of men settled for years as shepherds, ploughmen, and in other capacities. These men have been looking forward to forming a settlement on this land. There were about twenty of them, and they had about £200 each, and their intention was to go on the block when it was opened up for settlement.

The Hon. Sir P. A. BUCKLEY.—When was that?

The Hon. Mr. ORMOND.—About a year ago—perhaps more. These people waited a long time and inquired many times at the Land Office when the land was to be opened up, and they were told it would be thrown open in due course. They waited; and at last, after many applications, they were told in answer to the last application that the land was all gone. Where had it gone to? It had gone to what were called associations; and I am credibly informed that members of these associations are only occupying it here and there, and three-fourths of the members never mean to occupy the land at all. In this case *bona fide* men had been elbowed out and prevented from becoming settlers. I merely put this case forward to show that we ought to be very careful to guard against people and associations having the right to unduly interfere with settlement, and particularly with the settlement of the class I have just sketched. It appears to me that this Bill is open to that objection, and the case I have mentioned happened under the Land Act. The purpose of the Part is an excellent one, and there is ample scope for it. That is all I have to say about Part I. Part II. deals with Native lands, and provides for two distinct purposes—for the purchase of Native land and for the opening-up of that land for settlement. The amount set aside for the purpose is £250,000. Now, my honourable friend the Colonial Secretary just now gave us information as to the amount of land that the Government at the present moment have under consideration for purchase. I did not exactly follow the honourable gentleman's figures, but they were considerable—five hundred thousand acres in one case, and so on. It is very satisfactory to hear that the Government were in negotiation for land to the extent and of the character the honourable gentleman has described; but there, again, we must remember that the policy of the Government, as indicated in another Bill that will come down to this Council—namely, the Native Land Bill—is for the Government to resume the right of pre-emption over all Native lands in the North Island. Now, I ask my honourable friend, who has just now told us what a large scope there is for settlement, and the amount of land that has been offered—namely, five hundred thousand acres in one block, and two hundred and fifty thousand acres in another block—I am not exaggerating the matter when I say it amounts to something like a million acres—I ask my

Hon. Mr. Ormond

honourable friend, is this money that is provided in this Bill going to meet the demand which will be put upon it? The appropriation is only £250,000, and half of that is for Native-land-purchasing, and the other half for opening it up.

The Hon. Sir P. A. BUCKLEY. — It is £250,000 for each purpose.

The Hon. Mr. ORMOND. — Not in this Bill, which only provides £250,000 for the two purposes; and if we take away the amount required for the construction of works it will only leave half of that amount available for the purchasing, and under the circumstances I do not think it would be sufficient.

The Hon. Sir P. A. BUCKLEY. — I will ask the honourable gentleman to look at clause 8, and he will see that there is £250,000 in Part I. and £250,000 in Part II. Part I. does not apply to Native land.

The Hon. Mr. ORMOND. — I think my honourable friend misunderstands, and he was not following what I was saying. The Bill provides £250,000 for the purchase and the opening-up of Native lands for settlement, and what I say is that it will be necessary to have a larger vote if this Bill is going to be given effect to. At present it appears that only £250,000 is provided for the two purposes, and I wish to draw my honourable friend's attention to the fact that, under the circumstances which I have explained to the Council, and under this policy, this money will not be sufficient to meet the exigencies of the case, and the demand which will be thrown on the country by the carrying-out of that policy. There is another element in this Part II. which requires attention. The wording of the provision says that the money may be expended for giving access to Native lands purchased under the Bill. That, again, is very significant, and open to very wide interpretation, as it is quite possible that, unless the money is confined entirely to the opening-up of the lands referred to, it might be appropriated to land to which it is not intended that it should be applied. The other Part of the Bill—Part III.—authorises the issue of debentures to the amount of £500,000 at 4 per cent. I have nothing to say about that, except, of course, that it is borrowing, and it appears to me unnecessary that the Government should pay so much as 4 per cent., as, if instead of borrowing in the colony, we borrowed in the London market, we could get this money at 3 per cent. instead of 4 per cent. It appears to me, as a matter of interest to the colony, that it would have been much better, instead of issuing debentures, if we went straightforwardly to the London money-market and said we were going in for a legitimate object: then we would get the money on the best terms.

The Hon. Mr. STEVENS. — I apprehend that this Bill will go both to the Waste Lands Committee and to the Native Affairs Committee, in virtue of its having reference to the waste lands of the Crown and also to Native lands. Whether that will be the course adopted I am not certain, but presume this is

the right course. The position of the thing appears to me to be this: that the Government have seen reason at last to understand that which I think was understood by most people before: that the self-reliance policy—that is to say, the policy of carrying on public works without the aid of the money of some one else—is an utter impossibility. We have been told for a very considerable period—at least, during the last two or three years—that there would be entire self-reliance, and that we should make our public works of every description out of, I think, surplus revenue, and certainly that on no account were we to have recourse to the English market for money for the purposes in question. Sir, I say at the outset I am exceedingly glad to find that some provision is made for the acquisition of Native lands, in order to supply the great and growing want of land for settlement by the inhabitants. I would submit that the proposal now made is one infinitely better than even the suggestion of such a doctrine as that it is desirable to acquire land from private individuals for the purpose of settlement while there is any land in the hands of the Natives lying idle, and which might be acquired under the provisions of this Bill. This is a Bill which will probably go to the Waste Lands Committee, and I presume my honourable friend, or whoever is in charge of the Bill on that occasion, will provide some definition of the word “working-men,” because, if we are going to leave these words in the Bill, and there is nothing in the interpretation clause defining them, with all submission I would say we should merit some degree of contempt, if not of suspicion. My honourable friend, no doubt, therefore, will be prepared to put in a clause giving a definition of the word “working-men.”

The Hon. Sir P. A. BUCKLEY. — I will give the honourable gentleman a definition.

The Hon. Mr. STEVENS. — Exactly. Perhaps my honourable friend would like to include or to exclude from the term the unemployed. There is a point in the Bill to which I wish to call the attention of my honourable friend, with a view to its explanation. I would say at this stage that there has been very little time to examine the Bill critically by the light of the Land Act; but there is a point I wish to refer to. Under this Bill it appears that members of these associations are to be subject to the provisions of Part III. of the Land Act. Now, I want my honourable friend to explain whether these are to be special-settlement associations or not, because, if they are, they will come under Part IV. of the Land Act as it now exists, and they would, it seems to me, be subject to very different conditions in many important respects from those which the Third Part of the Land Act provides for dealing with Crown lands under what is known as the “optional system.” If they work under the Third Part of the Land Act, they will be put under what is known as the “optional system”; but if they are to be special-settlement associations, which is a term known to the Land Act, then they come under Part IV., and the circum-

stances of their settlement will be materially different. There is another point with regard to the provision in clause 10. Here is power to pay moneys—moneys appropriated for special roads and bridges under the Bill generally—

The Hon. Mr. ORMOND.—That would be under the appropriation provided in clause 4.

The Hon. Mr. STEVENS.—I am aware of that, and of course it does not touch the land which is in preparation for settlement. It is confined to roads and bridges; but I wish my honourable friend to explain either now or to the Committee when it meets the precise method in which this form of agreement will be carried on. It seems to me to be one open to very considerable exception, unless some intelligible explanation of its operation is given to us—that is, the one which enables the Minister, of his own motion, to agree with a local body for the erection of bridges and the construction of roads.

The Hon. Sir P. A. BUCKLEY.—Clause 10.

The Hon. Mr. STEVENS.—Yes. I must also ask attention to the proposed method of raising this money. Is the money which is to be raised—this half-million—to be raised exclusively in the colony, or is it to be raised abroad as well as in the colony? The Bill, it appears to me, is hardly clear upon that point. Judging from the 20th clause, it appears to me as a matter of inference that the loan is to be a local loan raised exclusively in the colony. It does not say anything about the repayment of the principal at the post-offices, or what not, but it makes interest payable there; and it does not seem to me quite plain whether the loan is to be confined to the colony or not. Now, if the loan is to be confined to the colony, that raises the question to which I wish to call the attention of the honourable gentleman. In that case, the question of productiveness to the lenders will arise, and it will be very materially affected by this circumstance: that, inasmuch as it will form part of the income of the person lending the money on these debentures, he would be liable under the Land and Income Assessment Act to pay an income-tax of 1s. in the pound upon that interest; and that will apply equally to the New Zealand Consols Bill, which measure has not reached us, and to any other provision where the loan is, so to speak, domiciled in New Zealand and confined to New Zealand money. It appears impossible to exaggerate the importance of that construction, in view of the difference between the rates of interest which are prevalent in England and the rates of interest in New Zealand. If the person who lends money at 4 per cent. in this country is liable to an income-tax of 1s., or 5 per cent., it materially interferes with the prospect of successfully obtaining a loan of that character in the New Zealand market, and the same remark I have just made would apply to the Bill now under way—the New Zealand Consols Bill. I ask my honourable friend's attention to the question, and I ask him to say if I am wrong in my statement; but I am afraid I am not wrong. I ask any honourable

Hon. Mr. Stevens

gentleman who has any familiarity with financial affairs, or even with ordinary business matters, what prospect is there for a loan domiciled in New Zealand being successfully raised if the rate of interest payable on it is proposed to be subject to the burden of taxation by way of income-tax on the interest, as I have indicated?

The Hon. Sir P. A. BUCKLEY.—Sir, I have just one or two words to say in reply to the honourable gentleman who has just sat down. I really am not certain whether he is serious or not. On questions of finance I suppose there is no one more serious than the honourable gentleman. My honourable friend puts to me the question, How will the money be raised? I have only to call his attention to the first section of Part III.—section 16. There he will find it; and I have no doubt he has carefully studied the Bill, as he does everything, for no one pays more attention to the work of this Council than does the honourable gentleman. He will there find the manner in which this money is to be raised. He asks me, in the nature of a conundrum, whether the money is to be obtained outside the colony or inside. There is the provision in clause 16 under which the money is to be raised. Then, my honourable friend is facetious enough to ask me what is a working-man. Sir, the Bill had this proviso introduced in another place: and here I would say I have to deal with the Bill as I find it here. Bills are prepared and introduced, and sometimes, perhaps, they are more carefully prepared than honourable gentlemen suppose, but they are so mutilated in another place that almost all intention and object is taken out. The Bill as originally introduced contained these words in clause 7: "Any person," but the word "person" was struck out, and the words "number of working-men, comprising an association formed in accordance with the regulations made under this Act," were substituted. Now, I will tell my honourable friend what a working-man is. I do not suppose there is a harder-working man in New Zealand than the honourable gentleman himself, and I venture to say I am another.

The Hon. Mr. STEVENS.—Before you put the question, I should like to say, by way of explanation, that I am quite aware of the process in the clause to which my honourable friend referred—clause 16. The doubt which arose in my mind was in consequence of the wording of clause 20, and I think I had a right to put the question to my honourable friend.

Bill read the second time.

RATING ON UNIMPROVED VALUE BILL.

The Hon. Mr. MONTGOMERY.—Sir, this is a new matter, and it is a very important Bill, as honourable members are aware. It is, in point of fact, a Bill to enable the local authorities to declare whether or not the rating shall be upon the unimproved value of land; and the unimproved value means the gross value of land, as defined in the Bill, less the value of all improvements thereon. I will ask the at-

tention of the Council to clause 3, which states that,—

"For the purposes of this Act, section two of 'The Rating Act, 1894,' shall be read subject to the amendments following, that is to say:—

"The definition of the words 'rateable property' shall, except for the purpose of levying water rates or gas rates, be construed as if the words 'without the buildings and improvements thereon' had been enacted therein, in lieu of the words 'with the buildings and improvements thereon,' where the latter occur in the said section."

This clause must be read with the 11th section of the Bill, which reads as follows: "Provided that all water or gas rates fixed by Act or ordinance, and levied within the city, borough, county, or district, shall be levied on the gross value, and not on the unimproved value." There may be, however, another important amendment required which the Law Officer has been consulted on, and it is a matter worth the consideration of honourable members. There is nothing in the Bill which says that drainage rates shall not be levied upon the gross value. In the town I come from—Christchurch—there is a very heavy rate levied for protective work against the River Waimakariri; and if it were levied on the unimproved value it would not be right, and I think it should be provided that the rates shall be levied in such a case on the gross value of property. I mention that matter because I think that honourable members who come from Christchurch would naturally wish to have the matter considered. The 4th clause of the Bill makes provision for ratepayers, by vote, adopting this rating on unimproved value. I will read the clause:—

"Twenty per centum of the ratepayers on the roll where the number of the ratepayers does not exceed one hundred, fifteen per centum where the number of the ratepayers does not exceed three hundred, and ten per centum where the number of the ratepayers exceeds three hundred, by writing under their hands delivered to the Mayor of any city or borough, or the Chairman of any Town Board or county, or to the Chairman of a Town Board or Road Board of a town district or road district in any county where 'The Counties Act, 1886,' is suspended, or in any county wherein the County Council does not levy a general rate, may demand that a proposal to rate property upon the basis of the unimproved value of land be submitted to the ratepayers' vote; and thereupon the votes of the ratepayers shall be taken upon such a proposal on a day to be fixed by the Mayor or Chairman, as the case may be, not less than twenty-one nor more than twenty-eight clear days after the delivery of such demand, and such day shall be forthwith notified in a newspaper published or circulating in the district.

"On such day a poll shall be taken in the manner prescribed by the law for the time being in force in the city or borough, town district, or county, or town and road districts, as the case may be, respectively on a proposal to raise a

special loan therein; and all provisions of any such law necessary for this purpose are hereby incorporated with this Act, subject to this difference: that the voting-papers for the purposes of this Act shall be printed in the following form:—

"PROPOSAL that property shall henceforth be rated upon the basis of the unimproved value thereof.

"1. I vote for the above proposal.

"2. I vote against the above proposal."

"And no such proposal shall be deemed to be carried unless affirmed by a like majority as is required by the law last mentioned to carry a proposal to raise a special loan."

That clause makes a pretty careful provision against the law being altered suddenly unless there is the proper number of votes required. Clause 5 enacts that after a vote is once taken no similar proposal shall be submitted to the vote of the ratepayers before three years. The clause reads as follows:—

"In case any proposal as aforesaid is submitted to the vote of the ratepayers in any district, and is either affirmed or negatived, no similar proposal shall be submitted to the vote of the ratepayers in such district for the period of three years from the date when the first-mentioned proposal was submitted to the said ratepayers and their votes taken thereon:

"Provided that on the expiration of such period the local authority of any of the aforesaid districts may, under the conditions and in the manner prescribed, *mutatis mutandis*, by section four hereof, determine that the operation of this Act within the district under its jurisdiction shall cease, and thereupon, on and after the first day of April next ensuing, 'The Rating Act, 1894,' shall in its entirety come into force therein; and such last-mentioned determination may again in like manner be reversed."

Under this provision the ratepayers can say whether they will have this rating on the unimproved value or not, and they can at the end of the three years reverse, if they think fit, their first decision to bring the Act into force. If the proposal is carried, the local authority is to give effect to the wish of the ratepayers by a special order, and must forward a copy of such special order to the Government. Then a valuation-roll is to be prepared showing the amount of the rateable property in the city, borough, county, or district on which the rates are to be levied. Clause 7 deals with this matter, but it contains two exemptions. The clause reads,—

"A valuation-roll of the rateable property in the city, borough, county, or district shall, as soon as conveniently may be after the gazetted of such special order, be prepared by such Council or Board in manner as provided by 'The Rating Act, 1894,' in respect of local authorities rating on the capital value; with this exception: that, instead of setting forth the capital value, all notices of assessment and the roll shall set forth the gross value, the value of improvements, and the unimproved value of all rateable property in the city, borough, county, or district for which such roll

is prepared; and the rates of such district shall be made and levied on the unimproved value of land, in accordance with 'The Rating Act, 1894,' as amended by this Act."

Then there is provision made for the adjustment of rating-power under the Acts of 1876 and 1882, and this provision is contained in clause 10, subsection (1), as follows:—

"When such rating-power or rate has reference to the annual value of rateable property, a rating-power of one shilling in the pound shall henceforth be exercised or imposed respectively by local authorities rating under this Act, as if it were a rating-power or rate of three-farthings in the pound on the gross value, as defined in section two hereof, and so on a greater or smaller sum in the like proportion for a greater or smaller rating-power or rate than one shilling in the pound on the annual value."

There is a proviso in this clause as to rates that form the security of any loan, as follows:—

"Provided always that, in the case of any fixed rate which forms the whole or any portion of the security for any loan, if the Controller and Auditor-General shall at any time be satisfied that the change above mentioned in the mode of levying rates will have the effect of diminishing the security for such loan, then he may, by order published in the *Gazette*, fix a rate in accordance with this Act which shall as nearly as may be produce the same amount as the rate levied before the commencement of this Act, and thereafter such rate shall for all purposes whatsoever be the rate which shall be levied in lieu of the rate which would otherwise be leviable before the commencement of this Act."

That very properly provides that sufficient rates shall be levied as security for any loan. Clause 12 makes provision for rating upon the gross value. This clause states,—

"When any local authority, not having power of its own motion to adopt this Act, is compelled under section nine hereof to make, levy, and recover a rate under this Act; and

"In so far as any local authority is authorised to make, levy, and recover a rate on behalf of any other local authority:

"The Chairman of such local authority shall forward to the Commissioner of Taxes a copy of the resolution imposing such rate, together with a declaration under his hand in the Form B in the schedule hereto, or to a like effect."

I have now referred to the important points, and the rest of the Bill is purely machinery matter. The principle of the measure is that, in future, corporate bodies, by an appeal to the ratepayers, may, if the ratepayers so determine, levy rates upon the unimproved value; or the ratepayers may determine not to do so. I move, *That the Bill be now read the second time.*

The Hon. Mr. PHARAZYN.—Sir, the honourable member told us that he had called attention to a number of the points of the Bill, and he

Hon. Mr. Montgomery

certainly did so in the way of reading the side-notes. But the honourable gentleman utterly failed to give any reason whatever why this Council should reverse its decision of last year not to pass the Bill which came to it then. This Bill contains practically the remains of the Bill we then amended, and which now appears as the Rating Act of 1893. As the honourable gentleman said, the principle is contained in clause 11, which is controlled by the interpretation contained in clause 2, which reads as follows: "'Unimproved value of land' means the gross value of land, as herein defined, less the value of all improvements thereon." That is the whole meaning of the Bill. There is a clause in this Bill which I think will conflict with the Hospitals and Charitable Institutions Act. I notice, in looking up that Act—namely, "The Hospitals and Charitable Institutions Act, 1885"—that clause 23 provides,—

"Contributions from each of such local authorities shall be proportioned to the rateable value of the rateable property, as defined in 'The Rating Act, 1876,' or 'The Rating Act, 1882,' in the district or subdivision represented by each local authority respectively, as may be provided by resolution of the Board made under the powers herein contained."

The Rating Act of 1876 defines "rateable value" as "the rate at which such property would let from year to year, including improvements"; and, under the Rating Act of 1882, "rateable property" means "all land, tenements, or hereditaments in the colony, with the buildings and improvements thereon, with the following exceptions," amongst others:—

"Lands, not exceeding in each case one hundred acres in extent, and buildings used for a public asylum, a hospital, or lighthouse purposes, and lands used for purposes of public plantations."

Well, it appears to me that if a county adopts this Act it will prevent the contribution to charitable aid being levied upon it, because the terms of the Act are different from the terms of the Bill now before us. Of course, the most important point, apart from the principle of the measure as regards rating on unimproved value, is that it adopts the principle of local option. It says, as the honourable gentleman explained, that each locality may, if it chooses, bring this Act into operation. If a certain resolution is carried,—if the voting is in that direction,—then the rating is to be on the unimproved value of the land in that particular locality for a specified time. Sir, it appears to me that if this principle of rating is the right one—that is, the principle of rating on the unimproved value—it ought to be adopted universally. There is no reason whatever why in some particular locality this species of local rating should apply and in some particular locality the rating should take place on unimproved values, whilst the rating under the present system, including land and everything on it, should be enforced in other localities. I really cannot understand upon what grounds

local option is to be allowed in such a case as this. The only result will be that, wherever it appears to be in the interest of the majority of the voters to have the rating in one direction, it will be carried in that way; and where it appears to be in the interest of another party, they will carry it in another direction; but there will be no decision as to whether it is a right or a wrong thing in itself. It will be simply a sort of local fight as to which party should prevail in the district. It appears to me that a principle of this kind ought to be decided by the supreme Legislature, and ought not to be left to localities to deal with as they might choose. You might just as well make criminal-law a matter of local option, and declare that in some parts of the colony sheep-stealing should be an offence while in other parts it should not. No doubt there are many localities in which it may be very convenient for the majority of the voters to declare that sheep-stealing should not be an offence. It is quite possible that might be, but it certainly does not seem any proper ground for making any distinction of that sort where a principle is involved. Sir, what are rates intended for? Surely rates are intended to pay for the general conveniences provided by localities,—for roads, bridges, and so forth,—and the whole principle of rating has been that those who benefit by this expenditure should pay their fair contribution towards it. Roughly speaking, it may fairly be said that the persons who are in occupation and have made improvements, whether in the shape of buildings or agricultural improvements, are probably more benefited by expenditure in rates than persons who hold lands without having made any improvements at all, and who are possibly non-residents. That seems to be a reasonable principle. It may be somewhat rough-and-ready, but still it is a principle that always has been applied, and it appears to me a very fair one. But that which it is now proposed to adopt is a totally different principle. It is proposed to abandon this principle, and to make the rates so as to relieve persons who happen to have improvements, whether in the shape of buildings or agricultural improvements—to relieve them at the expense of those who have not made improvements on their land, possibly because they are unable to do it. Well, Sir, taxation in this form is certainly a very gross kind of class legislation. It is an attempt to specially tax a particular part of the community who very often may be the poorer part of the community. It has not even the excuse of taxing the rich for the benefit of the poor. It seems to me very likely to tax the poor for the benefit of the rich. A man with really good land, occupied and considerably improved, or a man of large means, can improve his property, and he is to pay little, while a man who has very bad land, on which it is impossible to make improvements, or a man whose means may be deficient, may be taxed for the benefit of a person who is better off than himself. We know that the valuations of 1891 for the boroughs amounted to £36,400,000,

and the improvements were of the value of £18,400,000, while the land was valued at £18,000,000; while in the counties the land was valued at £86,000,000, and the improvements at £28,000,000, the land without improvements being valued at £58,000,000, in that case showing that the land was of considerably more value than the improvements. The tendency of rating on the unimproved value, therefore, would be to increase the proportionate amount of taxes so far as charitable aid is concerned, which is taken out of the funds of the counties, and to make them pay a higher proportion than they contribute now. Sir, it is rather difficult to know what are the motives which have induced the Government to bring forward this proposal. I suppose there has been a certain amount of agitation in some parts of the country respecting it. It is quite possible that a portion of the ratepayers may desire to shuffle off their obligations on to other people. I can quite understand and believe that people with splendid warehouses and fine buildings may be perfectly willing to have their properties rated upon the mere value of the land, and so throw a large amount of the rates upon persons who have not these buildings, warehouses, and so forth. There, again, it appears to me the tendency will be for the richer ratepayer to escape at the expense of the poorer one. Well, Sir, that of course is a mere piece of selfishness, which I think ought not to be encouraged by legislation in which this Council takes part. It is simply an unfair distribution of the local burdens of the community. But, apart from that, there is, no doubt, an idea that land ought to be treated differently from any other kind of property. Under the various theories of land-nationalisation, single-tax, and so forth, there is a party whose theory is that all taxation ought to fall upon land, and upon land only. No doubt they are also actuated by the notion that if all the taxation is thrown upon the land it will force people to improve it, and to employ labour in consequence. Well, I very much doubt whether it will have that effect at all; but, even if it does, it does not at all follow that even that good ought to be obtained by an unfair system of rating. I am confirmed in this opinion that single-tax notions are very much at the bottom of the theory—if there is a theory—on this question by finding that, in another place, an ardent admirer of the single-tax principle said that, in principle, not even Henry George could have drafted a more logical Bill than this, and he urged that as a reason why the House should adopt this principle. Well, Sir, I am not going into the question of whether Henry George is a prophet or not: he certainly is not a prophet who is honoured in his own country. In America Henry George is considered simply a crank and nothing else; and I remember a friend of mine, an exceptionally able man, who was once master of the Nelson College, who told me that he found Henry George's book one of the most useful books he was acquainted with. He said, "I found it extremely useful for my

logic class, as there I have examples of all the fallacies that could possibly be brought together"; and he spoke of the book seriously as useful in this way. It is amusing to find that a person of this sort is now to regulate our legislation in a practical form. It may be just worth while, with reference to my honourable friend opposite, to call attention to the fact that Mr. Henry George's single-tax doctrines have been denounced by the Catholic Church as most immoral and pernicious, and the Rev. Father McGlynn was, I think, made to withdraw from the Anti-Poverty Society in New York, and from connection with Mr. Henry George. Now, whatever we may think of the theology of the Catholic Church, there is no doubt its tendency has always been to advocate the interests of the masses, and certainly not to advocate the interests of the rich; but it has always been actuated by an extreme desire to promote the interests of the great mass of the people in any country where it exercised its power, and it is not likely that the authorities of that Church would have taken such a strong stand as they have taken on this question unless they had seen the mischievous consequences of these doctrines to the masses of the people. Now, so much has been talked about the single-tax principle and the unearned increment, and so forth, that it is really worth while calling public attention to the matter. We constantly hear it said that the principle laid down by Mill of the unearned increment is something which is to be taken as an axiom. Well, gentlemen who take that sort of view seem never to read anything of the later economists, and they pull up at John Stuart Mill, who is a very admirable authority on many points, but certainly not to be considered infallible at the present day. A great many of his propositions have been entirely exploded, and, in fact, the whole theory of economic science has been enormously changed since his time. We have, for instance, first of all, Professor Jevons, who entirely altered the complexion of the whole science by pointing out what was the true theory of value. Then, again, there is Sir Louis Mallet, a very great authority on the question of the single tax, and Professor Marshall, who also repudiates all these unearned-increment ideas; and I think one of the latest writers, in addition to Mallock, who has written very ably on the question, is the Duke of Argyll, who puts the subject in an exceedingly simple form in a paragraph which I will quote, in his "Unseen Foundations of Society." The Duke of Argyll says,—

"This universal fact that value depends upon demand—that is, the number and eagerness of other men who desire to possess themselves of the product, or to share in its use, together with their ability to pay for that possession, and necessity to pay the price demanded if they are to get the article at all—is the best exposure of the Capital Letter fallacy in J. S. Mill's well-known formula of an 'Unearned Increment' in the value of things. There is one answer to it often employed—that it de-

mands an equal consideration to be given to 'Unearned Decrements.' And the rejoinder is just. The decrements of value which arise on all possessions from time to time, and which do often so arise in spite of the most meritorious efforts and sacrifices on the part of those who lose by them, are as common as the corresponding increments. . . . So far, therefore, the retort that Mill's doctrine is unjust and fallacious unless followed to its logical result as to 'decrements' as well as to 'increments' is more than a mere retort, because it reveals the unsoundness of the reasoning, and the typical deceptiveness of the phrase expressing it. But the use of this retort—even the use of the words—involves some concession to a fallacy which ought to be dealt with otherwise. That fallacy ought not to be merely utilised for a rejoinder. It ought to be utilised and exposed.

"Mill's formula counts as 'earned' some undefined portion of the market-value of things—which portion is supposed to represent the special and meritorious work, or labour, of the owners; whilst it counts as 'unearned' some other portion—equally undefined—which is supposed to represent nothing but the value conferred by the increased demand of society. But the truth is obvious the moment we come to think of it—that the lowest scale of value has precisely the same contributory elements in its composition as the highest, no possession being of any value at all except that which arises out of the desires and wants of other men, and the lowest scale of price being just as much due to that demand as the highest. The whole of this doctrine is merely one of the developments of the fundamental fallacy of Ricardo's theory that the value of any article or commodity is to be measured by the quantity of labour or meritorious work bestowed upon it. Ricardo did not push his doctrine to these absurd consequences. And Professor Marshall has made a gallant and not altogether unsuccessful attempt to show that he has been misinterpreted—his ideas ridden to death by his followers. This may be in a measure true; but there is no doubt that Ricardo's own doctrine was one-sided in an extreme degree—vitiated by the neglect of essential elements—and that his idea of the absolute predominance of what he called 'labour' as the determining element of value was essentially erroneous, leading to the most disastrous consequences in English economics. It is easy to see, for example, how it led to the speculative extremes to which it was pushed by J. S. Mill. When the facts of value are obviously seen to be departing widely from the assumed law which ought under the theory to regulate its measure, the natural suggestion which arises in the mind of a dogmatic theorist is that it is 'so much the worse for the facts,' and that natural laws ought to be checked and suspended as far as possible by artificial and arbitrary human action. There is no absurdity of consequence, as we have seen, which will not be faced by men in this frame of mind; and assuredly no consequence could do more violence both to logic and the moral sense than that which would follow, and has actually

Hon. Mr. Phayzyn

followed, from the idea which underlies the teaching on this subject of J. S. Mill."

That, Sir, in a very short form, is really the essential reply to the single-tax and unearned-increment argument. Then, it appears that what is objected to is speculation in land, because somehow or other, land being different from anything else, it is supposed there ought to be no value in it which is caused by the action of other people, just as if even the rate of wages is not as much caused by demand over which the labourer may have no control whatever. As to property in land, I really cannot see why there should be all this jealousy about it. After all, what is meant by it? It only means having the sole use of the property bestowed upon the individual who happens to possess it at the time. Sometimes it will rise in value, and sometimes it falls, like any other article which is considered property: this Bill is practically an attempt to destroy land as property. It is not to be treated like any other property. As John Austin defines property, "Property is every right to a thing which is indefinite in point of user": that is, any property a man has he has a perfect right to do what he likes with. There is no definite point at which the law steps in and says, "You have no right to use it for this particular purpose." But now it is proposed under this Bill to say, "You may use land to build upon, to grow things upon, but not for exchange purposes, not for speculation: at least, if you do, it will be specially taxed, and practically you will have it ultimately taken from you by way of taxation." This interference with the right of the free exchange of land is just as bad as interference with the right of free exchange in any other thing. In principle it is part of the Protection policy which has been so injurious to this and to the other colonies, and it has to a certain extent, an intentional result to force men to improve their property when really it does not pay to do so—diverting capital from employment in which it may be used to cases in which it is not advisable to employ it. Take the case of our occupied lands in towns: there is always a certain demand for houses, and a certain demand for shops, stores, and so forth; and under this Act you are to penalise a man who does not make improvements on his land, by taxing him at a greater rate than a person who has built is taxed. You are practically forcing him to produce more in the way of building dwelling-houses or other kinds of buildings than are required at the particular time, thereby diverting capital from the course it would naturally take into a course which is relatively unprofitable, and which will ultimately be injurious to the community as a whole. It is forcing capital and labour into wrong channels; and that is at the bottom of the fallacy and the mischief of protective interference with the free exchange of property, no matter of what kind it may be. Sir, believing this Bill is unjust and mischievous in principle, and if made operative in any district will be especially oppressive to the poorer owners of property, and also believing that there is no demand for it in the country as a

whole, I move, *That the Bill be read the second time this day six months.*

Debate adjourned.

The Council adjourned at five minutes to five o'clock p.m.

HOUSE OF REPRESENTATIVES.

Thursday, 27th September, 1894.

First Reading—Government Railways Bill—Shops and Shop-assistants Bill—New Zealand Consols Bill.

Mr. SPEAKER took the chair at half-past two o'clock.

PRAYERS.

FIRST READING.

Water-supply Bill.

GOVERNMENT RAILWAYS BILL.

A message was received from the Legislative Council stating that the Council had passed this Bill, with amendments in which they requested the concurrence of the House.

Mr. SPEAKER desired to draw attention to one amendment which might appear to be an infringement of the privileges of the House—namely, that portion of new clause 10 dealing with salaries, in case the extension of the appointments of Commissioners took place. Such an amendment could not, of course, originate in the Legislative Council; but, as this provision was in the Bill passed by the House, he did not regard the transference of the provision from the 4th clause to the 10th as an infringement of the privileges of the House, but thought it right to mention the matter.

Mr. SEDDON moved, That the amendments made in the Bill be approved of. The only material alteration was a provision giving power to the officers to inflict penalties, and to suspend junior officers or employés, subject to the right of appeal. That power was in the original Act. It was a power which was also in other Acts—for instance, that dealing with the Survey Department—so that he did not think it was out of the way to put such a power in this Bill. Otherwise, the amendments were simply of a technical character, and improved the Bill.

Mr. MITCHELSON would like the Minister to inform the House whether it was the intention of the Government to appoint a Minister of Railways, and, if so, did the Government intend to ask the House to sanction an Act authorising an increase in the number of Ministers; and, if such was intended, what salary, if any, they proposed to pay the new Minister.

Sir R. STOUT wished to point out one amendment in the Bill—the words "All persons now in the service of the Railway Commissioners who were in the Civil Service immediately before the first of January," and so on. Suppose there was a Railway Commissioner who had been in the Civil Service, would he be entitled to any compensation dur-

ing the time he was a Railway Commissioner? He seemed to be exempted from this Act. He understood, when the Bill was going through the House, that provision would be made for those Commissioners who were in the Civil Service before their appointment as Commissioners. Were they to be entitled to any compensation? He referred to the three old Commissioners. Two of the present Commissioners had also been in the Civil Service: were they to be entitled to any compensation? The way the Bill read they would not be entitled to any—neither the old Commissioners nor the present ones.

Mr. SEDDON said, in reply to the last question, he did not see, himself, why the Commissioners should be differently treated from the workmen.

Sir R. STOUT said they were in the Bill.

Mr. SEDDON said their status, as regarded the Civil Service, was retained, and properly so. It was so under the original Act, and it was quite right to retain it in this Bill. But as to the time they had been acting as Commissioners and receiving large salaries—very much larger than they were receiving when in the Civil Service, or would have received if they had been retained in the Civil Service—he thought those increased salaries compensated them for what they would have obtained as compensation if they had remained the whole time in the Civil Service. If that was not clear he would look into the matter to see that it was carried out.

Sir R. STOUT would like to draw the attention of the honourable member to subsection (5.) That might be held to apply to two of the present Commissioners, and the result would be, for example, that Mr. McKerrow would get his compensation for the whole time, while Mr. Hannay would be deprived of his. He did not think that was fair.

Mr. SEDDON said he would inquire into the matter. He was told that a computation of Mr. Hannay's and Mr. Maxwell's compensation had been made and they had been paid for the time referred to. He might say he was rather surprised at that himself.

Mr. MITCHELSON.—What about the other one?

Mr. SEDDON said there was no other one; Mr. McKerrow had been retained in the service. He understood that compensation had been computed for the time they had been Railway Commissioners. He was going to inquire into that, to see whether it was so or not, because he thought that was not in accordance with the law. The Audit Department was, of course, responsible, if that were so. At all events, he would look into the matter, because he did not desire them to be treated differently from the workmen. He heard the other day of a workman who had been retired, and for the whole time he had been working on the railways for the past five years he had only received three months' compensation; whilst, of course, had he been in the Civil Service he would have received a month for every year. However, he would look into the matter and

make it clear. The points raised by the honourable member for Eden were—(1) Whether the Government this session intended to bring down a Bill asking the House to increase the number of Ministers; and (2) if the answer was in the affirmative, what would be the salary of the Minister for Railways? He might say the Government had come to no decision yet upon the subject. Of course, until they had decided as to the appointment of an extra Minister, it would be out of place to mention the question of salary. The Government, at all events, would not take charge until the 1st January next, and, in the meantime, there would be the salaries of the present Commissioners to pay; so that was practically nine months of the year gone. The question then was raised whether, for the three months, it was advisable to appoint another Minister, and put upon the colony the expense of his salary, or whether they might not manage from the 1st January till the House met next session with the present number of Ministers. These were questions which the Government must consider. Efficiency should be maintained in the railway service, and if savings could be effected it would be a proper thing to do. Ministers were very hard worked at present, and there might probably be a readjustment. He had stated that he did not intend to take the position of Minister of Railways, but the Government had come to no final conclusion on the matter. When the Government arrived at a conclusion he would inform honourable members. He did not know that there ever was a time when he had stood up in his place in that House and felt so gratified as he did now at finding that, at last, after a long struggle, the people had had returned to them a property which should never have been taken from them.

Motion agreed to.

SHOPS AND SHOP-ASSISTANTS BILL.

A message was received from the Legislative Council stating that the Council had passed this Bill with amendments, and asking the concurrence of the House in the amendments.

Mr. REEVES moved, That the amendments made by the Legislative Council in clauses 2, 3, new clause 9, and new clause 16A be disagreed with, and that the other amendments be agreed to. The amendment made in clause 2 was a vital amendment. That was an amendment which defined a shop as a place in which a person worked for hire, and it exempted from the Act all shops in which no paid shop-assistant was employed. He need not detain the House by giving a series of arguments why he did not think that amendment should be accepted. The question had been discussed in that House four or five times in as many years. He could point out, for example, that the Bill of 1891 contained that exemption, or something like it; but that exemption was struck out by a considerable majority, of which he formed one himself. In 1892, 1893, and this year the Government had positively refused to accept any such amendment in the Bill. He had already stated that

Sir R. Stout

the Government would drop the Bill if such an amendment were carried. Nevertheless they found that the Council carried this amendment, and when the Government recommitted the clause the Council sustained the amendment by a majority of two to one. It must be remembered that this amendment stood on a totally different footing from the exemption of any particular trade from the Act. There might be, and there was, some necessity and fairness in exempting the whole of a certain trade from the operation of the Act. But there could be, from his view, no fairness or reason for exempting, say, one-third of the shops in a particular trade from the Act while bringing the other two-thirds under it. This amendment made it an offence to employ paid labour. He did not think a man should be punished for employing labour and paying it. This was an amendment which gave an advantage to a man employing labour and not paying it. This was an amendment which enabled a man to treat his own flesh and blood very much worse than he would treat hired assistants. He did not think that was right. But, whether it was right or whether it was wrong, the injustice remained that under this amendment a considerable proportion of the shops in each trade would be closed, while a certain proportion would be left open; so that for giving a man a holiday and paying him the employer of labour would be punished and would lose a certain amount of trade. He did not think there was an appreciable number of shops in the colony which depended for their existence

30. and their profit on keeping open on every afternoon in the week. He quite admitted that, when the early-closing Bill was introduced some years ago, under which all these small shops would have been closed every evening except one, there was something in the cry that such a Bill would ruin a considerable number of small shopkeepers. The opposition to the shop-hours regulations on the part of small shopkeepers was in connection with the early-closing movement; but he did not think there was nearly the same amount of feeling with regard to the half-holiday Act, and he did not think an appreciable amount of injury would be done to any shopkeepers by a half-holiday Act. He knew that large numbers of small shopkeepers who did not employ labour were very anxious to have this Act passed—provided, as they expressed it, that they should all shut together. Many of them were just as anxious for a half-holiday for themselves and their families as were any of the employers of labour. Moreover, if this amendment were retained, it would not merely exempt shops worked by families or by widows with their children. This not only exempted shops conducted by families, but it exempted shops in which labour was employed without payment of wages in money; any one who knew anything about the industries in towns must know the large extent to which assistants might be employed who got no money payment in return; and the extent to which such an amendment as this would go caused him to ask that that

amendment be not agreed to. It would, of course, be said that small shopkeepers as a class were wholly opposed to the Act without that amendment; but, if that were the case, he could not have possibly come to that House as a representative of Christchurch. A considerable number of those who supported this Act were opposed to the amendment, and they were returned for the suburbs and boroughs, and would not probably otherwise have been returned at the general election, because small shopkeepers in those constituencies might be said to a great extent to have had the power to dominate as a body the elections of that time. And, if they were as a whole opposed to this Act without the amendment, the present representatives would not have been returned, because it was hardly to be supposed that those whom this amendment would ruin would have returned in almost every case a member to that House prepared to support the Bill and oppose that particular amendment. With regard to another point, the Council had done what he thought was most objectionable in regard to fixing the half-holiday by local option. There were some classes of trades that got a great deal of their trade given to them on holidays, and whose shops were kept open on holidays for the convenience of the holiday-making public, and of the public who were not at work on those days. It was obvious that it would be an injury to shut them on the holidays and deprive them of a certain amount of their trade. There was no objection to shut them on some other day; they were prepared to submit to that. But, instead of allowing this clause to remain, under which, for example, if a Saturday half-holiday were made general in Wellington City, hairdressers kept their half-holiday on Thursday and the butchers and photographers on Thursday, the Council had struck that clause out altogether, and it had put in a clause to say that a special day might be appointed for butchers and photographers. It had exempted hairdressers from the Act altogether—a quite unnecessary and improper thing to do, he thought—and it had made no provision whatever for any other holiday except for butchers and photographers. Then, again, the Council had put in a new clause—clause 9—one passage of which was ungrammatical, and another of which did not express what it was meant to express. The Council had also inserted a new and important clause dealing with banks and merchants' offices. Under this clause—

“The closing-hour of all offices shall be not later than five o'clock in the afternoon of each week-day except Saturday, when the closing-hour shall be not later than one o'clock in the afternoon: Provided that cashiers, ledger-keepers, and cash-book keepers in any office shall, before leaving their offices, balance the books in their charge of the day's transactions; and provided, further, that exception shall be made in respect of not exceeding six days in each calendar month, when employes may be required to return to work after seven o'clock in the evening for not exceeding three hours

in any one day. It is further provided that this section shall not apply to shipping, tramway, and newspaper offices."

He did not object to the principle of this clause, and he was not asking the House to object to it for any other reason than that he thought it could not be worked unless the qualifications in it were greatly modified. He must therefore ask the House to disagree with that amendment. He moved, That the amendments made by the Legislative Council in clauses 2, 3, new clause 9, and new clause 16a of the Shop and Shop-assistants Bill be disagreed with; that the rest of the amendments be agreed to; and that Mr. Bell, Mr. Tanner, and the mover be appointed Managers to draw up reasons for so disagreeing.

Mr. SAUNDERS said the Hon. the Minister of Labour, in his remarks on this Bill, had failed to tell the House anything about the most important injury that would be inflicted under the Bill as now altered by the Legislative Council, in regard to opening of grog-shops.

Mr. THOMPSON suggested that it would be better to deal with the first amendment by itself, with reference to shops keeping open where no labour was employed, because he intended to take a division on that. To his mind, the Council had improved the Bill by this amendment, notwithstanding all that had been said by the Minister of Labour, and he believed that experience would show that, if this amendment were not retained in the Bill, they would ruin hundreds of small tradespeople in the colony. He knew, from private correspondence he had received, that the very class of people that this was proposed to help were going to be ruined. There was no use in trying to evade this view of the question. If they prevented those workmen whose wives and families were carrying on small businesses from assisting to support their families it would bring that class of people to ruin. There was no question about that. It did not matter what day it was. These people in many instances lived in their own shops, and were endeavouring to earn a little to add to the earnings of their husbands, and it would be a most cruel thing to prevent them from earning an honest living. If the majority of the House were unanimous with regard to this class of legislation, which would simply ruin the small working tradesman, he said that those who supported this class of legislation would have to take the responsibility for it. For his part, he would not take such a responsibility, for he would divide the House on it, and those honourable members who were prepared to support this class of legislation could record their votes in favour of it, and those who thought it would injure a large number of people could vote against it. He begged to move, as an amendment, That this amendment be agreed to.

Mr. J. MCKENZIE thought the Bill ought to be passed as it left that Chamber, or else the legislation on the subject should be repealed altogether. Either one position or the other ought to be taken up.

Mr. Reeves

Sir R. STOUT did not know how the amendment was to be put; but he intended to move, That the amendments moved in lines 22, 23, and 24, clause 2, be disagreed with. They related to the opening of hotel bars. This clause had already been discussed in the House, and affirmed by a considerable majority. What he objected to was this: He thought it was very unfair that the amendment should have been made at the suggestion of the Minister. He understood that he urged the Committee in another place to strike this amendment out, and he did not think it was very fair that the honourable member should go to a Committee of another place to urge them to amend the Bill in that direction. He would only point out that in England, in the Shop Bill, — a totally differently-constructed Bill from this, he admitted, — a publichouse bar was declared to be a shop; and when the honourable member talked about small shopkeepers working their families without payment for long hours, that applied tenfold to hotel bars, which were allowed to be kept open till eleven o'clock in some places, and ten o'clock in others. Was it fair that a barmaid attending at a bar should be differently treated from a shop-girl who had to attend in a shop? The associations in a shop were far better for the shop-girl than were the associations of a bar for a bar-girl. He thought it was entirely unfair that a barmaid or a barman should be put in a different position from a shop-assistant. So far as health was concerned, it could not be said for one moment that people employed in bars had not as much right to be looked after as assistants in shops. He asked the House to look at it from a practical point of view. Was it not an absurdity that a man should be prevented from selling sugar on a Saturday afternoon, when he was allowed to sell whiskey? He was sure that such an argument could have no logical standing in the House. They all knew what the result would be if there was a half-holiday for factories and shop-hands and the bars were kept open. It would be an injury to workmen — a temptation to them to waste their means. He asked the House, so far as this amendment was concerned — the amendment moved by the honourable member for Dunedin City (Mr. W. Hutchison) — to disagree with its being struck out.

Mr. REEVES wished to make a personal explanation. The honourable gentleman had made a very unfair imputation against him. It would be imagined from what the honourable gentleman said that he (Mr. Reeves) went to the Committee of the Legislative Council to urge that this particular amendment should be struck out. As a matter of fact, he went to the Committee to speak generally on the Bill; and, in the course of dealing with a large number of other subjects, he dealt with this one, and said then what he had said in that House, without any alteration or concealment. Whether they thought it right or not that publichouses should be closed half a day in the week, he was not going to argue that, and he did not do so, either before the Committee or in

the House. What he did say was that the Bill was not the right place for it—for such a provision.

Sir R. STOUT.—Why?

Mr. REEVES said because the Licensing Act was the proper place.

Sir R. STOUT.—Why, then, was it not so in England?

Mr. REEVES said because, as the honourable gentleman knew, they did not shut up the publichouses in England on a weekly half-holiday. Now, he said to the Committee of the Legislative Council that it might be said that, if they were to reserve this amendment for the Licensing Bill, the Licensing Bill might not come before them at all—that the House might not pass that Bill this session, and therefore it would not go to the Council, and consequently they would not have an opportunity of making provision for it there. But that was not his idea at all. He said, if the Committee thought that publichouses should be shut up on the half-holiday, and there was no chance of their putting it into the Licensing Bill—he would prefer that, rather than put it in the Shops Bill, they should put it in the Factories Bill, which it was entirely in the Council's power to do. That would be a better place for it, seeing that the factories half-holiday was that observed by the mass of the population. It was an absurdity to put this in the Shop-assistants Bill, when they knew that the shop-assistants did not form the mass of the population, and if there was one class of the population that did not resort to the publichouses for the purpose of procuring drink it was the shopmen and shop-girls.

Mr. HOGG said, with regard to the remarks of the honourable member for Marsden, he hoped the House would not be led away by them. The honourable member had suggested that if the small shops were closed it meant that a very large portion of the business community would be ruined. He thought the honourable gentleman had spoken under a misapprehension of the facts. The experiment of closing both small and large shops had been very well tried during the last year or two in the country districts, and he could speak with regard to tolerably large towns in his own district, and say it had worked remarkably well. The small traders had voluntarily closed their premises in the same way as the larger business people, and he was not aware of a single instance in which this had resulted in ruin. Whenever an innovation of a beneficial character was proposed a class of ruin-mongers were continually predicting misfortune of this kind. To his mind, they resembled very much the miner who on one occasion tumbled into a shaft, and, thinking he was going to eternity, instead of travelling down a very short distance, hung on by his finger-tips till daylight, and then discovered he was only about six inches from the bottom. There was no ruin whatever impending over the heads of the small shopkeepers. He would ask this question: Were those honourable gentlemen that interfered with the Bill in this matter animated by a

desire to assist the small shopkeepers, to assist the widows, or those who had families, to obtain a living; or were they not animated by a desire to bring such men as the Chinese traders into active competition with the European employers of labour, who had some little regard for their servants, and wished to give their shop-assistants a reasonable holiday? His impression was that they were less animated by sympathy with the widows and families of shopkeepers, and the small people generally, than by an entire want of sympathy with the very large number of shop-assistants we had in this colony. He contended that if the views which emanated from those honourable gentlemen were not prompted by that spirit they ought to assist in giving protection and relief to the large as well as the small traders. So far as Wellington was concerned, the small traders that would benefit by the Council's proposal consisted very largely of Chinese.

Mr. GUINNESS regretted that when this Bill was in Committee he had not the opportunity, through having to occupy the chair, of expressing his views upon some of the clauses in it. He took this opportunity of warning the Government that the Minister of Labour, by his radical and hasty legislation in the interests of what he called the cause of labour, was doing what would ultimately ruin the Liberal party: that was to say, he was legislating in a direction that was unfair, and would have a most detrimental effect upon the liberty of the subject. And this was one of those important points in the Bill for amending which in the manner they had done he thought every credit should be given to the Legislative Council. The object of the Bill was to give a half-holiday to the shop-assistants—to the persons who were hired and required to work for their masters; but, if the master, whether male or female, chose to carry on business, he or she ought to have free liberty to carry on the business how or in what manner he or she liked. That was the principle which actuated the Legislative Council in making this amendment.

Mr. T. MACKENZIE.—Because they did not understand it.

Mr. GUINNESS would like to know if the honourable member for Clutha had that experience in business matters that many members of the Council had—men who had grown old in dealing with this and other matters, while the honourable member was quite young and had no experience as to these things. He (Mr. Guinness) certainly took exception to the conduct of the Minister of Labour in what he did in attending a meeting of the Committee of the Legislative Council to advocate the passage of this Bill, or in attending there at all. It was not the duty of any Minister of the Crown to go to a Committee of the Legislative Council for the purpose of trying to advocate, coerce, or dictate to the Council how they should deal with a particular measure. He said this was absolutely improper, and the very fact of that honourable gentleman, of all the Ministers of the Crown, going to the Committee of

the Legislative Council and attempting to do such a thing was bound to have the very contrary effect to that which he expected it would have. It was more likely to cause the mutilation by the Council of the Bill sent up from the House than anything else.

Mr. REEVES said it had been done repeatedly.

Mr. GUINNESS said that, then, such conduct ought to be stopped. This House and this Parliament should not for one moment allow any Minister of the Crown or any member of the House, when a Bill had once passed it, to be permitted to go to the other Chamber for the purpose of trying to influence members of that Chamber to give effect to legislation passed in the House. The honourable member might laugh, but he did not think the practice was a sound and proper one, and he believed if such a thing had been done by past Governments it would have been found that the honourable gentleman himself, when he was in opposition, would have been one of the very first to get up and use the most harsh and strong language against the conduct of any Minister who did such a thing. This motion to disagree with the Council's amendments was one he could not support. He hoped a division would be taken upon it, so that they might see what members were in favour of passing the drastic legislation that was now being promoted by the honourable gentleman who was in charge of what were called "the labour Bills," but many of which might be stigmatized as "Bills for the suppression of the liberty of the subject."

Mr. GREEN did not agree at all with the sentiments expressed by the last speaker. A great many times during the present session they had been told—they had all their political failings, the last speaker along with the rest—that they should not legislate for a particular class, but legislate generally for the whole community. He took leave to think this was a right and proper thing to do, and, if this amendment were agreed to, they were legislating for one section in the towns, and they would be legislating directly against the interests of another section. If it was at all a desirable thing—and he presumed it was considered a desirable thing—to establish the principle that there should be a half-holiday observed once a week by the people of business in the towns, he thought it was a most improper thing to allow one set of people to keep their shops open while another set were obliged to close theirs. In fact, there were many cases within his own knowledge where people who did not employ others than members of the family were doing as much business as those who employed outside labour. Was it to be contended for one moment that the person who had to find money to pay those whom he employed should be placed at a greater disadvantage than those who carried on a business with the assistance merely of their own families? It was not in the interest of the community that there should be such legislation as that. The honourable gentleman

said it was quite an improper thing for a Minister of the Crown to give evidence before a Committee of the Legislative Council in connection with a measure which had been successfully carried through the House. This was the first time he had heard such an opinion expressed. He had known, in years past, those acting in representative positions as Ministers of the Crown having to change to the opposite side of the House, because one party did not remain in power long, and whatever was done by one party in one Parliament was very often done by the opposite party in the next Parliament; and when a Minister succeeded in carrying his measure through that House, knowing the position of it, and having a particular knowledge of it, he, and also other members who had a special knowledge of the subject going through the House, would naturally wish to appear before the Committee of the other Chamber and give their testimony there. He thought they ought not to agree to the amendment, and he would very heartily support the honourable gentlemen who were in opposition to it.

Dr. NEWMAN wished to appear in the new rôle of speaking in defence of the Minister of Labour. He thought they would do very well if they allowed the Minister who had worked at a Bill to do as a Minister was allowed to do in some European legislative chambers—take charge of it in another place and debate its principles there; and he thought a change might well be made in that direction. He considered that the Minister in charge of a Bill had an entire right to go to the Committee of another Chamber and give evidence there in favour of it. As regarded the clause shutting up shops, he thought there should be one rule only: it should apply to all or none, because all should have the half-holiday or none should have it. He knew several shops in this town which were run by two daughters or two sons of the owner, and would not come under this Bill, while the neighbouring man, who happened not to have daughters, but who had to employ labour, would be compelled to close up his shop. He hoped the House would carry out the principle of shutting up all or none. There was one clause which he thought the House should take into consideration, and that was clause 16, inserted by the Upper House. It legislated for bank-clerks and clerks in offices. These were a class of men who had to work very long hours for very scanty pay, and they had anything but an easy life of it; and, when they were giving all other classes of the community the advantage of a half-holiday, it was right and just for the Legislative Council to insert this clause; and though the Minister did not like the clause—

Mr. REEVES.—I do; I only think some words should be altered.

Dr. NEWMAN was very glad to hear that the Minister approved of the clause. Probably there were other portions of the Bill which required to be amended, but he hoped the amendment with regard to bank and other clerks would be agreed to.

Mr. Guinness

Mr. SEDDON hoped members would see their way clear not to debate the principle of this measure. That was done on the second reading of the Bill. The House, by a large majority, agreed to it, and it was sent to another place. Nothing had occurred since to change the will of the majority on that point. They were asked now to go back to what they did before. That being the case, they should come to the decision to adhere to the Bill as it was sent up. He believed there was underlying this amendment a very dangerous state of things. They had to look to the health and comfort of the children of the country, and, if parents injured their children's health, it was the duty of Parliament to step in and prevent it. Parliament would be inconsistent if it did not insist on parents doing their duty to their children. It was just as right to close shops in which the children of the owners were employed as any others. If this amendment were agreed to, what would they have? They would have a number of Chinese, who would all be partners, and not assistants at all. They would work as partners, and they would keep their shops open while the shops of other people were closed; and then they would have these very shopkeepers coming to Parliament and asking for protection. He thought these were good and potent reasons why they should affirm the Bill as they sent it up to another place in regard to the definition of "shop."

Mr. W. HUTCHISON said the House had agreed to a certain line, and the Premier now asked the House to adhere to it. Generally speaking, he was of the honourable gentleman's opinion; but if they adhered to one portion of this Bill they ought to adhere to the whole of it. The Premier said they had agreed upon a certain line of policy, and he said so too, consequently he did not think they should adhere to one portion and leave out another. He did not at the outset make any remarks about clause 2, because he felt it was absolutely futile, seeing the Legislative Council had, by a large majority, decided against it; but he sympathized with the honourable member for Wellington City, as he thought the conduct of the Minister of Labour was most objectionable in reference to that clause.

Mr. SPEAKER. — Are you discussing the Council's amendment relating to publichouses?

Mr. W. HUTCHISON. — Yes.

Mr. SPEAKER. — That amendment has not yet been proposed from the chair, but will be taken next.

Mr. W. HUTCHISON said, at any rate it was not right in any case that the Minister should seek to lobby and influence the decision of the Legislative Council against what had been agreed to by a majority of that House.

Mr. PINKERTON said the honourable member for Marsden had made the statement that small shopkeepers were going to be ruined by this legislation, but the honourable gentleman had not once told them how that was going to be brought about. He (Mr. Pinkerton) did not think the small shopkeepers were going to be ruined if they shut up their shops one half-day

out of six. No shopkeeper was so busy as to be unable to earn a living if he had to close his shop for one half-day in each week. They could do all their business in five and a half days. The honourable member for the Grey complained that the Minister had done wrong in giving evidence before the Legislative Council. Now, was it not a right thing for the Legislative Council or that House to obtain the best information they could? He did not know any one better able to give evidence of circumstances within his own knowledge which affected this principle than the Minister of Labour. They had often heard it stated that widows were going to be ruined, and it was urged that widows who had two or three daughters should be allowed to keep their shops open, else they would be ruined. But what about the widow next door, who, perhaps, had no daughters and was a poorer woman? She would be compelled to close her shop. Why should one be allowed to remain open, while the other was compelled to close her shop because she had no daughters and had to employ one assistant? The liberty of the subject had been one of the questions dealt with by the honourable member for the Grey; but if the liberty of the subject was not to be interfered with in the case of small shopkeepers, what was to be said of the large shopkeepers in a case of this kind, where the employés might volunteer their labour to the large shops and so ruin the system? The shopkeepers themselves, and not the shop-assistants only, wanted this Bill, and surely they could very well allow them to legislate for themselves.

Mr. EARNSHAW said there was one phase of the question that appeared to him to be in great danger if they accepted the Legislative Council amendment with regard to the definition of a shop. If he read this amended Bill correctly it would mean that even shops that employed labour would be able to evade the Act, and employ their own assistants on Saturday nights or on any late nights. They would engage their employés practically paying them for six days and only employing them for five days, with the tacit understanding that unless they volunteered their services for the afternoon on which the shops generally were closed they would have to go without employment. That evasion could be made if the Bill remained as it was now. The position he was stating could be taken up, and he therefore trusted the Minister would absolutely refuse to allow this amendment to his Bill, and, rather than accept it, that he would drop the Bill. That was his strong opinion. He agreed with one of the amendments in subsection (5) of new clause 9, with regard to shops that desired to keep the Saturday half-holiday. In his opinion, the Minister made a retrograde movement when he abandoned the position taken up in last year's Bill, that they should primarily have the half-holiday on Saturday, unless the local bodies chose to alter it. The Minister abandoned that position, and left it entirely to whatever afternoon local bodies chose to fix. If they could not gain anything in advance they

should not lose what they already had, for many firms had for years been giving the half-holiday to their employes on Saturday. The first amendment seemed to him to be crucial to the whole Bill, and he hoped the Minister would determine that every shop should be described as coming within this Act for the half-holiday, or would abandon the Bill.

Mr. G. J. SMITH rose to express a hope that the House would not agree to the proposal of the honourable member for Marsden. He was sure the action of the Chairman of Committees, elected as he was with the approval of the Ministry, would cause to the Government some considerable amount of anxiety, speaking as he did from the Opposition benches and in the manner that honourable member had spoken. It was worse than if he were a private member; and he (Mr. Smith) really hoped that when the fatted calf was killed the honourable member for the Grey would be invited to the banquet. He would like to hear from the Minister of Education in reply just one word as to "office." He saw that "office" meant any banking office, insurance office, or office used for commercial purposes.

Mr. SPEAKER said that was not before the House at present.

Mr. REEVES thought the honourable member for Masterton was perfectly right when he said that the effect of this amendment of the Council would be to allow a large majority of the Chinese shops to remain open whilst other shops alongside them were closed.

The House divided on the question, "That the amendment of the Legislative Council be disagreed with."

AYES, 43.

Bell	Lang	Russell, G. W.
Buddo	Lawry	Russell, W. R.
Buick	Mackenzie, T.	Seddon
Carnell	Mackintosh	Smith, E. M.
Carroll	Maslin	Smith, G. J.
Collins	McGowan	Stevens
Crowther	McKenzie, J.	Steward
Duncan	McLachlan	Stout
Flatman	McNab	Tanner
Fraser	Millar	Willis
Hall-Jones	Morrison	Wilson.
Hogg	Newman	
Hutchison, W.	O'Regan	<i>Tellers.</i>
Joyce	Parata	Earnshaw
Kelly, J. W.	Reeves	Pinkerton.

NOES, 14.

Buchanan	Houston	Mills.
Button	Larnach	
Carncross	Massey	<i>Tellers.</i>
Duthie	McKenzie, R.	Guinness
Heke	Meredith	Thompson.

PAIRS.

<i>For.</i>	<i>Against.</i>
Cadman	Mitchelson
Hall.	McGuire.

Majority for, 29.

Amendment not agreed with.

On the question, That the omission of the
Mr. Earnshaw

words regarding bars of hotels, in clause 2, be agreed to,

Sir R. STOUT moved, That the amendment be disagreed with.

Mr. W. HUTCHISON said the Minister of Labour had stated that this provision would be better introduced in the Factories Act. That, he thought, was just the very last Act it should be in. But he wished specially to emphasize what he thought to be the great impropriety, after a majority of the House had agreed to a particular clause in a Bill, of a Minister going behind this majority and endeavouring by the means at his power to counteract what had been done by a majority of the House. The Minister had his argument while the clause was under discussion, to which every one was willing to listen, and, having finished that argument, and the House having come to a decision on the question, it was disloyal to the House that the Minister should go to the Legislative Council and there use his influence to alter that decision. Although the honourable member wished to support the public-house interest, he should remember his position as a Minister of the Crown.

Mr. SEDDON wished to prevent the idea from being laid down that Ministers or members should not go before Committees of another Chamber with a view of furthering measures they promoted in the House. It was done in the case of local Bills by the members who had introduced them. To quote so late an instance as the bank Bills, the Legislative Council appointed a Committee, and asked Ministers to go up before the Committee and go into the question of the necessity for those measures; and it was a most usual occurrence. He held the view himself that this was not the proper Bill for this provision to close public-houses; it should go into the Licensing Bill. They there fixed the time for public-houses to close at night and on certain days, and they should also fix there the afternoon on which they were to close. It had been included in this Bill almost by accident, and, anyhow, it was only carried by the casting vote of the Chairman of Committees—although he must not complain of that. It was to give further opportunity for discussion, and, knowing the time was limited, and that this opened up a large subject, Ministers did not think it desirable to recommit the Bill. For this reason only he should vote against it, as it ought to go into the Licensing Bill.

Mr. GUINNESS wished to reply to the argument which the Premier attempted to lay down that it was a recognised practice for Ministers to go before the Legislative Council to advocate their measures. The Premier instanced the case of local Bills; but that was an entirely different thing. In regard to what was done with local Bills, members went up to give evidence about them; they had local knowledge enabling them to do so. He asked, what evidence or knowledge had the Minister of Labour with regard to whether a bar should be closed on a particular day or not? What evidence did he go to the Legislative Council to give? Did he

go to give evidence on other portions of the Bill? Certainly not.

Mr. REEVES.—I did.

Mr. GUINNESS asked what knowledge the Minister had with regard to the conduct of the business of shops—greengrocers' shops, confectioners' shops, lolly-shops—although, he must admit, he might have some knowledge of the last class—butchers' shops, and every other kind of shop mentioned in the Bill. What possible evidence could he give in regard to that question? If the honourable gentleman went up under the pretence of giving evidence, and, once inside the doors of the Council, commenced to advocate the principles of the Bill, he was doing that which was absolutely wrong. And more especially was he wrong, as was well pointed out by the honourable member for Dunedin City (Mr. W. Hutchison), in advocating the rejection of something that the House had passed. That was where he did wrong. He (Mr. Guinness) objected to it, and would always continue to object.

Mr. THOMPSON was amused at the innocence of the honourable member for Dunedin City, who had expressed surprise at the conduct of the Minister of Labour. That honourable gentleman must know that when the Bill was in the House the Minister of Labour did all he could to oppose this clause. It was well known that all these labour Bills were lobbied through the other House, and the Minister was well known to do it. So far as this particular clause was concerned, he failed to see why the bar of a hotel should be kept open while they insisted on every one, small and great, closing his place of business in the afternoon. Were they to understand by the action of the Minister of Labour that he wished to play into the hands of the publicans? That was the only conclusion they could come to. Why the Minister should take such a keen interest in the business of hotelkeepers, while he professed to have a keen interest in the welfare of the workers, was a puzzle to himself and to every one else. He hoped honourable members would do their duty and insist on treating all classes alike. Now that they had determined to close the smallest hucksters' shops, and to compel every one, man or woman, in the community to shut up on an afternoon, no matter what his or her business—if it was only a shirt-maker making a living they compelled her to close—while they were so very careful of the poor people, they should not insist on keeping the bars open to tempt them to spend their money.

Mr. CROWTHER did not rise to continue the severe criticism on the poor Minister of Labour. He believed, with the Premier, that this provision should be in the Bill it belonged to—the Licensing Bill. He had no fear of the great influence that was supposed to have been exercised by the Minister of Labour in another place. It went by inference that that honourable gentleman had not as much influence there as among the week-kneed Liberals here. He thought this was a waste of time. He had

made up his mind that the only way to settle this matter was to have one afternoon for every one.

4.0. Mr. BUTTON had no objection to the Premier putting this clause in the Licensing Bill, but he saw no reason why it should not go into the present Bill as well. This was one of those things which you could not have too much of. It was a good thing, and was in harmony with the rest of the Bill. Besides, they had not got the Licensing Bill through yet, and it was quite possible it might not go through.

Mr. SEDDON.—It is just as far ahead as this.

Mr. BUTTON said those honourable members who desired to see publichouses put upon the same footing as other shops should not miss this opportunity of having that done. If there were two provisions in different Acts inconsistent with each other it was very advisable that one should be struck out, but in this case there was no inconsistency, and he was sure the country would be very much pleased indeed to see the provision in both Bills.

Mr. McNAB desired to point out that the Licensing Act did not contain all the provisions relating to publichouses, and therefore he did not see the inconsistency of including this provision in this Bill. It was a remarkable thing that the licensing-law was the only law as to which, if you wanted to get at the complete law, you had to go to the Lunatics Act. A hotel certainly had as great a relation to a shop as, for instance, had banking offices, insurance offices, and commercial offices.

Mr. R. McKENZIE said there was no need for licensed houses being included in a Shop-hours Bill. He could quite understand that his honourable friend the member for the Grey was somewhat sore at having lost his pet clause. The honourable member for Wellington City (Sir R. Stout) interrupted him, and said it was not lost. He quite admitted it was not lost, because he believed it would be included in the Licensing Bill. That was the proper Bill in which to insert such a provision; and, if it was included in that Bill, to take effect at the expiration of the present licenses, he would be prepared then to consider whether to support it or not. The senior member for Wellington City knew very well that it could not be brought into force until the present licenses had expired.

Mr. T. MACKENZIE said the honourable member for the Buller was always inconsistent. He had been returned to that House pledged to the Prohibitionists, and was returned on the Prohibitionist ticket.

Mr. R. McKENZIE.—You were.

Mr. T. MACKENZIE said No, he was not. He was not the Prohibitionist candidate at the election, yet he was elected to represent a Prohibitionist constituency. Now, the honourable member for the Buller was inconsistent, inasmuch as he voted to close Bellamy's for seven days in the week, yet he would not vote to close hotels for one half-day in the week. Speaking for his own district, he might say that

the hotelkeepers there would hail with delight the circumstances which would require them to close one half-day only in the week. He supported either the absolute closing of all places of business once a week or else no closing at all. That was the position which he had taken up from the first. That was a position which the Minister of Labour agreed with, and he expected to see the honourable gentleman in the same lobby with himself when the division took place presently.

Mr. O'REGAN said, with regard to the question of applying the compulsory half-holiday to hotels, he thoroughly agreed with those honourable members who had said that legislation affecting hotels should be provided in the Licensing Bill. Speaking for the constituency which he represented, the position was simply this: that if the Bill was so amended that it would apply to hotels it would not be operative. It was impossible to make the Bill operative in a scattered district like his. Of course he was not speaking with regard to city constituencies. It seemed to him ridiculous to contend that, if they closed shops, the inmates would make straight away for the nearest publichouse. He thought they ought to trust the good sense of the shop-assistants in that matter. There was altogether too great a tendency nowadays to try to make people virtuous by Act of Parliament, which, to his mind, was an impossibility. He was talking recently to some publicans in this city, and they assured him that, under the law as it stood at present, they did no increased business on the half-holiday. When shop-assistants and others got their holidays they were only too eager to go out into the country, or otherwise enjoy themselves, rather than go into publichouses. He thought they should trust the people in this respect, and allow them to enjoy themselves just as they pleased. He hoped, therefore, that this matter would be deferred until they had before them the Licensing Bill.

Mr. EARNSHAW might point to the case of chemists, whose shops were included in this Bill, and who were carrying on a trade as nearly like as possible to that of publichouses—that was, whether you viewed the sale of liquor as a drug or as a beverage. If they were determined to bring chemists' shops under this Bill, and were determined that chemists should close half a day a week, he failed to see why they should not deal with publichouses in this Bill, and why they should not compel them to close half a day a week. If the working-men were to succeed in this country, he thought it would only be by putting down the liquor-traffic, or closing it up as much as they possibly could. Closing the hotels for half a day a week was, in his opinion, worth more than half a dozen labour Bills put on the statute-book. He was hopeless of any real reform of labour in New Zealand, or any other country, so long as this other trade was allowed to run side by side with it. Therefore he would support this provision being put in this Bill, or any other Bill. If all matters connected with the liquor-traffic should be dealt with in the Licensing

Mr. T. Mackenzie

Bill, then provisions for the closing of chemists and druggists' shops should be placed in the Chemists and Druggists Act. The Premier was very adroit in his remarks as to dealing with this question in the Licensing Bill. But the honourable gentleman did not say that the Government would support such a provision being inserted in the Licensing Bill. Those who really believed that hotels should be closed for half a day in the week would determine that the barmaid should have a half-holiday in the week. He trusted that the time would soon come when they would determine that there should be no barmaids at all in New Zealand. He thought they should maintain the advantage they had got, and he would vote to keep this in the Bill.

Mr. COLLINS said he was not present in the House when this clause was inserted in the Bill, but if he had been he most certainly would have voted against it. To his mind, the clause had no business in a Bill of this kind. If it should be inserted in any Bill at all it should be in the Licensing Bill. He had endeavoured to take an impartial and just view of this matter, without any prejudice or proclivity of his own, and he thought one or two of the arguments advanced by honourable members were of a fallacious character. It had been asked, Why should not publichouses come under the same rules and regulations as shops generally? In the first place, shopkeepers did not have to pay £40 a year as a license-fee, which hotelkeepers had to pay. It was therefore quite unjust to interfere with licenses unless they made some corresponding reduction in the license-fees. And, next, the real crux of the question was that refreshment-rooms selling beverages which those who had temperance proclivities were able to indulge in were actually exempted from the operation of the Bill. A man might go to a temperance refreshment-room and get a cup of tea or coffee, but a man who wanted refreshment of another kind was to be prevented from getting on that one afternoon of the week what he required. This was class legislation of the worst character. It was totally unfair that one section of the community should be subject to one class of legislation and another to another class. It would not make the slightest difference to him personally if hotels were closed every day of the week. As a matter of strict justice it appeared to be manifestly unfair that, because a man happened to require a different kind of refreshment from what he (Mr. Collins) took himself, he should be subjected to a rule he (Mr. Collins) was not subject to. He considered it tyranny that, because a man could not take a particular kind of refreshment, he should be prevented from taking any refreshment at all. As a matter of impartial justice he thought that they should not agree to the amendment.

Mr. MEREDITH said the speech they had just listened to was of the most extraordinary character. The honourable member might just as well say he could not support any portion of the Bill, as every clause was of a coercive character. He did not question for a moment the

right of the Minister of Labour to go before any Committee of the Legislature with a view of expressing his opinions on any measure before that Committee, but he did object to the Minister of Labour, who had strenuously opposed this particular clause when being debated by the House, carrying that opposition before a Committee of the Council after the House had adopted the clause, and influencing the Committee contrary to the wishes of the majority of this House. That was the point. It appeared to him that the Minister, in trying to make out that a liquor-shop or a hotel was not strictly a shop, was absurd. It was a distinction without a difference. If a settler in the country, in the midst of harvest, with his crops dead ripe and in danger of being destroyed by wind, had his machine broken and wanted a casting, a tradesman could not sell that casting. If the tradesman did so he would be subject to a fine of £5; but the same man could on the same afternoon spend as much money as he pleased in drink at a hotel. There were about fourteen hundred hotels in the colony at the present time, in which were employed, at a low estimate, about seven thousand persons, and he thought the seven thousand persons so employed were entitled to consideration. Several publicans had spoken to him on this question, and they agreed that it was an act of cruelty for the Legislature to compel them by law to keep their houses open and their employes at work seven days in the week. His attention had been drawn to this matter again and again by hotelkeepers.

Mr. W. KELLY.—Oh!

Mr. MEREDITH said the honourable member for the Bay of Plenty knew very well that hotelkeepers were compelled to supply liquor to travellers, and also to boarders in their houses. Therefore hotelkeepers were compelled to be there all day, and to supply liquor on Sundays; they had no time off duty, but had to keep the business going from Sunday morning to Saturday night. He thought a feeling of commiseration should lead the House, quite apart from the teetotal aspect of the question, to give those employed in hotels the same opportunity of having an outing with their families as other folk. He could not see that there was anything wrong in insisting that the words compelling hotels to close on the same afternoon as other shops should be reinstated in the Bill.

Mr. SAUNDERS hoped that the House would not be led away, by any side-wind which the Minister of Education had raised, to serve the interests of the liquor-sellers on this important question. The House had done the right thing, at the right time, and in the right place, when they refused to make the exceptions which the Minister had asked them to make in this Bill in favour of shops which were the last that should receive any exceptional treatment in their favour. It was the Minister of Labour who wanted them to go out of the way and to make a highly-improper exception in this Bill in favour of the most dangerous trades and the most dangerous shops they were called on to deal with. All that the temperance

party proposed was that these dangerous shops should be treated in exactly the same way as all other shops. Why should the owners of shops in which bread, meat, groceries, and other wholesome and harmless things were sold be compelled to close, whilst the Legislature went out of its way to insist that shops offering a dangerous temptation, under which a certain proportion of those exposed to that temptation had always fallen, should be kept open? Far better that none of the shops should be closed than that we should first of all insist that our young people should leave their ordinary employment and then that these dangerous, and too often fatal, traps should be left open to allure them to destruction. He found no fault with the Minister of Labour for any efforts he might make to get the Legislative Council to conform to the wishes of the House, but he found great fault with him when he used his utmost efforts to get a Council, whose dangerous interference with the House he had always condemned so strongly, to set aside what the House had accomplished in removing temptations from the labouring-class, whom he ought to be protecting. The Minister of Labour had taken up a position in that House which was absolutely unique. No other Minister of Labour in any other part of the world would be found pretending to watch over the interests of the labouring-classes and yet constantly advocating, with far greater zeal, the interests of the liquor-sellers, who did so much in every part of the world to lessen the comforts and to lower the position of the toiling classes. John Burns and most of the great leaders of the labouring-classes in Great Britain, America, and Germany were also honoured leaders in every temperance reform, and there was no instance in which they were not watching to remove the dangers of alcohol as far as possible from the path of those in whose true interests they were labouring. All the other leaders of labour organizations he had ever heard of admitted that alcoholic drinks were the greatest enemies of the working-classes, and, without exception, they were doing everything they possibly could to withhold from the working-classes the greatest and most fatal temptation to which they were exposed. Such was the position the honourable member occupied in the House, and it was a very unfortunate position, and one which he was certain would lead him not only to oppose what they had already done, but it would cause him equally to oppose this principle being inserted in the Licensing Bill. That being the case, he hoped the House would not be misled by any efforts to make out that this was the wrong place in which to introduce a right thing. This was not a wrong place, and he hoped the House would not stultify itself by repealing a principle they had passed which would be of so much advantage to the country.

Mr. FLATMAN would like to suggest a compromise. He thought, if the Minister was prepared to allow this part of the clause to pass in the Bill, they should agree to transferring it to the Licensing Bill if the latter passed.

Mr. HALL-JONES thought the suggestion of the last speaker was an admirable one. The whole of this difficulty had arisen because the Minister had failed to grasp the proper aspect of the question—that all places should be closed or none at all. If he had proposed that, he would have been supported by a majority of the House. With regard to the clause now under discussion, he could not approve of the action the honourable gentleman had taken. This addition to the clause was not moved by the honourable gentleman, nor was it supported by him, but when it had been placed in the Bill it was his duty as representing the majority of the House to insist that it should be retained in the Bill. The question was, whether they were to have a Government or a majority of the House ruling, or whether the Minister was to carry out his own sweet will on any question. The question had been raised as to whether this was the right place to insert this clause, and it had been said that a hotel was not a shop. What was the definition of a shop in the Bill? He would read it: “‘Shop’ means any building, or portion of a building, or place where any person works for hire, and in which goods are exposed or offered for sale by retail.” Was it not a fact that goods were exposed for sale in hotels? There was clearly no distinction between a shop and a hotel according to the interpretation clause of the Bill. If a hotel was not a shop, why was a coffee-house a shop? Coffee-houses had been held to be shops, because they were placed among the exemptions. He was very much surprised at the honourable member for Christchurch City (Mr. Collins) talking about the injustice that hotelkeepers would suffer by having to pay a license-fee of £40 and then having to close for one half-day in the week. Shopkeepers had to pay their rents, and many of them had entered into long leases, and the rents for their shops were sometimes exceedingly heavy, and yet under this Bill they were compelled to close. There was no greater injustice in the case of hotelkeepers than in the case of shops.

4.30. Mr. G. J. SMITH had not intended to speak on this question at all. He had intended to register his vote as he had done on previous occasions, for he thought they had debated the question very fully, and, as several other amendments were to be agreed to or disagreed with, the sooner they got to them the better. But the honourable member for Pareora had referred to him by name, and said he believed he (Mr. Smith) would not shake his head if he waited to hear what he had to say. He was not aware of the compromise the honourable gentleman was about to suggest, otherwise he would have supported it. He had a rooted aversion to compromises unless he could see that he was getting something very substantial by giving way. Now, the principle running through this Bill was a half-holiday for the employés, and he could not see a difference between a shop which retailed goods, such as bread, sugar, meat, or drapery, and a shop which retailed liquor. The definition given in the Bill was this: “‘Shop’

means any building, or portion of a building, or place where any person works for hire, and in which goods are exposed or offered for sale by retail”; and he contended that the bar of a hotel came within that meaning. So far as the payment of the license-fee was concerned, and the kind of privilege they had of selling liquor on the Sunday, that was taken away from them in England, no compensation being given or reduction made, and he did not see, so far as that was concerned, that there was any argument in it at all. They had here in this Bill, and, in fact, in most of the Bills passed by the House, provisions that were of a restrictive character. The Legislature by this Bill interfered with rights and privileges for the good of the community as a whole. They said shopkeepers should close their shops on a particular day; but when they sought to make it apply to this particular trade they were met with the cry that they were passing class legislation. They did not propose to close the hotel; they proposed to close the hotel-bar, or the shop of the hotel; and he hoped the House would insist that the alteration made by the Legislative Council should not be agreed to. He hoped members of the House would remember the vote they gave on a previous occasion, and would stand by their honest convictions.

Mr. G. W. RUSSELL was entirely in favour of this amendment being disagreed with. He thought that the principle which underlay this Bill had been clearly stated by the honourable member for Christchurch City (Mr. G. J. Smith), and he did not think there was any class in the community so hard-worked as were the employés in the publichouses. They worked early and late; and if it was necessary to provide a holiday for those who were engaged in shops, and who now worked, on an average, seven or eight hours a day, it was very much more necessary that those employed in hotels should have this small concession. He felt fortified in asking for this provision by the new clause, 16A, which had been inserted in the Bill, and which, he presumed, was not objected to by the Minister. This provided that clerks in offices were to have the half-holiday. It was an entirely new departure in this Bill; and therefore he was justified in insisting on employés in hotels being placed on the same footing as those in shops or offices. With regard to what had been said as to the Licensing Bill being the proper place for it, if there was any reasonable prospect of the Licensing Bill becoming law, then they might be justified in allowing this Bill to pass, with the assurance of the Government that they would put the clause in the other Bill. But the Government were not prepared to give an assurance to this effect. All they were prepared to say was that the House would have an opportunity of inserting it in that Bill when it came on. But at this late period of the session there was comparatively little prospect of the Licensing Bill becoming law this year. The sooner they accepted the position the better; and, that being the case, it became their duty to insist

that this concession to hotel employes should remain where it was.

Mr. CARNCROSS said the attention of those who voted with the Ministry, particularly those who approved of the Council's amendment, ought to be directed to the division which was taken when the honourable member for Dunedin City (Mr. W. Hutchison) moved that these words should be put in. As far as his recollection served him, every vote of the Opposition except one vote was in favour of the amendment proposed by the honourable gentleman. Now, they all knew very well that those honourable gentlemen were not in favour of this Bill, and therefore the only reason for their voting for the clause was to make the Bill still more unpopular than it was in its original form. It was not their idea to help the Minister or the Bill. Their whole idea was to kill the Bill if they could. That being so, he thought the Minister was perfectly right in the stand he had taken. Although he (Mr. Carncross) did not appreciate the Bill very much, still he felt it right to vote with him on this occasion.

Mr. STEVENS said a great deal had been said with respect to this proposal for the rejection of the amendment made by the Legislative Council, and he understood from the discussion which he had heard that every member who spoke in favour of the retention of this provision did so for the purpose of placing hotel employes on the same footing and giving them the same rights and privileges as the employes of shops of other kinds. Now, the position was this, and he had it from the very best authority: that if the employes in hotel-bars, whether male or female, were brought under the Shops and Shop-assistants Bill they would be required to work at least eighteen hours longer than they were required to work under existing circumstances, and that the salaries or wages which they would receive would be at least 25 per cent. less; and, such being the case, he took it that those honourable gentlemen who were endeavouring to do a kindness to a section of the community in this colony were doing them the greatest possible injury by retention of the words which had been rejected by the Legislative Council. He therefore would point out the fact that those honourable gentlemen who were so assiduous in the protection of that section of the community, who required no protection other than that which they got honestly and fairly from their employers, were only speaking theoretically, without any practical knowledge of the subject which they were discussing. They were speaking for the purpose of endeavouring to prevent the consumption of liquor in this colony. If every honourable gentleman in the House, and every one desirous of preventing the consumption of liquor in this country, would take this stand they would have his right hand and support: If they closed the ports of New Zealand against the importation of liquor, if they closed the distilleries, and closed every means of introducing liquor into this colony, he said that would be a practical and businesslike way in which to go about it.

But those honourable gentlemen who wished to pose as the great reformers on the liquor question were merely clipping off the twigs of the trees—clipping the twigs off the old oak with the idea that they were going to kill it. But the closing of the bars on an afternoon was not going to do it; and if honourable gentleman would do what he suggested they would have his support. He had always advocated it. He did not think that any good service or purpose could be achieved by deriving a revenue from that which a considerable section of the community said was not good for the population of this or any other country; and therefore let them come down, and let those strong and great advocates of the temperance cause make up their minds in a businesslike manner, and in a practical way say, "We are about to do this: We are about to introduce a measure for the purpose of making it criminal to import intoxicating liquor into this colony, or to manufacture liquor in this colony." Then the question would be as easy, as they said in bush parlance, as "rolling off a log." But no; they had not the courage of their opinions, because it would interfere very largely and very greatly with their material good, and it was necessary for their existence and well-being to benefit by the revenue derived therefrom. Now, he could assure honourable gentlemen that if they were going to retain this clause, which was struck out in another place, instead of doing justice to those whom they wished to protect they might be doing them grave and gross injustice. He was saying this from information which he was positive was conclusive, because it was information obtained from the very best source; and he said, in these matters as well as in others, that many honourable gentlemen spoke on these matters who had not had the opportunity of ascertaining what the facts were. He thought this question might be deferred until next session, and a Parliamentary Committee could take the evidence of both hotel employers and hotel employes, and find out whether hotels could be or should be placed on the same footing as a grocer's or a draper's shop. Under the existing law, with respect to the eight-hours system, or that which was considered to be the eight-hours system, every employe in every establishment that was not a hotel, whether a male or a female employe, must be there at the stroke of eight o'clock in the morning, and had to remain until noon, and be back again at one o'clock. The question now being discussed was for the purpose of determining whether it was right or wrong that hotel employes should be placed on the same footing as all other employes. It was contended by honourable gentlemen who had spoken on this subject that the reason why hotel employes should be placed on the same footing as all other employes was that they required, and it was just they should have, the same privileges. Now, he said this: that during the week hotel employes had about eighteen hours' more privilege than the majority of employes in any other business. That was what

he wished to point out in connection with the matter now being discussed. If honourable gentlemen questioned that, he could bring the best proof to show that his statements were correct on this point. The arguments of honourable gentlemen who were so extremely anxious to protect that class of the community who were employed in hotels were purely fallacious, and they were doing the hotel employes an injury instead of a benefit by the course they were pursuing.

Mr. DUTHIE said he was opposed to the introduction of this clause at the time it was brought forward in the House, and he would again support the Minister on the point. It seemed to him that in dealing with the half-holiday question there were three sections connected with it. In the Factories Act the workpeople were dealt with, so in this Shops and Shop-assistants Bill the class of shop-assistants should be dealt with. In like manner, the proper place to deal with this question of hotel-bars being closed on the half-holiday was in the Licensing Bill. He thought it was very much to be regretted that those prohibition members should seek to insert and discuss clauses that ought not to appear in the Bill now under discussion. Let them deal with prohibition in the proper place. This measure was not the place to deal with it.

Mr. McLACHLAN said he generally supported the measure for the half-holiday, but he thought the temperance party were going a little too far in trying to compel hotelkeepers to absolutely close their hotels on the half-holiday.

Sir R. STOUT.—Only the bars.

Mr. McLACHLAN said this restriction would be a great inconvenience to travellers. What right had the Prohibitionists to say that a man should not get a drink if he paid for it? What right had they to say that travellers had no right to get what they liked, whether it was beer, tea, or coffee? He would vote against any measure to deprive people of what they ought to have in ordinary life. The senior member for Wellington City could take tea or coffee; and he did take a great quantity of it, there was not the slightest doubt about that. It would be an injustice to compel hotels to absolutely close for half a day in order to meet the wishes of a number of fanatics.

Mr. MASLIN was pleased to hear some of the remarks of the honourable member for Rangitikei, especially in respect to colonial prohibition. There was one thing very certain—that those who believed in local prohibition believed in colonial prohibition, and they would try as far as possible to educate the public up to their idea of things, and as soon as public opinion was ripe for the movement they would be prepared to take the necessary step in that direction. He was glad that when the Licensing Bill came up, and when the question of colonial prohibition was before the House, they would have the honourable member for Rangitikei voting for a clause in the Bill to give the people an opportunity to vote on the question of colonial prohibition. He was much

Mr. Stevens

astonished at some of the honourable gentleman's arguments, especially those in regard to employes in hotel-bars. He thought, if any one class required a half-holiday more than another, it was these persons. If they were employed for seventeen hours—from six in the morning till eleven at night—in the unhealthy atmosphere of a hotel-bar, it was a good reason why they should have one half-day to themselves to get a little fresh air. He did not see why the hotel-bars should not be included in the closing proposals of this Bill, because, as had been already pointed out, the Bill prevented persons from getting the necessities of life on the half-holiday; and why, therefore, should it not restrict them from getting the luxuries of life on that particular day? He believed if this exemption were allowed it would have a very demoralising effect, especially in country towns. The labouring-men were working out in the country the greater part of the week, and came home on Saturday night, and, if the Saturday half-holiday were adopted, what would be the spectacle? Every shop would be closed except shops which would be open for the sale of liquor; and these hotel-bars were nothing but man-traps. If he could close a man-trap he would endeavour to do so with all his might. The honourable member for Wellington City (Mr. Duthie) tried to point out that the Licensing Bill was the place in which to make this provision for the closing of hotel-bars, because they did not come under the definition of a shop. He thought they should have two strings to their bow. A bar was as much a shop as were places in which they sold boots or anything else. They sold bottles of whiskey. Why should there be a distinction between selling a bottle of whiskey and selling a bottle of pickles? How could it be said that a place in which a bottle of whiskey was sold was not a shop? The member for Christchurch City (Mr. Collins) said injustice would be inflicted upon hotelkeepers, on the ground that they paid £40 a year for their licenses. The Legislative Council had introduced a clause by which the clerks of auctioneers, who also paid £40 a year for their licenses, must have a half-holiday. He quite agreed that they should; but, if auctioneers had to close their business places for half a day in order to give their employes the benefit of this holiday, why should there be any objection to the hotelkeeper closing his bar on the ground that he had paid for a license? Auctioneers paid for a license also, and, notwithstanding that fact, this Bill proposed that they should give their employes a half-holiday. He hoped the House would vote for the retention of this clause in the Bill.

Mr. REEVES said he should not reply at any length to the remarks that had been made during the course of the discussion, because he believed that every honourable member had made up his mind as to how he intended to vote on this question. For himself, if he agreed with some honourable gentlemen that public-houses were places where poisons were retailed for the destruction of the human race, then he, like other honourable gentlemen holding that

view of the matter, would of course vote with the senior member for Wellington City. But, as he merely looked upon hotels as places in which refreshments could be obtained, he would vote against that honourable gentleman. He and others had no doubt that alcohol taken in moderation was hurtful to nobody—in fact, for many people it was a good thing; and honourable members who took that view of the case would vote for having public-houses open on every afternoon in the week, just as they would vote for keeping every refreshment place open every afternoon. With regard to the attacks made upon him, these attacks reminded him of old times, especially during last Parliament, when so many onslaughts were made upon him in connection with his labour legislation; but he fought all those attacks out, and he got his Bills through, and he should fight the matter out again this Parliament if necessary. With regard to the tone adopted by the honourable member for the Grey, he had only to say the honourable member and himself belonged to the same party, they were usually on friendly terms, and they usually agreed with each other, but he thought the honourable gentleman might have expressed his views without adopting a tone quite so disagreeable or a manner quite so noisy. However, that was for the honourable gentleman to consider, not for him (Mr. Reeves). Then, with regard to the remarks of the honourable member for Selwyn, that honourable gentleman, of course, occupied a different position from that of Mr. Guinness. He was older than he (Mr. Reeves)—in fact, older than most of the members in that House. This was the sixth consecutive occasion upon which, without the slightest provocation, the honourable gentleman had made a personal attack upon him. Why he did not know. He should, however, not forget the member for Selwyn's age and venerable position, and should, therefore, neither reply to his attack of that afternoon, nor to any subsequent attack he might make during the session.

5.0. With regard to the attack that had been made upon him because he had gone before a Committee of the Upper House and made a general statement with regard to the Bill, he had frequently done so, and would do so whenever he got the opportunity again in regard to any Bill of which he might be in charge, or in which he might be interested. He only wished that, instead of only having the chance of going before a Committee of another place, he could have the chance of going before the Council as a whole. It would be an excellent reform if Ministers, who drew Bills up, and made a special duty of forwarding them, and who debated them and supported them in the House, were able to go before the Council and take charge of them there. That was the one good point in the Elective Executive Bill brought before the House by the honourable member for Waimate; it was the one thing he would willingly and cheerfully have seen passed into law, and it was one thing he would always support and advocate if

ever he had the opportunity of doing so. He would like to know what would have become of some of the clauses of some of his Bills if he had not taken the trouble to go before Committees in another place and explain them there, and if he had not given the members of those Committees such information and special knowledge as he had with regard to those clauses. It was virtually impossible that Ministers in another place, who had not only to take charge of some five or six Bills which they had made a special study of, but of all the Government Bills—often on the very shortest notice—could have that special knowledge with regard to many points of those Bills that the Ministers who had special charge of them in the House possessed. He made no reflection on his colleagues, who did their work thoroughly, conscientiously, and industriously; but he thought the reform he spoke of would be a most excellent one, and he would support it whenever he had a chance. As regarded the charge that he had taken a special interest in the labour Bills, and that he was not satisfied to get them through the House and fling them on to the Council, and let them take their chance and live or die there—instead of that being a cause for blame, it was a thing of which he was justly proud, and for which he thought the labouring-classes would thank him in days to come. He would not be true to the trust reposed in him if he did not make every effort to get all the labour Bills passed not only in the House, but in another place, and put on the statute-book, or if he did not do his utmost to get them passed in the form which he considered best. It was stated that the clause in question was passed by the House by a majority; whereas it was passed by the casting-vote of the Chairman, who stated that he voted in favour of it in order to give opportunity for further consideration.

Sir R. STOUT.—Which it has not got.

Mr. REEVES said it had received consideration in another place.

Sir R. STOUT said that was not the point.

Mr. REEVES said, Well, it was getting further consideration in the House now. If it had been thrown out it would not have got that further consideration. That was a complete answer to that charge. He did not intend to be dictated to by any member as to what he did in order to get his Bills on the statute-book; if the majority thought he did wrong they could punish him by removing him from his position; but he would not take the dictation of any individual member as to his action in getting Bills on the statute-book after they had passed the House. He would do what he thought to be best, as he had done in the past. It was said this clause must be in its proper place in the Bill if such a section as the clause relating to banks and offices was in. If there were a Bill dealing specially with the hours to be observed by banks, and if that Bill were coming before the House in a few days to be amended and passed, he would say there was a special reason for not putting a clause in this present Bill; but, as there was no possibility of insuring a half-

holiday or shorter hours to bank-clerks unless by provision in this Bill, they were justified in putting a clause in this Bill. If there were a Bill dealing with the hours to be observed by chemists and druggists, and if it were before the House, he would say they were justified in removing the clause relating to druggists which was in this Bill to that measure. But, as there was nothing of the sort, the clause was in its proper place in this Bill. The honourable gentleman said that paid employes in hotel bars had as much right to a holiday as others. He entirely agreed with that. There was a clause in the Bill to give them that half-holiday—not this clause. It was said this clause, if retained, would not injure the Shop-assistants Bill. He thought it would. He believed it would have a strong tendency to prevent Saturday from being adopted as the universal half-holiday throughout the colony. If publicans were compelled to shut up on the half-holiday, it meant that the publicans, who were a very powerful element in the municipalities, would use every effort to have the day on Wednesdays or Thursdays, and not Saturdays, because they would not want to close on Saturdays, of all days. That was one reason why the clause should not be inserted in the Bill. He was quite justified in keeping to labour Bills pure and simple. He was not there to argue as to the principle whether publichouses should be closed on a certain day or not, and he declined to argue on it. It might be right, but he would not discuss the point. This was a Bill dealing with shops, and the licensing-law should not be put into it. The Labour Department was not the proper department to administer the licensing-law, or any portion of it, and he had a very strong objection to have the administration of any part of the licensing-laws thrust on himself or his department. The department had neither the funds nor the ability to administer the licensing-laws, and it was putting it in a most invidious and unfair position. It would be unable effectually to discharge the duties, and odium would be cast on it in consequence. If the House wanted the licensing-law changed and more rigorously administered, in God's name let them have it, but let it be done by the Licensing Act, which was the proper place for it.

The House divided on the question, "That the omission of the words regarding bars of hotels, in clause 2, be agreed to."

AYES, 34.

Buchanan	Kelly, J. W.	Pinkerton
Carroll	Kelly, W.	Reeves
Crowther	Lang	Seddon
Duncan	Lawry	Smith, E. M.
Duthie	Mackintosh	Stevens
Fraser	McKenzie, J.	Steward
Graham	McKenzie, R.	Ward
Green	McLachlan	Willis.
Hall	Mills	
Harris	O'Regan	<i>Tellers.</i>
Hogg	Parata	Carncross
Houston	Pere	Collins.

Mr. Reeves

NOES, 30.

Allen	Hutchison, W.	Russell, G. W.
Buddo	Joyce	Russell, W. R.
Buick	Maackenzie, T.	Saunders
Button	Massey	Smith, G. J.
Carnell	McGowan	Stout
Earnshaw	Meredith	Thompson
Flatman	Mitchelson	Wilson.
Guinness	Montgomery	<i>Tellers.</i>
Hall-Jones	Morrison	Maalin
Heke	Newman	McNab.
Hutchison, G.		

Majority for, 4.

Motion agreed to.

On the question, That new clause 16A be disagreed with,

Sir R. STOUT would like to point out that this provision would cast a heavy additional burden on the Minister of Labour. At present he had only to deal with labour, but this clause would put all commercial offices, banks, and insurance offices under the Labour Bureau; and how they would be able to do that he was not aware. It would be an exceedingly heavy task. He would also point out to the Minister that, as there was a Bank Act dealing with bank-holidays, an amendment of the law in that respect ought to be made in a special Bill, and ought not to come within the general Shops Bill.

Mr. THOMPSON was afraid the last speaker failed to grasp the situation. The honourable gentleman would see that this Bill would give the Minister of Labour an opportunity of appointing a few more officers. The object of the Bill was to build up a big Labour Department. That department was now as large as was necessary to look after the working-men, and now we were going to look after the bank and insurance clerks. Of course, that would give the honourable gentleman an opportunity of providing for a few more of his constituents.

Mr. G. J. SMITH desired to know whether it was intended to include the export branches of shipping offices under the Bill. It would seriously affect mercantile transactions if these offices were closed. For instance, in the case of a direct steamer leaving, bills of lading, specifications, *et cetera*, had to be put through, and if these offices were closed it would mean that business would be much hampered.

Mr. G. W. RUSSELL said it was ridiculous to say that "cashiers, ledger-keepers, and cash-book-keepers shall, before leaving their offices, balance the books in their charge of the day's transactions." They might be kept all night in order to do that. He thought the House ought to object to that part of the clause.

Mr. REEVES said he had no objection to the suggestion of the honourable member for Riccarton: not because he thought there ought not to be a reasonable provision made for allowing the books to be balanced, but because the word "shall" provided that they should stop after five o'clock and do this work whether their employers wished it or whether they did not wish it. He thought the clause was badly worded, and that they might improve the

wording, and so he would ask the House to disagree with that part of the clause which he had indicated. As to the suggestion to deal with banks in a special Act, if he thought there was a powerful and determined party sworn to get such an Act on the statute-book or die in the attempt, he would be willing to try and have that done. But, as there was not, they had better have the bank-clerks in this Bill. The personalities of the honourable member for Marsden were such as they might expect from him. The Labour Department, instead of being a colossal department, was by far the smallest and cheapest department in the Government. He doubted whether any labour department in the world was worked so cheaply. The expense had not increased, as a comparison of the estimates this year with those of last year showed. He thought he could administer this clause without appointing a number of his friends to positions in the department.

Motion agreed to.

Mr. Bell, Mr. Tanner, and Mr. Reeves were appointed to draw up reasons for disagreeing with the amendments made by the Council.

NEW ZEALAND CONSOLS BILL.

IN COMMITTEE.

Clause 3.—Deposits not exceeding £1,000,000 may be received.

Mr. BUCHANAN moved, That the words "one million pounds" be struck out, with a view of inserting "five hundred thousand pounds."

The Committee divided on the question, "That the words proposed to be omitted stand part of the clause."

AYES, 37.

Carncross	Larnach	Parata
Carnell	Lawry	Pinkerton
Carroll	Mackintosh	Reeves
Duncan	Maslin	Seddon
Flatman	McGowan	Smith, E. M.
Graham	McKenzie, J.	Stevens
Hall	McKenzie, R.	Steward
Harris	McLachlan	Thompson
Hogg	Meredith	Ward.
Houston	Millar	
Hutchison, W.	Mills	<i>Tellers.</i>
Joyce	Morrison	Collins
Kelly, W.	O'Regan	Russell, G. W.

NOES, 23.

Buick	Heke	Newman
Button	Hutchison, G.	Russell, W. R.
Crowther	Kelly, J. W.	Smith, G. J.
Duthie	Lang	Stout
Earnshaw	Mackenzie, T.	Tanner.
Fraser	Massey	<i>Tellers.</i>
Green	McNab	Allen
Hall-Jones	Montgomery	Buchanan.

PAIRS.

<i>For.</i>	<i>Against.</i>
Cadman	Mitchelson
Pere	Te Ao
Pirani	Wilson
Willis.	Bell.

Majority for, 14.

Amendment negatived, and "one million pounds" retained.

Mr. T. MACKENZIE moved, That the words "four pounds" be struck out, with a view to inserting "three pounds ten shillings."

The Committee divided on the question, "That the words proposed to be omitted stand part of the clause."

AYES, 40.

Buick	Joyce	Parata
Carncross	Kelly, W.	Reeves
Carnell	Larnach	Russell, G. W.
Carroll	Lawry	Seddon
Collins	Mackintosh	Smith, E. M.
Duncan	Maslin	Smith, G. J.
Flatman	McGowan	Stevens
Graham	McKenzie, J.	Steward
Hall	McKenzie, R.	Tanner
Hall-Jones	McLachlan	Ward.
Harris	McNab	
Hogg	Mills	<i>Tellers.</i>
Houston	Morrison	Montgomery
Hutchison, W.	O'Regan	Pinkerton.

NOES, 22.

Allen	Hutchison, G.	Saunders
Buchanan	Kelly, J. W.	Stout
Buddo	Lang	Thompson
Button	Mackenzie, T.	Wilson.
Crowther	McGuire	
Duthie	Meredith	<i>Tellers.</i>
Earnshaw	Millar	Fraser
Heke	Russell, W. R.	Massey.

PAIRS.

<i>For.</i>	<i>Against.</i>
Cadman	Mitchelson
Pere	Te Ao
Pirani	Green
Willis.	Bell.

Majority for, 18.

Words retained.

Mr. EARNSHAW moved to add, at the end of the clause, "and no Consols shall be issued at a price that will give more than four per centum interest."

The Committee divided.

AYES, 22.

Allen	Lang	Steward
Buchanan	Maslin	Stout
Button	Massey	Thompson
Crowther	McNab	Wilson.
Duthie	Millar	
Hall-Jones	Newman	<i>Tellers.</i>
Heke	Russell, W. R.	Earnshaw
Kelly, J. W.	Smith, G. J.	Mackenzie, T.

NOES, 34.

Buddo	Hutchison, W.	O'Regan
Buick	Joyce	Parata
Carncross	Kelly, W.	Pinkerton
Carnell	Lawry	Russell, G. W.
Carroll	Mackintosh	Saunders
Collins	McGowan	Seddon
Duncan	McKenzie, J.	Smith, E. M.
Flatman	McKenzie, R.	Ward.
Hall	McLachlan	
Harris	Meredith	<i>Tellers.</i>
Hogg	Montgomery	Graham
Houston	Morrison	Mills.

PAIRS.

<i>For.</i>	<i>Against.</i>
Bell	Willis
Fraser	Reeves
Green	Pirani
Hutchison, G.	Larnach
McGuire	Stevens
Mitchelson	Cadman
Te Ao.	Pere.

Majority against, 12.

Amendment negatived.

Clause agreed to.

Clause 4.—Date of repayment and interest to be fixed.

Mr. G. J. SMITH moved to strike out the words "forty years," with a view to reducing the term within which the deposits are repayable.

The Committee divided on the question, "That the words proposed to be omitted stand part of the clause."

AYES, 31.

Buddo	Joyce	Pinkerton
Buick	Kelly, W.	Reeves
Carnell	Mackintosh	Russell, G. W.
Carroll	McGowan	Seddon
Collins	McKenzie, R.	Smith, E. M.
Duncan	McLachlan	Tanner
Hall-Jones	McNab	Ward.
Harris	Meredith	
Hogg	Millar	<i>Tellers.</i>
Houston	Morrison	Hall
Hutchison, W.	Parata	Mills.

NOES, 22.

Allen	Heke	Steward
Button	Kelly, J. W.	Stout
Carncross	Lang	Thompson
Crowther	Maslin	Wilson.
Duthie	Massey	
Earnshaw	Montgomery	<i>Tellers.</i>
Fraser	Russell, W. R.	Newman
Graham	Saunders	Smith, G. J.

PAIRS.

<i>For.</i>	<i>Against.</i>
Cadman	Mitchelson
Larnach	Hutchison, G.
Lawry	Mackenzie, T.
Pere	Te Ao
Pirani	Green
Stevens	McGuire
Willis.	Bell.

Majority for, 9.

Amendment negatived, and words retained.

Clause 7.—Deposits to be paid into Public Account.

Mr. WARD moved, That the clause be struck out, with the view of inserting a new clause.

Agreed to, and clause struck out.

Clause 32.—Minors may become Consols' holders, and transfer.

Mr. BUCHANAN moved, That the clause be struck out.

The Committee divided on the question, "That the clause stand part of the Bill."

AYES, 38.

Buddo	Houston	Morrison
Buick	Joyce	Newman
Carnell	Kelly, W.	Parata
Carroll	Mackenzie, T.	Pinkerton
Collins	Maslin	Seddon
Crowther	McGowan	Smith, G. J.
Flatman	McKenzie, R.	Tanner
Graham	McLachlan	Ward.
Hall	McNab	<i>Tellers.</i>
Hall-Jones	Meredith	Lawry
Harris	Montgomery	Smith, E. M.
Hogg		

NOES, 8.

Allen	O'Regan	<i>Tellers.</i>
Earnshaw	Russell, W. R.	Buchanan
Massey	Stout.	Wilson.

PAIRS.

<i>For.</i>	<i>Against.</i>
Cadman	Mitchelson
Carncross	Button
Duncan	Kelly, J. W.
Hutchison, W.	Duthie
Larnach	Hutchison, G.
McKenzie, J.	Fraser
Millar	Heke
Pere	Te Ao
Pirani	Green
Stevens	McGuire
Steward	Lang
Willis.	Bell.

Majority for, 25.

Amendment negatived.

Clause retained.

Sir R. STOUT moved the addition of the following new clause :—

"No Consols or certificates issued under the authority of this Act shall be convertible into stock under 'The New Zealand Consolidated Stock Act, 1877,' or 'The Consolidated Stock Act, 1884.'"

The Committee divided on the question, "That this new clause be read a second time."

AYES, 21.

Allen	Mackenzie, T.	O'Regan
Buchanan	Maslin	Russell, W. R.
Buick	Massey	Stout
Collins	McNab	Tanner.
Crowther	Meredith	<i>Tellers.</i>
Graham	Montgomery	Earnshaw
Hall-Jones	Newman	Smith, G. J.
Heke		

NOES, 21.

Buddo	Kelly, W.	Russell, G. W.
Carnell	Lawry	Seddon
Carroll	McGowan	Smith, E. M.
Flatman	McKenzie, J.	Ward.
Hall	McLachlan	<i>Tellers.</i>
Harris	Mills	Morrison
Hogg	Parata	Pinkerton.
Joyce		

PAIRS.

<i>For.</i>	<i>Against.</i>
Bell	Willis
Button	Carncross
Duthie	Hutchison, W.

Green	Pirani
Hutchison, G.	Larnach
Kelly, J. W.	Duncan
Lang	Steward
McGuire	Stevens
Mitchelson	Cadman
Te Ao	Mackintosh
Wilson.	Millar.

The CHAIRMAN gave his casting-vote with the "Ayes."

Mr. BUCHANAN said he forgot when the division was taken that he was paired with the Minister of Lands, and therefore his vote, which was given with the "Ayes," ought to be recorded with the "Noes."

The CHAIRMAN said that, having given his casting-vote, the matter could not be reopened. Clause read a second time.

The motion, "That the clause be added to the Bill," was subsequently negatived on the voices.

Bill reported, with amendments.

The House adjourned at five minutes past three o'clock a.m.

LEGISLATIVE COUNCIL.

Friday, 28th September, 1894.

Third Reading—Bank of New Zealand—Forest Reserves—Rating on Unimproved Value Bill.

The Hon. the SPEAKER took the chair at half-past two o'clock p.m.

PRAYERS.

THIRD READING.

School-attendance Bill.

BANK OF NEW ZEALAND.

The Hon. Mr. STEVENS asked the Government, in view of the provisions of the Bank of New Zealand Share Guarantee Act imposing on them the necessity for appointing a President of the Board of Directors within three months of the issue of the guaranteed shares, which time is about to expire, and also of the fact that the Board of Directors, whose election was also provided for by that Act, has been elected, when they will inform Parliament of the date on which the appointment of President will be made? He wished to say that, of course, he had no desire whatever to ask a question that might be in the least inconvenient to the Government in relation to the duty which they had to perform, and which, he admitted, was of a very delicate and important character. At the same time, he would say that the importance of the appointment mentioned in the question was such, considering the immense responsibility which the colony had recently taken with regard to the Bank of New Zealand, having regard also to the fact that the bank largely carried on operations outside the colony, and having regard likewise to the nature of the Assets Company and its important bearing on the position of the bank, that it appeared to him

—in fact, he was aware—that there was very considerable anxiety in the country to know the decision which the Government had come to upon the appointment of a President of the bank. He had therefore thought it right to ask this question.

The Hon. Sir P. A. BUCKLEY was quite sure that his honourable friend would give the Government credit for being as anxious to have this important question settled as he was. Papers which would be laid on the table as soon as they were ready would show exactly the action of the Government in this matter. The matter was now under the serious consideration of the Government, and they had not yet decided as to the person to be appointed. A person would shortly be appointed, no doubt, and he trusted he would be one who would meet with the approval of the Council and of the country.

FOREST RESERVES.

The Hon. Mr. McCULLOUGH moved, *That a return be laid upon the table of all lands set apart as forest reserves under "The New Zealand State Forests Act, 1885," during the years 1890, 1891, 1892, and 1893, showing the area, and locality in which the lands so set apart are situate.* His object in asking for this return was to ascertain how far the intention of "The New Zealand State Forests Act, 1885," had been carried out. Repeatedly papers were laid on the table withdrawing from the operation of the Act reserves made under it. He was anxious to know if further reserves were being set apart by the Government of the day.

Motion agreed to.

RATING ON UNIMPROVED VALUE BILL.

ADJOURNED DEBATE.

The Hon. Mr. STEVENS.—Resuming the discussion on this Bill, I should like to say that, as I understand the Bill, it proposes for the future to take the land, without any improvements that may be placed upon it, as the sole basis of rating, and that it intends to make this applicable wherever in a district it is adopted by the vote of a meeting of ratepayers, to be called in accordance with the Act, and to apply this principle to all the rating by any local body within that area. I do not propose to discuss the question from the point of view of the single-tax theory, because I do not think that is exactly applicable, nor is it very convenient to bring that question into play in connection with a question of this kind. It appears to me rather that the better way to discuss this question is to consider whether this principle of the exemption of improvements from rating should be adopted. Instead of assuming, as appears to be the common practice, that this is in itself a good rule, I prefer to invite honourable gentlemen to consider it from the exactly opposite point of view, and to consider what reasons there are for its adoption. If it is said that we have already adopted this system in regard to general taxation, in the matter of land for general purposes, I would

say this : The two objects for which money is raised on land are totally different. In the one case—of general taxation—there is an entirely different set of necessities to provide for: public defence, the protection of life and property, public debt, education, and the maintenance of all the departments of government. When we turn from that to local rating, we find the objects totally different, and they stand on a totally different basis. Instead of being for such objects as I have mentioned, they are for the purpose of improving the value of land, and for the personal convenience and comfort of ratepayers, passengers, and so forth. Sir, this is the point of view at which I propose to start, having, as I think, got rid of the point that might be raised that, because we have adopted the principle in one form of taxation and for one set of objects, we should therefore adopt it for local rating. The purposes for which we adopt rating I take to be generally these: the ordinary rate, special rates, and rates for such objects as drainage, river-conservation, harbours, and last, but not least, hospital and charitable aid—in point of fact, the poor-rate; and my honourable friend Mr. Montgomery, in the remarks he made yesterday, appeared to indicate that this Bill, in relation to its application to these subjects, gives to him and to the Government generally only partial satisfaction,—that he considers river-conservation and drainage should be excluded from the operation of this principle. Why, I, for one, am at a loss to understand.

The Hon. Mr. MONTGOMERY. — I said that was a matter for consideration.

The Hon. Mr. STEVENS. — Yes, Sir, it is a matter for consideration whether, in respect to rating for these objects and all the others that might be mentioned, the principle should not be rejected. That is my idea of the consideration that should be applied to it. Before going into any other question, I should like to refer to this point. Take the case of special rates. Here are people, in innumerable instances, who have deliberately consented to the application of special rating to their properties for the purpose of getting some particular work done, and they did so on the understanding that a set of circumstances existed which they then saw. I merely mention this incidentally. It appears to me that it would be a great invasion of the position they then occupied, and one which it would be very difficult to justify after careful consideration. The main object of my remarks is this: to attempt to show the Council what must inevitably be the effect of this measure on different classes of the community. It appears to me the object of those who advocate this measure is simply to catch some person here and there who does not improve his property. A sort of popular notion has been got up that, because there are a certain number of such persons, an Act should be brought in to penalise them. I am not going to advocate unimproved property. Far from it. But what I wish to call attention to is that the present Bill proposes to establish a permanent principle on which local taxation

should rest for the future, as far as we can see, and possibly for all time, whilst, on the other hand, the existence of property in an unimproved condition must of necessity be temporary. That state of things cannot continue for any long period of years under such a burden as land-tax and local rating. The aggregate of burdens placed on unimproved land must of necessity be dealt with in some manner by way of realisation. If the land is realised by a non-improving proprietor, the new owner will not buy it for the purpose of letting it lie idle. Let us now attempt to deal with the question of the effect on different classes of property. I am quite aware that in certain districts, certain bush districts possibly that might occur to the minds of honourable gentlemen, a system of this kind might be more or less acceptable. Some people have a strong prejudice in favour of the exemption of improvements, but I should like to ask, why should any one who has valuable improvements escape from taxation? I do not know any reason why he should. He has put improvements on his property for purposes of his own, for his own advantage—the improvement of his own position and his own convenience. There is some idea, I believe, abroad that he has been a great public benefactor by spending money on improvements. We all know that if he has spent the money judiciously it is a very good thing, but if injudiciously the argument would disappear. But it is unnecessary to go further into that. The point is this: By this Bill the person who spends money on improvements will be permanently and totally exempted from taxation, although those improvements may have been exhausted over and over again in the course of years, and may not have been renewed. It may be said, in the case of exhausted improvements and depreciation of their value, this state of thing would from time to time be corrected by valuation, and so it would; but this is no answer to my point: that the owner has made the improvements with the special and only object of benefiting himself. In examining different classes, I wish to show what the influence of this Bill may be, and will sum up its general effect. Take the case of a town. You can go down the streets in any of our towns, and you will find enormous buildings in the shape of banks or warehouses on a piece of land no larger than that held by a person of very small means. Such instances must be as common as possible to honourable gentlemen. And what is the effect of this? That the wealthy corporation or individual, having put up a large building for its or his own advantage, will pay no more taxation on that piece of land—being of the same area—than the small and poor person; and there is no question that such would be the case. Is this a fair state of things? Because an individual is not able to erect a building of the same size and value as another, because his building is no larger than he can afford, is that any reason why he should be punished to the extent of making up the deficiency out of the value of the land? I cannot conceive anything more

Hon. Mr. Stevens

harsh, or that would operate more unfairly and almost cruelly. Take, again, the case of residences. Every one must be familiar with the fact that the largest house very frequently—especially where the land is scarce—is put upon land no larger in size than a quarter-acre section. Such instances are as familiar to me as possible. The position is this: A large bank or warehouse is in numerous instances put up on ground no larger than an adjoining property on which are buildings not worth a tenth part of the bank or warehouse, and, nevertheless, the latter are as large as are required by the owner, and as much as he can afford. Yet the two properties would, under this Bill, pay the same rates. Again, a person puts up a house worth from £1,000 to £5,000 on a piece of land which is no larger than that of his neighbour, who occupies the whole of a piece of land of similar value with a building worth only £200 or £300. Exactly the same position of hardship occurs, and I say it is not a fair position; it is anything but a fair position. Again, coming to the country districts, every one is aware of the fact that valuable land is of a character which would justify in a general way a much larger expenditure of capital on it in the way of improvements than land of a poor quality. Such a position will not be questioned. I am not speaking of improvements in the way of manuring land or anything of that sort, but permanent improvements. You therefore start with this position: As regards the towns, you are making the poor man pay as against the rich; in the suburbs, where residences chiefly prevail, you are doing the same thing; and in the country, owing to good land being better worth improving than poor land, the same results must occur. I believe it would be utterly impossible to upset the position I have stated. Viewing it in the most impartial manner, that is the conclusion to which I have come. It is not my purpose to speak at any length; I have said virtually all I wish to say. But there is one point left, and it is this: The power will be left entirely in the hands of the ratepayers.

An Hon. MEMBER.—Hear, hear.

The Hon. Mr. STEVENS.—My honourable friend says, "Hear, hear." I am surprised that he should take so shallow a view. Does he imagine the people to whose interest it is, and who have great influence in the localities, will not induce their poor neighbours—and they would be quite justified in doing so—to have a public meeting got up for the purpose of adopting the scheme? Certainly they would. And as for numbers in a community being an element of safety, it is not a sufficient one. I am quite satisfied that the richer proprietors will, when they understand the meaning of this, get up an agitation—probably successfully—for the adoption of the scheme; and they will do it in their own interests; and for three years the poorer inhabitants in all these localities will be suffering without any chance of remedy until the expiration of three years. It does appear to me that the Bill has been

brought forward under an entire misconception of what is proper in regard to the principle of local taxation, and that it is in itself mischievous to the last degree, and that it is calculated to inflict on those who are least able to bear it the heaviest burden.

The Hon. Mr. KELLY.—The honourable gentleman who has just spoken has answered most satisfactorily the arguments of my honourable friend Mr. Pharazyn in one respect. The Hon. Mr. Pharazyn was afraid this would injuriously affect the large landholders. The Hon. Mr. Stevens thinks it would injuriously affect the small holders.

The Hon. Mr. PHARAZYN.—I said it would injuriously affect the holders of poor land.

The Hon. Mr. KELLY.—The honourable gentleman said it was an insidious attack on landed estate.

The Hon. Mr. PHARAZYN.—Of course it is.

The Hon. Mr. KELLY.—I think, myself, it will not to any extent injuriously affect any one, but will tend to relieve the actual occupiers of land. Of course, I do not know what will be its effect on other districts so well as on my own District of Taranaki; and there, I think, so far as my judgment goes, it will be unanimously accepted by the public vote in rural districts. How will this operate? What are these local rates for? They are for the purpose of maintaining roads; and I think our interest ought to be to protect those who live on their properties, utilise them, and make use of the roads, in preference to those who are absent and hold land simply for speculative purposes. I think this Bill will effect that object. I do not think much difficulty will arise with respect to ascertaining the unimproved value, because we have already had some experience in this matter. A short time ago the Legislature passed an Act under which Valuers had to be appointed to ascertain the unimproved and the gross value of property; and the method they adopted to ascertain the unimproved value was this: They first ascertained the gross value of the land, including the improvements, they next ascertained the present value of the improvements, and from the gross value they deducted the value of the improvements, and the balance represented the unimproved value. It was found, practically, that the value of the improvements was from one-fourth to one-third of the gross, and therefore in a district like ours it will not materially affect those who have largely improved their land. This is not a new proposal at all. This method of rating was in operation in Taranaki in 1858. I have the provincial ordinance here, and will read the clause. The ordinance was passed in 1858, and we then had the benefit of the legal advice of a gentleman who now occupies the position of Judge of the Supreme Court, and who was then Provincial Solicitor—Judge Richmond. After providing for an acreage rate for the rural districts, the ordinance stated that—

"Within the town district a uniform rate per cent. to be assessed on the value of all lands within the district, exclusive of all buildings,

erections, and improvements whatsoever, shall in every case be imposed, such value to be ascertained as hereinafter provided."

The rate was not to be less than $\frac{1}{4}$ per cent., and was to be fixed by a public meeting of ratepayers. Subsequently, the rate on the unimproved value was changed to a minimum of 2d. in the pound on the capital value, but not to exceed 8d. in the pound. This ordinance was in operation for a great number of years, until an Act was passed by this Legislature altering the mode of levying taxation. Therefore this was in operation in New Zealand before Henry George was ever thought of, or before his views had come before the public. The effect in the Taranaki District will be that it will discourage speculation in land, and reduce taxation on the improving settler. Under the present system the man who fells bush, and erects fences, buildings, and a house, is rated for all these improvements; whereas the man alongside of him, who makes no improvements and lets the bush remain, and who does not contribute—or, at any rate, contributes a very small proportion—towards making the roads, is rated about one-fourth as much; yet his land rises in value, and the time comes when the man who does nothing is able to sell and make a profit, and pockets the proceeds without contributing a fair share to local rates. This practice has caused a great deal of irritation in the district, and there have several times been complaints and difficulties that have arisen under the present system. The Bill cannot be put into operation by the local authority without a requisition of a certain number of the ratepayers, and, in fact, it cannot be done until one-half of the ratepayers agree to it; and it must be understood that at any rate the principle of "one man one vote" does not apply with regard to local government. Some of the ratepayers will have from two to five votes, and they can record their plurality of votes against the unimproved rating proposal to rate on the unimproved value. It is not the number of individuals who decide, but the number of votes recorded at the poll, that determines the matter, so that it is rather in favour of the large owners than otherwise.

An Hon. MEMBER.—The very class of people who do not want it.

The Hon. Mr. KELLY.—Then, they certainly will not vote for it, and therefore they have a remedy. I cannot say, of course, what will be done in the towns; the country will generally regard the Bill with favour. Then, with regard to local option in this matter, we have this local option already. I think the local-option system is a good one, and I think it might be extended in other directions in order to protect us from the results of a too advanced democracy. It is possible to amend our Constitution in that direction with advantage. But I am not at all satisfied with our system of local rating. Of course, if it were confined entirely to rates expended on roads and such purposes there would be no great objection to be urged against it, but when we come to take into consideration the very heavy levies that are made upon the local

bodies for the purpose of charitable aid I think the system of rating with regard to that should be altered. I think the rate for this purpose should not be levied on the occupiers of land only, but that it should also be levied on the realised wealth of the country. I contend that the money required for charitable-aid purposes should to a large extent be drawn out of the pockets of the wealthy, and that the occupiers of land should not be called upon to pay more than a fair share of the amount. Of course, this is a large subject, and it does not enter so much into our calculations here, because I see under the Bill provision is made with regard to water rates and gas rates, which are to be levied on the gross value of the property. By simply amending the Bill the contributions required for charitable-aid and hospital purposes should be included in that category. I intend to support the Bill. I think, myself, it is an improvement so far as a large portion of the colony is concerned.

The Hon. Mr. BOLT.—This Bill brings before us two questions, one of which is of an exceedingly large and important character—that is, the question or the principle of taxing the unimproved value of land. The next question is of a more subordinate character—the utility, or, rather, the expediency, of applying that principle to the present system of local taxation. I should have thought, and I expected, that this discussion would have mainly hinged on the question of expediency, and I was prepared to listen and give every consideration to the opinions of honourable gentlemen in the Council who had devoted years of study to this question of local taxation. I say I thought this discussion would hinge more on the question of expediency; but I find that my honourable friend Mr. Pharazyn has opened up the larger question of the desirability or otherwise of imposing a tax on the unimproved values of land. And in order to support his own view he attempted to demolish the justice of the theory of taxing the unimproved values of land. In support of that he gave us large quotations from the Duke of Argyll's book, "The Unseen Foundations of Society," and he also endeavoured to throw some discredit on the works of Mr. Henry George. I should not have troubled the Council with my view on the general question had it not been opened up by the extracts given by the honourable gentleman from the Duke of Argyll's book. That being so, I think it only right that something should be said on the opposite side. The Hon. Mr. Pharazyn declared that this Bill was of a selfish character, because it would relieve those who had improved their property at the expense of those who had not. As for the selfishness, I fail to see where it comes in. A man wants a piece of land, and he rears a building upon it such as he requires for carrying on his business; and a man buys a piece of land alongside of him, but does not want to use it. He has no use for it at the present time, and he waits until his neighbour has built perhaps a warehouse, or offices, or insurance buildings, or anything else

Hon. Mr. Kelly

—he waits, I say, till people of that class build around his section and give a value to it, a value towards which he does not contribute anything himself. Who is the selfish man? I say the selfish man is the one who is endeavouring to get wealth towards which he has not contributed. That is particularly unfair to the man who is forwarding the prosperity of the place by putting up buildings or anything else upon his land. My honourable friend said that frequently the man that did not improve his property was the poorer man of the two. I quite admit that. But what has made him so? He ought to have taken to heart the aphorism of Poor Richard, "Buy what you don't want, and you shall soon sell your necessities." This man has bought land that he does not want, and in some cases he has to sell his necessities. But because he has done that, I do not think we are required to extend to him our sympathy. He had no right to buy land and hold it solely for speculative purposes—to wait until the growth and the industry of the community had made it valuable. We do not commiserate the glutton because he gets sick, and I say that a man has no right to be commiserated if he is under any hardship in consequence of holding such a necessary commodity as land for speculative purposes. My honourable friend said—and he quoted from some unnamed friend—that Mr. George's book was full of all the fallacies that might be imagined in political questions. Well, I do not know of any man of real eminence who has said that, so far as the main principle of his book is concerned, which is the exposition of the law of rent, his position can be shaken. I know there have been many carping critics of Mr. George's opinions, and I am not going to uphold Mr. George in all his statements. I will merely say that many of those who have attempted to demolish Mr. George hold, I think, a very second-rate position in the field of economics of the present day. I allude especially to the Duke of Argyll, from whose book my honourable friend quoted very largely, and to Mr. Mallock. Mr. Mallock wrote a book called "Progress and Property," which was aimed at Mr. George. Had he ceased writing then, he might have had some reputation. Unfortunately, he is also the author of a book which he calls "Is Life worth living?" This question he answers in the negative. I may point out that every person who does not commit suicide gives a practical refutation of his assertion. The next man who undertook to demolish Mr. George was the Duke of Argyll himself. Now, I do not think the Duke of Argyll is a great authority in economics. Some time ago he acquired a great reputation through writing a book called "The Reign of Law," in which he endeavoured to show that everything in nature is beautifully adapted to what it was intended for; that, for instance, the length of the wing of the albatross is just sufficient to poise it in the air. Evidently the Duke thought that the wing was made for the work which it had to perform: instead of that, science teaches

us it was the work that made the wing. If he is as well up in political subjects as he is in scientific subjects, I am not sure that any great reliance can be placed upon him. I said at the commencement that there were only a few remarks I wished to make, as a set-off against what the honourable gentleman had read from the Duke's book. I have a few extracts, not so voluminous as those the honourable gentleman brought before us yesterday, but a few which I think it wise to bring before the Council, and I shall give extracts from men who I am sure—at any rate, some of them—will be recognised as authorities by the honourable gentleman himself, and who will be recognised as authorities by this Council. I shall first give an extract from Professor Marshall: and, by the way, the honourable gentleman himself quoted from Professor Marshall. Here is what Professor Marshall says on the increase of rents:—

"It seems that the agricultural (money) rent of England doubled between 1795 and 1815, and then fell by a third till 1822. After that time it has been alternately rising and falling, and it is now about forty-five or fifty millions, as against fifty or fifty-five millions in 1873, when it was at its highest. It was about thirty millions in 1810, sixteen millions in 1870, and six millions in 1800. But the rental of urban land in England is now rather greater than the rent of agricultural land, and, in order to estimate the full gain of the landlords from the expansion of population and progress, we must reckon in the value of the land on which there are railways, mines, docks, &c. Taken altogether, the money rental of England's soil is probably twice as high, and its real rental three or four times as high, as when the corn-laws were repealed."

That is from Marshall's "Economics of Industry: 1892." It has been pointed out that in London, by recent estimates of the value of property, the agricultural value of the land on which London is built will be about £250,000, while the capital value is £300,000,000. That capital value is increasing at present at the rate of £4,500,000 a year, giving an increase annually to the landlords of £330,000. I will next ask honourable members to listen to this quotation as to how this increase of rental affects industry and trade. And the quotation I take is from the report of a Royal Commission prepared by Mr. O'Connor, which was presented in the House of Commons, I think, in 1885, "On the Depression in Trade and Industry." Here is what Mr. O'Connor says in his report:—

"Not only in London does the amount paid for the occupation of ground bear a higher proportion to the profits of trade than it formerly did, but in Birmingham too, where trade prices have been lowered, profits reduced, and wages are less, and where there are large numbers of persons vainly seeking employment, the price which has to be paid for the use of the land has increased. . . . It thus appears that over the entire country there is a cause at work, general, permanent,

and far-reaching, affecting every branch of industry in mine, and farm, and factory, the effects of which are traceable in the languishing condition of the agricultural and the mining and manufacturing interests. The cause is the fact that, under the existing land-system, the owners of the soil are able to obtain, and do exact, so large a proportion of the proceeds of the industry of the United Kingdom that the remainder is insufficient to secure adequate remuneration to the industrial classes, either in the shape of wages to operatives or reasonable profit to the organizers of labour—the employers or capitalists.”

As an illustration of how these values arise, I think this is a great lesson for us, living in a new country, and a practical exposition of the extension of wealth and comfort to be expected, if not in our time, I hope, at any rate, for our children if private ownership of land were abolished. Here is an instance of the rise in land-values:—

“In the Parish of Plumstead land used to be let for agricultural purposes for £3 an acre. The income of an estate of 250 acres in 1845 was £750 per annum, and the capital value at twenty years’ purchase was £15,000. The Arsenal came to Woolwich, with the Arsenal the necessity for five thousand houses, and then came the harvest for the landlord. The land the capital value of which had been £15,000 now brought in an income of £14,250 per annum. The ground landlord has received £1,000,000 in ground-rents already, and after twenty years hence the Woolwich estates, with all the houses upon them, will revert to the landowner’s family and bring in another million, meaning altogether a swap of £15,000 for a sum of £2,000,000.”

What, I ask, have the landlords done in this case? Nothing. I will point out that this is not an exceptional case; and here I shall quote the words of a man who stands in the same political school as the Duke of Argyll, and whose name is associated with the old English Whig party. John Bright says, speaking on the Irish Land Bill of 1881,—

“If you complain that the Bill gives too much to the tenant and takes all that it does give from the landlords, I should make this answer: If at this moment all that the tenants have done were gone and all that the landlords have done were left, the land would be as bare of house and barn, fences, and cultivation as it was in prehistoric times. It would be as bare as an American prairie, where the Indian now roams and where the white man has never trod. I believe, and I think I am within the mark, that nine-tenths, excluding the towns of course, of all that is to be seen on the farmland of Ireland—the houses, barns, fences, and whatever you call cultivation, or freeing land from the wilderness—have been placed there by the tenantry of Ireland, and not at the expense of the landlord.”

Professor Thorold Rogers gives the following also with reference to landlords:—

“Every permanent improvement of the soil, every railway and road, every bettering of the

condition of society, every facility given for production, every stimulus applied to consumption, raises rent. The landowner sleeps, but thrives. He alone among all the recipients in the distribution of products owes everything to the labours of others; contributes nothing of his own.”

Sir, I have just one small quotation more, and it is from Mr. John Morley. Mr. Morley says,—

“The question of unearned increment will have to be faced before many years are over. It is unendurable that great increments, which have not been earned by those to whom they accrue, but have been formed by the industry of the community, should be absorbed by those who have contributed nothing to that increase.”

Sir, there is no use continuing to quote from Mr. Morley or any one else. Common-sense teaches us that the community gives this wealth to land, and that it is not the owner who does so. If every man gets what he earns, the owner has no right to it. It belongs, of right, to the community only. We all know the position of the Duke of Argyll, who belongs to the smug, obsolete, respectable old Whiggish school. He is practically now a belated remnant of a decaying class so far as that school of thought is concerned, and he would not be quoted as an authority in economic questions anywhere; and the truth is, the further we consider these matters—the further we see into our social arrangements—the more unjust our social arrangements appear. There is no question about it that the private ownership of land means a stupendous robbery of the people. It is a question which we ought seriously to consider, whether, in dealing with our lands, we are doing the proper thing for the future. What are we doing? We are practically handing them over, as the British lands are now handed over, to a select few of the people, giving that few the power to exploit all the others for all time to come. I do trust that at some future day we shall deal with this question from a colonial and national standpoint. At any rate, I support the Bill cheerfully. I think it goes in the proper direction. It is endeavouring to apply an important principle to local taxation.

The Hon. Sir G. S. WHITMORE.—I do not intend to follow the remarks or the quotations made by the honourable gentleman who has just sat down. They do not in the smallest degree touch the Bill that is now before us. To begin with, several of the arguments the honourable gentleman used were of a character that would be just as effective upon any subject foreign to the Bill: in fact, they were entirely aside from the question. Mr. George is a crank, who is entirely repudiated in his own country, and is accepted in no country as an authority; and he is absolutely preached down by an authority that I do not suppose the honourable gentleman will argue against—I think, by Mr. Gladstone himself. Mr. George is out of the case altogether. Let us come back to the Bill, and a little consideration of the

Hon. Mr. Bolt

Bill,—which, I may say, I intend to support,—will show that it is eminently just in principle. Now, I say, to begin with, that I must support the Bill, because I entirely believe in the Land Act of 1878, and the principle there laid down, which is to compel occupation. I may remark, however, that the operation of this Bill will be almost entirely confined to the towns of the colony, because outside those places, at all events, there are very few people buying land or holding it for speculation: in fact, I doubt if a single instance can be given in which land outside of towns and suburbs is utterly unused, and is kept purely for speculative purposes by the holders; at any rate, I know of no such land. There may be some parts of the colony where land has been given to military settlers and others, and who, probably in ignorance of the fact that they ever owned the land, have allowed it to remain unused. I say there may be persons with land in that position absolutely ignorant of it. But in the towns and the suburbs it undoubtedly does apply. Of course, it would be highly unfair to tax this highly-valuable land in the same way as very bad land. There must be a distinction between good and bad land. I presume the valuation will be put on the absolute selling-value of the land, and nothing else. When we come to the point, is it just and fair that a man should be allowed to hold land for speculation in the centres of the towns, and which, while he is doing nothing to it, acquires a value which sometimes runs to as high as a hundred or a thousand per cent. of what it originally cost him? We naturally ask, is it tolerable that he should have that advantage, and never pay anything at all towards the expenses which devolve upon the community? As for water-rates, and so on, these are imposed according to the amount of water used; and in the same way people pay for gas; but when it comes to ordinary taxation, and often special taxation, for the benefit of the towns, I do not think it right that people who do nothing with their land, and who are in good situations, should be allowed to get the value per foot that these lands have acquired through the industry and labour of other persons. There is no question of the ground-rent in this matter. Nobody wants to know whether something was advanced on the security of the ground-rent of a factory or anything of the kind. That is not the question. The question is this: Whether the improvements made on the land should or should not be exempted, inasmuch as those improvements give great value to vacant land adjoining. I think improvements should be exempted, and all land should pay on the value it has acquired by the industry and the outlay and the enterprise of the persons alongside. The question of the ground-rents is quite another question, and has nothing to do with it, especially in a young country where we are trying to push on settlement. I do not think there should be any sort of speculation, which means the buying of land and leaving it unused and unimproved. Therefore I am entirely in favour of this Bill. Another thing which makes me

more disposed to support the Bill is that it contains a provision by which every town will be able to decide according to the vote of the ratepayers who are interested, and they will do so in proportion to what they possess. You could have no better protection for themselves and their property, for the Bill provides—just as in the case of a joint-stock company—that a certain number of votes—which are awarded according to value, and not by universal suffrage—shall or shall not carry the measure. I am in favour of this Bill, as I was in favour of the exemption of improvements in the case of country lands, for general purposes, in 1878. One thing may be said about that, and that is this: that it is exceedingly il-Liberal. The argument was, that it ought not to be taken into account, because a man considered, in buying, the probable rise through the success of the town. But the man bought the land for his own profit only. While he ought to take his fair share of the burdens, I do not think it is fair to say that he was more enterprising, and that he ought to get the whole. There were several remarks I am disposed to object to in the speeches of the Hon. Mr. Stevens and others. They all seemed to turn on the old question of the property-tax, and the country rejected that. It was a monstrous proposal, and the country absolutely threw it out. It was a proposal under which people had to pay for what they did not get. I believe in the principle of the income-tax, but I cannot see where the justice of the property-tax came in. The only objections I have heard levelled against the Bill are the same objections that were levelled by some honourable gentlemen against the property-tax. I do not regard this Bill as any indorsement of the single-tax at all,—which, to my mind, is an infamous proposal, which I shall always oppose. While I do not think it is an indorsement of the principle of the nationalisation of the land, which has been condemned by all respectable members of the ultra-Liberal party at Home, I nevertheless think, in a colony like this, that, in towns in the course of construction and settlement, it is a monstrous proposal that anybody can buy sections and keep them until they have acquired a value through the industry of other people. I will give an instance of what has occurred in the Hon. Mr. Stevens's own part of the country—in Christchurch. What price was paid for the Triangle in Christchurch itself? It was bought for £70, and it is now worth more than £400,000. Any persons who own land ought to pay rates proportionately for every foot of the land. Other sections there were bought for £25 the quarter-acre, and many smaller ones for £5. One section, less than a quarter of an acre, was sold for £5,000, although the owner only gave £75 for it in 1878. I think that a man ought to pay taxation per foot of the value which the land has arrived at, without counting the expenditure the other man had been exposed to, which gave a value to it. The value of the land was absolutely nothing but for this. Because other people during a series of years had improved their property, and

paid more rates than he did, the owner came, one fine day, and got an enormous increase of 1,000 per cent. on his capital. That appears to me to be so monstrous that I shall oppose the principle in any form. While I cannot bear the principle of land-nationalisation, nevertheless I think, when we see the things which are done by aggregations of people in building towns, we ought to consider those who give their help and those who do not. I think the Bill is for the protection of the rate-payers. It is a fair measure, and I shall support it.

The Hon. Mr. SWANSON.—Sir, we are told by the Hon. Sir George Whitmore that unoccupied lands in towns do not pay rates.

The Hon. Sir G. S. WHITMORE.—Certainly.

The Hon. Mr. SWANSON.—I say they do, and also water- and gas-rates. When the Government sell allotments in the towns they ought to state beforehand that they must be occupied. When these sections in the towns were originally sold the Treasury was empty, and the Government was very glad to get the money for them; but now, when buildings have been put up about them, the rates are increased, and it is the selling-value per foot that is now rated. I know something about land in the country, and I can give an instance of what has occurred in the North. A good deal of land was given to the settlers; other people bought land and cleared the country, and now they are being denounced as money-lenders and absentees. If any improvements were effected by their neighbours, the rates went up in proportion. What are the rates collected for? They are for streets and sewers, lighting, and roads and bridges, *et cetera*. Those who have vacant allotments do not contribute so much to the wear-and-tear of the streets. None of the dwellers on those allotments go about wearing out the pavement, or cutting up the streets with their horses and carts. These people ought to pay a fair share of the rates, and I say they do now. And I say it was the necessities of the State that caused it to sell this land. If the State had wanted these sections to be occupied it should have said so when the land was sold. That was not done, and the Government were very anxious to get the purchasers' money. I know an instance in Auckland province where there was an acreage rate. We had got a lot of capital people with their wives and families from Home—pensioners. Each got an acre and a cottage. The acreage rate was put in force, and one man—Every Maclean—outside the village, in the road district, actually paid more in rates than the whole of the people in the village, and had not a voice in the matter. These village people, who paid a shilling each, voted for making roads and, owing to their numbers, as to what was to be done and who was to do it; and when the acreage rate was imposed these works had to be paid for, for the greater part, by the others. I do not speak from self-interest, but I think it is right to tell what I know of the matter.

The Hon. Mr. WILLIAMS.—As Chairman

Hon. Sir G. S. Whitmore

of a County Council, I feel called upon to say a few words on this matter. In the part of the country I come from the provisions contained in the Bill will act disastrously on the county's finance, besides inflicting great hardship on the poorer owners of land owing to the increased taxation required to be put upon their lands in order to make up the deficiencies in the revenue, while those who are able to pay will get off with a nominal rate. In our county one-fourth of the area is owned by the Crown, one-third by the Maoris, and the remainder by the settlers. Since the repeal of the Crown and Native Lands Rating Act, the settlers are rated for roading the whole county; while the Natives, who are the principal offenders in destroying the roads, pay no rates. The Crown and the Natives are, in our county, the speculators who are lying by for the unearned increment, for they pay no rates. I will state a case as a practical illustration of my meaning. In a Maori district about twenty miles from the port there is a company of kauri-gum buyers, who send out, on an average, from fifteen to twenty tons of gum per week in Maori bullock-wagons, and import a like quantity of goods on the return trip. They have a plant in buildings and improvements worth £6,000 or £7,000. Under the provisions of this Bill they will get off with a nominal rate, and the loss to the revenue will have to be put on to the country settlers, who are already groaning under the incubus of the gum-traffic, from which the county derives no revenue. Yesterday I received a letter from one of our County Councillors, and, by leave of the Council, I will read an extract. He says,—

"You will perhaps know that this winter we have had an extra trouble on the Kaikohe Falls Road in the hauling of 60,000ft. of timber, and all other material, to build the big hotel at Kaikohe. Many of our settlers have been pretty angry, and have been inclined to use rough language, saying that the County Council should make the drivers pay extra; and they cite English recent cases to back up their arguments. You can imagine that, as I have been travelling over that road lately, I have got vexed. The wear-and-tear is bad enough, but the Maori bullock-wagons are abominable. A lot of the contractor's work done recently is destroyed, water-tables filled up with the ploughing of the wheels, and the ends of the culverts cut off through careless driving. I have threatened to summon several, but the Maoris are impudent in their wickedness."

The timber referred to is for the purpose of erecting a large hotel, to cost £1,500. Under the provisions of this Bill the proprietor, who has been destroying the roads as fast as the repairs were made, will be let off with a nominal rate; and the rates will have to be put on the country settlers, who are for the most part poor, and find it difficult to make both ends meet. For my own part, this Bill will reduce my rates very materially; but, as Chairman of the County Council, I am bound to protest against it as being disastrous to the county finance, irritating and vexatious to the poorer

owner of land, and likely to create bad blood between the two races.

The Hon. Mr. OLIVER.—I have listened to the speeches delivered in advocacy of this Bill, but the argument seems to be against it. I will refer to those used by the Hon. Sir George Whitmore and the Hon. Mr. Bolt. The Hon. Sir George Whitmore announced that he was a strong opponent of the single-tax, that he was strongly opposed to the arguments used by Henry George; but he said he intended to support this Bill, which is in the direction of the single-tax. The Hon. Mr. Bolt used an elaborate argument in favour of the single-tax, and taxing the unearned increment, and against wealthy men escaping their fair share of taxation. But this Bill will enable wealthy men to escape. Last year I pointed out this fact, and my remarks were satirised by honourable gentlemen on that side. They derided the notion that we, who opposed a similar proposal, could be actuated by any desire for fair taxation—by any desire to exact from owners of property their fair share of taxation. It seems to me, as has been stated by the Hon. Mr. Williams and the Hon. Mr. Swanson, that in the discussion of this Bill it ought not to be thought that those who oppose it do so for selfish reasons. I, like them, shall escape taxation under this Bill. It is not from any selfish ground that I oppose the Bill, but because I believe it is founded on a false notion of the principle and scope of local taxation. As to the arguments of the Hon. Mr. Bolt about the agricultural value of London, that seems to me to be quite beside this matter; it has no bearing at all on this subject. Then, we had to listen to an interesting criticism of the work by the Duke of Argyll—"The Reign of Law." This was interesting, because the Duke of Argyll is a very interesting man; but I cannot see what bearing it has on the solution of this question. To listen to the arguments used, it might be supposed that those who own unoccupied sites in towns keep them unoccupied because of some far-reaching desire to profit by the work of their neighbours. Well, Sir, I believe that is entirely a delusion. I believe the building of houses in towns proceeds exactly *pari passu* with the demand. In Wellington there is a scarcity of houses at present, but only a few years ago there were upwards of four hundred houses unoccupied. Evidently the persons who had built those houses then unoccupied had built too quickly, and the houses now being built in this town are in response to a legitimate demand. In one case, as in the other, there is no proof furnished at all that the owners of unoccupied sites deserve to be punished because these sites are not built upon. They will be built on soon enough. As soon as demanded, houses will be built—everybody knows that. Has there been any reason at all given for bringing in this Bill? I do not remember having heard of a single speech in advocacy of it. Honourable gentlemen who justify it by the argument for taxing the unearned increment entirely mistake

the two subjects of general and local taxation; they rest on entirely different grounds. The Hon. Mr. Kelly pointed out that the selfish proprietor of land who forebore from making improvements should be taxed as a sort of punishment for selfishly standing by while his neighbours give value to his land. As pointed out by the Hon. Mr. Stevens, the owner of improved lands is taxed more because he makes more use of the means which are provided by taxation than his neighbour who leaves his ground vacant. How can you force a man to build before a legitimate demand arises? A demand will arise as soon as you get an increased number of users to justify those who have unoccupied sites building upon them. As for the taxation proposed meeting the case put by the Hon. Mr. Bolt, it will do nothing of the kind. The person who in future refrains from building houses on his site will, if the community increases and prospers, inevitably get the unearned increment. This taxation will not deprive the owner of it. Not at all. Probably the alteration will be very small indeed. Although, as has been pointed out by the Hon. Mr. Stevens, this Bill has no connection with the theory of Henry George and the single-tax or the unearned increment, yet it is one of those steps taken in compliance with the ignorant demand now heard, under the delusion that it may become more easy to adopt the single-tax. I can see no other reason for the proposal. I have not heard a recommendation or seen a sound argument in favour of it, and I hope the Council will reject it.

The Hon. Mr. REYNOLDS.—I intend to vote against the Bill, and I do so, first of all, thinking it is not wanted, and that there is no demand for such a measure. It seems to be the endeavour of the Government to bring forward a measure dealing with every conceivable question, so as to interfere with the rights and privileges of the inhabitants of the colony. It is said by the Hon. Mr. Kelly that this was not upon the principle of "one man one vote," but that the ratepayers would have a certain number of votes, up to five, which is the case at present. We find a Bill before the Legislature—which, fortunately, has been withdrawn—the Municipal Corporations Bill, which provided that every man in a borough should only have one vote—in fact, that every person on the electoral roll for members of the Legislature should be entitled to vote for the election of members of the Corporation. The Bill gave authority to raise loans and to levy heavy rates; and what for? So that the money might be expended among them, and might be the means of providing employment, not for *bonâ fide* workmen, but for a number of loafers.

The Hon. Sir P. A. BUCKLEY.—What are "loafers"?

The Hon. Mr. REYNOLDS.—I refer the honourable gentleman to the dictionary. In addition to this, the Bill is badly drafted, and I think that is sufficient reason why it should be rejected. I do not intend to occupy the time of the Council any further. I simply wanted to give the reasons why I shall vote against

the Bill. I hope the Council will reject it by a large majority: in fact, I should like to see it rejected unanimously.

The Hon. Mr. KERR.—Sir, it is my intention to support the Bill, and I should do so more warmly were it not optional, and were it to be carried out by every County Council, Road Board—by every local body. I was very much amused yesterday, when the Bill was introduced, by the manner in which the Hon. Mr. Pharazyn introduced Henry George as a man whose ideas and theories are exploded, and who was termed “a crank” by the Americans. To show he is not a crank, I may state that not three months ago the New York Legislature unanimously invited him to deliver an address to them on the solution of the question of providing for the unemployed. He did address that Legislature, and made a powerful speech, occupying two hours, and the House accorded him a vote of thanks. That does not look as if he was a crank, when a body of intelligent men such as I have mentioned asked him as a favour to address them on a very difficult question. That ought to place him in the front rank of those who are acquainted with the labour difficulties. I am not generally put down as a single-taxer, nor have I studied very much the principles of the single-tax; but from what I have heard and read in connection with Henry George no one would say he was a crank, but a very intelligent man, who had handled the questions he treated of very intelligently. I was also surprised, and, in fact, greatly surprised, to hear gentlemen like the Hon. Mr. Stevens, the Hon. Mr. Oliver, and the Hon. Mr. Pharazyn come forward and declaim against this measure as not being in the interests of the poor man. I have looked upon this Bill from the opposite direction altogether, as being one in the interests of the poor man; and, notwithstanding the speeches made, I am still of that opinion. It is not the people who put up large buildings who wish to throw the burden of taxation on to the unoccupied sections; it is quite the reverse.

The Hon. Mr. OLIVER.—And the smaller houses.

The Hon. Mr. KERR.—Those who hold unoccupied sections wish improved property to pay the burden of taxation. It is unfair, in my opinion, to tax a man on account of improving his property. If the unimproved value were taxed, instead of the buildings, all would come in for a share of taxation. Now, I would ask, is it the poor man that holds the sections in towns like Wellington, Christchurch, and Dunedin? I say, No, they are held by capitalists and financial institutions, banks, and insurance companies; and they have built on the portions they require, and allow the vacant spaces to remain until their value is enhanced, and they find a good purchaser. I consider these sections, in the interests of the property-holders in the different cities, should be taxed, so as to cause these institutions to pay a reasonable and fair amount towards the support of the towns. It is very good to have these sections, I have no doubt;

Hon. Mr. Reynolds

but immediately this Bill is passed a certain amount of taxation will be levied on these unimproved properties, and the result will be that they will come under the hammer of the auctioneer. The capitalists will soon get quit of them if they find they have large amounts to pay in taxation; and those who buy them will no doubt see their way to build on their sections and make a profit, and they will simply have the ground-value to pay on in the way of taxation, and nothing on their property. Every town in the colony has a large number of these sections, which will grow more valuable as population increases. Cities grow, gas companies are formed and gas is laid on, water-works are established, public works are carried on, streets and footways are formed, town halls are built, and all the rest; and therefore the value of these unimproved sections is increased. Now, I do not think it is right that those people who build should be punished, in the way of taxation being placed upon them, for being thrifty, zealous, and enterprising; while those who hold unoccupied sections are no good whatever to the community or to the revenue of the country. Therefore I think if the owners are compelled to build or to sell to others that would build, it would promote the general activity of trade in the towns, and cause a great amount of prosperity that we for some time have lacked. I look upon the condition of these unoccupied sections as nothing more nor less than shameful, and trust the Bill will go through, so as to cause them to be built upon, thereby wiping away those eyesores that we meet with as we pass along the streets of the larger towns. I allude to vacant sections with a few sheets of old iron fencing them in. This is one of the best Bills that could be introduced, because it will not affect the poor man, but will simply make those who can well afford it pay taxation for their unoccupied sections. If it were the poor man who would be affected I could understand the Bill being opposed; but I am confident in my own mind that it will affect those who have money and could build, if so inclined. We know there is a scarcity of houses for men with moderate incomes; they cannot get houses unless they go two or three miles out of a city. We know that the suburban lands of Wellington and Dunedin, and other places, are held in large areas, and, until a favourable opportunity occurs to sell, will still be so held, and tradesmen and poor people cannot get so much land as to build a home on, unless by mortgaging at ruinous prices. I need detain the Council no longer. I believe this is a good Bill, and I believe it is one of many good Bills that have been introduced in the interests of the great mass of the people; and, if it be for the good of the mass of the people, capital must hang its head for a little while, and give those who have been hanging their heads for many years a chance to hold them up.

Debate adjourned.

The Council adjourned at a quarter to five o'clock p.m.

HOUSE OF REPRESENTATIVES.

Friday, 28th September, 1894.

Tariff Revision Committee—Scoria-ash Carriage on Railways—Wairarapa Unemployed—Dairies Bill—Minister of Railways—Government Printing Office—Horowhenua County Bridges—Public Works Statement—Domain and Cemetery Boards—Government House Fence—Waitahuna Gold-prospecting—Clareville Telephone—Members of the House of Representatives also Members of Education Boards—Delegate to England to float Companies—Female Factory-Inspectors—Kaitangata Riding—Declarations before Postmasters—Wanganui Art-unions—Bank of New Zealand—P. P. Whitiki—Ministerial Allowances—Producing Documents in the Supreme Court—Adjournment—New Zealand Consols Bill—Native Land Court Bill.

Mr. SPEAKER took the chair at half-past two o'clock.

PRAYERS.

TARIFF REVISION COMMITTEE.

Mr. G. J. SMITH asked the Government, Whether they have considered the reports and recommendations of the Tariff Revision Committee; and, if so, will the Government state to the House the decision arrived at in connection therewith?

Mr. SEDDON said the Government had not considered the recommendations made by the Tariff Committee.

Mr. G. HUTCHISON asked what the recommendations were.

Mr. SEDDON said the honourable member was just as well aware of the position as he (Mr. Seddon) was. Under the circumstances, he hoped later on to be able to tell the House what the Government intended to do in the matter.

SCORIA-ASH CARRIAGE ON RAILWAYS.

Major HARRIS asked the Government, If they will approach the Railway Commissioners with a view of obtaining a reduction in the charges to Road Boards in the Auckland Province for conveyance of scoria ash? He wished to point out that there was a large quantity of scoria in many districts in the Auckland Province, and scoria was very much required for road-metalling purposes. All they wanted was that a reduction might be made in the charge for carriage.

Mr. SEDDON said the following was the reply of the Commissioners: "The Commissioners have now under consideration a readjustment of the various commodities at present under Class Q in the tariff, with a view to lightening the charges in some respects. Scoria ash is among these articles."

WAIRARAPA UNEMPLOYED.

Mr. BUCHANAN asked the Government, Whether they will take immediate steps to relieve the distress of the unemployed in the Wairarapa district? In putting the question standing in his name, he wished to say that for months past the district which he represented had a large number of men who were unable to get employment. He had mentioned

this to the Government before, and in yesterday's *Post* there appeared the following telegram:—

"Ten hungry men took charge of the kitchen at Blairlogie Station on Tuesday, and helped themselves. They were arrested by Constable Collerton, and brought to Masterton. They appeared before Mr. Hutchison, S.M., to-day, and, after telling a woeful tale of the hardships of the swaggar's life, were convicted and discharged."

He had no explanation to make in putting this question, except to say that this unfortunate state of affairs had existed during the whole winter. To his own knowledge, twenty-two unemployed men were found in food and accommodation for a single night by one settler. The Government had taken steps in the case of other districts to find employment for men out of work, and he hoped the Government would not consider Wairarapa undeserving of similar consideration.

Mr. REEVES said that nobody ever thought that the population of Wairarapa was less deserving than that of other districts in the colony. The Government did their best to help on deserving persons everywhere throughout New Zealand. The honourable gentleman's statement went to show that there was distress in his district, but also that there was considerably less distress there than there was some months ago, because the figures cited by the honourable gentleman sank into insignificance compared with the figures he quoted three months ago. It was true that there were men in the Wairarapa district out of work, but the information of the department was that the number had considerably decreased during the past month.

DAIRIES BILL.

Mr. E. M. SMITH asked the Minister of Agriculture, Whether the Dairies Bill will be dealt with this session? The people in his district wanted to know if this Bill would be proceeded with, because the present state of affairs was retarding the opening of the freezing-works at Waitara.

Mr. J. MCKENZIE might say the Government considered the Dairy Industries Bill one of great importance. He hoped on Monday to get that Bill from the Committee, and to have it before the House on Wednesday or Thursday, and he trusted it would become law this session.

MINISTER OF RAILWAYS.

Mr. R. MCKENZIE asked the Premier,—(1.) If it is the intention of the Government to appoint a Minister of Railways during the present, or before the next, meeting of Parliament? (2.) If so, is such Minister to be one of the present Cabinet Ministers? (3.) If not, does Government propose to increase the number of Cabinet Ministers without the sanction of Parliament? (4.) What salary, if any, does Government propose to attach to the new portfolio of Minister of Railways?

Mr. SEDDON said he replied to this question on the previous day, and he could only repeat the reply he then gave—namely, that the matter was under the consideration of the Government. The Government would not take control of the railways until the 1st of January next, and between the 1st of January and the meeting of Parliament it was a question whether there should be additional expense incurred in the direction indicated in the honourable gentleman's question. However, the matter was under consideration, and he would take the House into the confidence of the Government probably later on. It was certainly a most important matter.

GOVERNMENT PRINTING OFFICE.

Mr. G. W. RUSSELL asked the Government, Will they, before incurring any further expense in adding to the Government Printing Office, have the building examined by experts in the printing trade, so that additions may be made in a way to remedy, as far as possible, the defects of the present building so far as lighting is concerned?

Mr. CADMAN said that, in making arrangements for the extension of the Printing Office, provision would be made to give extra light.

HOROWHENUA COUNTY BRIDGES.

Mr. WILSON asked the Minister for Public Works, If he will assist the Horowhenua County Council (on the same principle as the Rangitikei County Council was assisted to build a bridge over the Rangitikei River at Vinegar Hill) by a subsidy of pound for pound to build the bridges on the Main West Coast Road of the North Island in their county? His reason for asking this question was that the Horowhenua County Council was not able, out of its own funds or by borrowing, to provide sufficient money to construct these bridges, and their absence was very dangerous to life. The land had been handed over to the Railway Company, and so there were no "thirds" coming from it, and the Council had had no assistance from Government to help them in settling the country. He hoped, therefore, the Government would come to the assistance of the County Council, so as to enable them to construct the necessary bridges on these lines of communication.

Mr. J. McKENZIE might say that he looked upon the Horowhenua County as being in a different position altogether from the Rangitikei County in connection with the lands held by each county. A large quantity of land in the Horowhenua County was purchased by the Manawatu Railway Company, and the company also purchased lands direct from the Natives. Consequently the Government could not see their way to comply with the honourable gentleman's request. The Government had received almost no land revenue from the Horowhenua County, and therefore he could hold out no hope of any large subsidy being granted. However, the Government was quite prepared to consider any special case on its merits.

PUBLIC WORKS STATEMENT.

Mr. MITCHELSON asked the Premier, When he proposes to lay the Public Works Statement before this House?

Mr. SEDDON said his reply to this question was one that must be as acceptable to the honourable gentleman as it would be to the House. The Statement would be brought down so soon as the Government knew what funds were available for works. He was not in a position to bring it down until the Lands Improvement and Native Lands Acquisition Bill was passed through another branch of the Legislature. He was now speaking to one who knew the position. Until the Government knew what their ways and means were he could not possibly bring down the Public Works Statement. It was no fault of his or of the honourable member's. He would bring the Statement down at the earliest possible moment.

DOMAIN AND CEMETERY BOARDS.

Mr. BUDDO asked the Government, If they will, during the recess, move to have legislation prepared to deal with the question of making Domain and Cemetery Boards elective bodies? He made no charge against the administration of these Boards, but he trusted the system would be changed, and that therefore the Government would give this question favourable consideration.

Mr. J. McKENZIE said this was a matter that had been under the consideration of himself and other members of the Government whenever the question came up about the appointment of new members. He might say that no special demand had been made upon the Government to change the present system, and in this, as in other matters, it would be very difficult to please everybody. He thought it was a subject that might fairly be considered when the question of the extension of local government came to be dealt with by that House. He might inform the honourable gentleman that the Government did not appoint or nominate any class of men without consulting the people in the district. The people in the district were asked to nominate men for a Domain Board. The names were submitted to the chairman, and after his approval they were forwarded for the approval of the Governor. He was inclined to think that in every case where local bodies could appoint Domain Boards they should do so. In some cases the members of the Board had been appointed for some time, and the Government could not very well ask these gentlemen to retire all in a body for the purpose of handing the appointments over to a local body; but it was a question that must be considered when local government came to be dealt with.

GOVERNMENT HOUSE FENCE.

Mr. MILLS asked the Premier, If he will, during the recess, give instructions to have the present unsightly fence around the Government House removed, so as to dispense with its prison-like appearance in the centre of the town, then have the trees trimmed and a fence suitable to

the buildings erected? The recent improvements made in the grounds surrounding the Parliament Buildings had induced him to put this question on the Order Paper, and he thought it was quite time that an alteration should be made in the fence surrounding Government House.

Mr. SEDDON said this was a matter which he would like to consult His Excellency the Governor upon. He did not think it would be right for the Government to do anything that might be against His Excellency's wishes in respect to the fence surrounding Government House. He would consult His Excellency in reference to the matter, and would inform the honourable gentleman of the result.

Mr. R. THOMPSON hoped the honourable gentleman would take into consideration the taxpayers of the colony.

Mr. SEDDON said that, of course, they were always to be considered.

WAITAHUNA GOLD-PROSPECTING.

Mr. ALLEN asked the Minister of Mines, if he will give some assistance to the prospecting for gold in the Waitahuna district?

Mr. CADMAN said, if the settlers in the Waitahuna district would adopt Part XV. of the regulations under the Mining Act, which related to prospecting, he would be glad to place them on the same footing as other mining districts.

CLAREVILLE TELEPHONE.

30. Mr. BUCHANAN asked the Postmaster-General, Whether he will take the necessary steps to establish a telephone station at Clareville? The population of this district was increasing very fast, and it would be a great public convenience if the Government could see their way to grant this convenience. The poles already existed all along the line, and therefore the expense would be very small.

Mr. REEVES said he was informed that the matter was under consideration, and it was quite possible that a favourable answer would be given to the honourable gentleman.

MEMBERS OF THE HOUSE OF REPRESENTATIVES ALSO MEMBERS OF EDUCATION BOARDS.

Mr. COLLINS asked the Government, Is it true that certain members of the House of Representatives who are also members of Education Boards are in the habit of charging their railway-fare as an item in their expenses while travelling free under the parliamentary pass; and, if so, will they take steps to have the practice at once discontinued? He would like to observe that this was not an agreeable question to have to ask, and nothing but a very stern sense of duty could have impelled him to place it upon the Order Paper. If the suggestion in that statement were true, it was a most reprehensible practice, and most improper.

Mr. SPEAKER said the honourable gentleman must not make such reflections on other honourable members in asking a question, see-

ing that the introduction of debatable matter was entirely prohibited by Standing Orders.

Mr. COLLINS thought he was justified in saying that the practice was reprehensible if it was carried on.

An Hon. MEMBER.—Whom do you allude to?

Mr. COLLINS said he alluded to the members who were guilty of the practice.

An Hon. MEMBER.—Liberals?

Mr. COLLINS said, whether they were Liberals or not, the practice was one which should at once be put a stop to. He thought the country had a right to demand it.

Mr. REEVES said, could such things be? He hoped not. Was it true? The Government had no reason to suppose it was true. They had absolutely no information on the subject. If the honourable gentleman had such information he would, of course, be very glad to get it from him, and would undertake that the attention of the Boards in question should be called to it at once; but if there were simply rumours on the subject he would recommend the School Committees in the district in which the rumours were current to turn their attention to the members of the Board suspected, and whom they elected. The School Committees elected the members of the Boards, and the School Committees ought to look after them.

Mr. MEREDITH said this question had been on the Order Paper for several days, and the Minister, if he chose, could have communicated with the secretaries of the various Boards and ascertained the truthfulness or not of the allegations. So far as the North Canterbury Education Board was concerned, there was no truth in the statement of the honourable member who asked the question.

Mr. SPEAKER said he could not allow any discussion on the subject of a question and the answer that was given to it.

Mr. REEVES, with the permission of the House, might state that, having no reason whatever to suppose that the suggestion was well founded, it was not for him to assume that it was well founded, and telegraph to thirteen Education Boards on the subject.

DELEGATE TO ENGLAND TO FLOAT COMPANIES.

Mr. T. MACKENZIE asked the Government, Whether they propose giving effect to the recommendation of the Tariff and Industries Committee, that a delegate be despatched to England at the expense of the colony to promote and float companies; and, if so, whether they will undertake that no member of this House shall receive any part of the moneys to be expended? He did not wish it to be understood that he desired to touch the feelings of any honourable member. He had merely placed the question on the Order Paper in order that the Government might give the House an opportunity of hearing from them that they had no intention to subsidise any member of the House to go on such an expedition as was contemplated in the recommendation of the Com-

mittee. To his mind, it was not decent of a member to accept it, and he thought the House should now hear that the Government had no intention to do what had been recommended.

Mr. SEDDON had said, in answer to a question by the honourable member for Christchurch City (Mr. G. J. Smith), that the Government had not considered the recommendation of the Tariff Committee. He did not think, unless there was very good cause indeed shown for such a recommendation as this, that the Government could take upon themselves to do what had been recommended; but it would be unfair to the Committee for the Government to come to a hurried conclusion without having gone through the evidence, to see whether or not the Committee were warranted in making the recommendation.

FEMALE FACTORY-INSPECTORS.

Mr. G. J. SMITH asked, Whether the female Inspectors in connection with the Factory Acts whose salaries have been provided for in the estimates have been appointed, and, if not, when will they be so appointed?

Mr. REEVES said a glance at page 8 of the Labour Report would give the honourable gentleman information with regard to the lady Inspector who was appointed in March last. The sum for the payment of the second lady Inspector was only voted a few weeks ago, and was not, in fact, yet appropriated. When the first lady Inspector, who was now going round the colony, and taking a preliminary survey of the female workers of the colony, had finished her report of all the districts, then the appointment of a second one would be taken into consideration, and, if she was appointed, of course a division of the work between both of them would be considered.

KAITANGATA RIDING.

Mr. ALLEN asked the Government, If they have received any communication asking them to introduce an amendment of the River Boards Act so as to provide for the representation of Kaitangata and the Kaitangata Riding on the Clutha River Board, and further to provide for certain other alterations in the River Boards Act? If so, will they state the nature of the amendments asked for, and what action they propose to take to give effect to the same?

Mr. J. McKENZIE said a proposal was received in June last from the Mayor of Kaitangata asking that a new River Board Act should be passed, with the view of allowing the Kaitangata Borough to have a representative upon the Clutha River Trust Board. Virtually it would be an amendment of the Clutha River Trust Board to bring in any legislation of this sort. After giving this matter careful consideration the Government did not think it advisable on their part to introduce legislation this session on the subject. At any rate, seeing that the question was only raised in June last, he thought it would be quite soon enough for the Government to introduce legislation when they knew the wishes of the people of the district. His own opinion was that the

measure should be a local Bill. If the people of the district were united on this matter, and wished that there should be a new trust created, he thought they should take the initiative, and not the Government.

Mr. ALLEN understood that it would be necessary that the River Boards Act should be amended, which was a public measure; he did not know that a local Bill could amend such a public measure. He might say that the people were determined about this matter, and he thought the Government knew that.

Mr. J. McKENZIE said any legislation on this matter would practically mean the repeal of the Clutha River Trust, and he thought that before anything was done the people of the district should have full time to consider the matter.

DECLARATIONS BEFORE POSTMASTERS.

Mr. McNAB asked the Minister of Lands, Will he give greater facilities than at present exist for applications under Parts III., IV., V., or VI. of "The Land Act, 1892," by allowing the necessary declarations to be made before local Postmasters where no Justices are resident within a convenient distance?

Mr. J. McKENZIE did not think it was advisable to have all Postmasters of the colony signing declarations of this sort. It was very important that such declarations should be signed before a Justice of the Peace. There had already been several cases in which some people narrowly escaped being lodged in Her Majesty's gaols for making declarations in a slipshod manner. Even some Justices of the Peace did not know the gravity of the offence which was committed in signing declarations before the requirements of the law were complied with. In any district where there was a demand for land surely some one could become a Justice of the Peace, so that such declarations could be made before him.

WANGANUI ART-UNIONS.

Mr. WILLIS asked the Premier, Why is it that the police gave notice to the combined friendly societies in Wanganui that no articles other than *bona fide* works of art as specified by Act would be allowed to be drawn for by art-union under the Lotteries Act, when in other centres in New Zealand bicycles, furniture, cows, horses, pigs, and firewood are allowed to be publicly so disposed of? It was necessary to state that the friendly societies of Wanganui had nothing whatever to say against the law being strictly enforced, but their complaint was that they were being treated strictly while in other centres of the colony the law was being openly violated.

Mr. SEDDON said, on inquiry from the head of the police, he had received the following reply: "Nothing is known of this matter here. A report has been called for." He thought the honourable member should have given some information so as to throw some light upon the question. He would like to know in what parts of the colony pigs were considered and treated

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as works of art. It was quite true, if the facts were as stated, that there had been a violation of the law. He knew that applications had been made with respect to some beautiful china, but the Government had been very strict, and the Colonial Secretary had refused the application. He would be only too glad to see that the law was carried out impartially, and that all parts of the colony were treated alike.

Mr. WILLIS said he had tickets referring to the different articles in his possession. Such lotteries had taken place at Palmerston, Christchurch, and other places.

Mr. BELL said the Colonial Secretary had given permission for an art-union in which one of the prizes was a sucking-pig.

BANK OF NEW ZEALAND.

Captain RUSSELL said he would like to ask the Premier if, in connection with the election of directors of the Bank of New Zealand, the Government would inform the House when they proposed to appoint a President of the bank, and also an Auditor.

Mr. SEDDON said the Government were attending to this matter. He had hoped to be in a position that day to give some information to the House on the subject. The Government were awaiting information, and on receipt of that information he would give it to the honourable member.

Captain RUSSELL asked if the Premier would assure the House that the appointment would be made before the termination of the session.

Mr. SEDDON hoped to have both the appointments made within a week.

P. P. WHITIKI.

Mr. PERE asked the Native Minister, Whether the Government has caused inquiry to be made into the petition of Paora Patu Whiti, Nos. 122 and 126, 1886, in accordance with the report of the Native Affairs Committee of that year; and, if not, will the Native Minister instruct the Stipendiary Magistrate for the Bay of Plenty district, or some other officer, to inquire into the matter?

Mr. SEDDON said inquiry was made by Mr. Brabant, Stipendiary Magistrate, who reported as follows:—

"The land referred to is within the confiscated boundary line, and is part of the block known as Lot 63, Matata. It was awarded in 1867 by the Compensation Court to the Ngatipikiao, and subsequently sold by them to the Government. The petitioners, the Tawera Tribe, assert that the land was theirs before the confiscation, and not Ngatipikiao's as decided by the Court. Even if this were so, however, they could have no claim to it after confiscation, as they were in rebellion, and had to be satisfied with the award of the Crown Agent—viz., Lots 65 and 21, Matata, 1,695 acres, which land is in the same locality."

The petitioner was so informed in a letter of which the following was a translation:—

"Native Office, Wellington,
"28th October, 1886.

"FRIENDS,—Salutations. Your petition to the House applying for the rehearing of Whakarewa and Kawerau No. 2 Blocks has been forwarded to the Government, with a recommendation to have the facts inquired into. And this is to inform you that, after careful inquiry into your application, the Minister of Native Affairs is of opinion that it cannot be granted.—Yours, &c.,

"T. W. LEWIS.

"To Paora Pata Whiti, To Umutika,
"Matata, Bay of Plenty."

MINISTERIAL ALLOWANCES.

Mr. G. HUTCHISON asked the Premier, When he expects to be able to render the return ordered on the 4th July last as to Ministerial allowances and expenses?

Mr. SEDDON said he would inquire as to the delay in reference to this return.

PRODUCING DOCUMENTS IN THE SUPREME COURT.

Mr. SEDDON said there was a matter he wished to bring under the notice of the House. A summons had been granted by the Supreme Court asking that the Clerk of the House should attend and bring with him a petition that had been lodged with the House, and produce it and other documents in the Supreme Court. He thought the House had jealously guarded its position in respect of documents, papers, and petitions lodged with it in the past. The question now was, whether or not Mr. Speaker should be asked by the House to exercise his rights as Speaker and refuse to grant what was demanded. He thought on this occasion they should follow the course that had hitherto obtained, and that the Supreme Court should not have the power to do this. It was not an occasion, so far as he knew, in which it should be done. It would be a most inconvenient thing if the Clerk of Parliaments was to be taken away, especially during the session, and asked to produce these papers; and he therefore moved, That the request be refused.

Mr. SPEAKER said he would read the Standing Order which bore upon the subject. It was No. 253, and was as follows:—

"No Clerk or officer of this House, or shorthand writer employed to take minutes of evidence before this House or any Committee thereof, may give evidence elsewhere in respect of any proceedings or examination had at the Bar, or before any Committee of this House, without the special leave of the House."

It was now moved that the House declines to grant leave to the Clerk of the House to attend in obedience to the summons for the production of several parliamentary papers now in his custody as the records of the House.

Mr. BELL said there were two questions. The first the Premier had referred to, as to the inconvenience which might be caused by the Clerk's absence. The Parliamentary Privileges Act entitled Mr. Speaker to prevent the departure of any officer of Parliament during

the session. The question of inconvenience to the House could easily be settled by the ordinary order postponing the trial while the Clerk's attendance was required in Parliament. On the second question, and the far more important one, he would venture to suggest that there were two sides to it. It would never do for the House to allow its papers, as a matter of course, to be overhauled in a Court of law. On the other hand, the House should not refuse the production of papers which were material to the determination of a matter between the parties, simply because those papers happened to have come into the custody of the House. No injury could be caused to any person by the production of the papers, because the Parliamentary Privileges Act hedged round with the completest privilege any person who made a statement to a Committee of the House. No person could be injured by the discovery of the fact that he had made any statement of any kind. It might well be that evidence given before the Committees might be material to the determination of questions in the Supreme Court. He knew something about this matter, though he might as well tell the House he had nothing whatever to do with it at present, although at one time he had care of a petition in connection with the Horowhenua Block—one of the petitions on behalf of Major Kemp—which it was now asked the House should give leave to produce. Many members were aware of the questions which had arisen about this block, but, with the permission of the House, he would state why it was that this evidence was material. The Horowhenua Block consisted of 50,000 acres, and originally stood in the name of Major Kemp alone, the other owners being registered in the books of the Native Land Court. Major Kemp held a certificate of title as the sole owner of this block, as trustee for a number of Natives who were registered as owners. Then, upon the partition of the block, sections were allotted to different Natives, members of the tribe, including the Hunia family, and including Major Kemp himself; and there was left a block unallotted of about 14,000 acres, standing in the name of Major Kemp, as trustee for the Muaupoko Tribe, whose settlement and cultivations were on this block. The Hunia family objected, and accordingly the Court then added the name of Warena Hunia to that of Major Kemp, these two men being left the certificated owners of the 14,000 acres upon which the Muaupoko Tribe were living and were settled.

Mr. SPEAKER desired to know if the honourable member's present remarks affected the matter of privilege as to whether these documents were to be produced or not. It appeared to him that the merits of the case were being opened up.

Mr. BELL said they did, and he was endeavouring to show why it was that the House should allow the documents to be produced. There were circumstances in which the House would—in order that justice might be done,

and to prevent injustice being done—give permission, and he would proceed to show that this was such a case.

Mr. SPEAKER said this case was now about to come under the consideration of the Supreme Court. Was it fitting that the House should discuss its merits? There might be some question of the propriety of the House anticipating the action of the Court by expressing its views on a matter *sub judice*.

Mr. BELL would bow to Mr. Speaker's decision, but he was endeavouring to avoid discussing the merits of the case. He had stated nothing up to this point that was in dispute.

Mr. SPEAKER would draw the honourable gentleman's attention to the propriety of abstaining from discussing a matter that was about to come under the consideration of the Supreme Court.

Mr. BELL said he granted that was so; but he wished Mr. Speaker to see the difficulty he was in in arguing that this was a case where the House would give its permission for the production of evidence. For that purpose it was necessary for him to state the facts, without entering into controversial matters.

Mr. SPEAKER thought it was very desirable they should do nothing that might have the semblance of encroaching upon the proper functions of the Supreme Court in discussing a case of this kind which was pending in the highest Court of law, the Supreme Court.

Mr. BELL submitted that it was a case in which the House should grant the leave.

Mr. SPEAKER said the honourable gentleman must confine himself to showing why such leave should be granted. He only wanted to protect the privileges of the House, and, at the same time, not to show any tendency to encroach upon a matter belonging to the Supreme Court by debating it in the House before it was dealt with before the proper tribunal, the Supreme Court.

Mr. BELL said he would obey Mr. Speaker's request in spirit as well as in the letter. He was not speaking as an advocate, but only as one who happened to have a knowledge of this case, in order that the House might be informed of what the Natives required. There was no dispute as to the facts. The two Natives, Hunia and Kemp, had become the certificated owners of a block of 14,000 acres, upon which the Muaupoko were settled. Then Hunia claimed that the order of the Native Land Court had made him the actual owner. There was no trust mentioned in the order of the Land Court; but two Committees of that House had reported that beyond all question it was a trust. He was not expressing an opinion upon that point, but he would simply refer the House to the reports of the Native Affairs Committees of two separate sessions upon the question. There was documentary evidence in the possession of the House, and a petition signed by Hunia, stating facts on the one side; and on the other side there were papers and petitions signed by Kemp, also stating facts, and evi-

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dence given before those Committees was also in the possession of the House. He thought, if the House had done him the honour of following him, it would see that no possible injury could be done to any person by the House saying that the litigants' petition and evidence as given before the House should be available to the Supreme Court, in order that it might be able to see what had been the several statements made by those persons before the several Committees of the House. It appeared to him to be a case where leave should be given, and he begged to move, as an amendment, That leave be given.

Sir R. STOUT did not think that the House was competent to express an opinion either way on this matter. The proper thing to do would be to set up a small Committee of Privileges to see whether the documents ought to be given or not. He understood that there was a lawsuit between Kemp, on the one side, as representing the Muaupoko Tribe, and Hunia on the other side. He did not know who had asked for the documents, but he might say what would happen if the House refused the documents. The parties who lost the lawsuit through such refusal would petition the House for relief, and endless trouble hereafter would be entailed. He would suggest that a Committee should be appointed consisting of five or six members—Mr. Speaker, the Premier, Captain Russell, and one or two others—who should report whether the documents should be produced or not, the whole of the members of the Committee selected to be those who had nothing whatever to do with the case one way or another. Both motion and amendment should be withdrawn; and the Committee might bring up a report on Monday, which would settle the matter once for all.

Mr. GUINNESS disagreed with the suggestion made by the honourable member for Wellington City (Sir R. Stout), on the ground that he thought that every person who sent a petition to or who in any way approached Parliament knew that whatever he gave in evidence, or whatever took place before the Committee, was a privileged communication; and it would be unfair to one party to allow another to get hold of any information or communication that had been sent to the House, in order that it might be used in Court. Such information should only be used in those cases where both parties to a litigation agreed that the documents and papers that had been presented to Parliament should be produced before the Court.

Mr. HEKE thought, as far as the Standing Orders were concerned, it was within the power of the House to grant or to refuse the papers referred to. It was only fair that the House should grant the permission applied for, as it had had petitions on the subject for several years, and also two or three during the present session. When the last petition was before the Native Affairs Committee this session the whole matter was postponed on account of the action pending in the Supreme Court. In the meantime the Muaupoko Tribe had been

deprived of their rights, and had been kept in suspense waiting for an inquiry to be made into their petition. He thought it would be only fair and reasonable for the House to take into its serious consideration the application for the papers, and grant the same. It was immaterial to him whether or not the matter was referred to a Committee, as suggested by the honourable member for Wellington City (Sir R. Stout), but he would urge the House to grant the leave, and if any tribunal were able to settle the matter this session it would be far more beneficial both to the House and also to the tribe the petition referred to.

Mr. SEDDON said that on reference to *Hansard* he had found the following case, in which a similar application had been made. The reference was in *Hansard*, page 491, June-July, 1889:—

“Mr. MITCHELSON said the Government intended to oppose this motion. During the recess the honourable member applied to Mr. Speaker to be supplied with evidence taken before the Native Affairs Committee. Mr. Speaker communicated with the Clerk of the House, and application was made to the Government to ascertain whether they had any objection to a copy of the evidence being supplied. After consideration, the Government came to the conclusion that it would be entirely wrong to supply it. It appeared that the honourable member desired to obtain the evidence for the purpose of enabling a solicitor to use it in the Supreme Court, and the Government considered that documents in the possession of the House should not be used for that purpose. He would ask the House to negative the motion.”

Sir R. STOUT.—What was the case?

Mr. SEDDON said it was in reference to an application made by Taiwhanga. It was negatived by a large majority. He might say that there was great danger if they departed from well-recognised rules, and the present case was not one in which an extreme course should be taken. It was only in an extreme case where such an application as this should be granted. The honourable member for the Northern Maori District had told the House that this question had been before the Native Affairs Committee, and that that Committee had refused to go into the matter because it was then before the Supreme Court. To show the position, he might say that there were on that Committee certain members who had in the past been connected with the matter under consideration, and very properly they would not vote on the question. Therefore, on that ground the House should keep to those well-defined lines which were absolutely safe. The honourable member for the Northern Maori District knew that there were members who held opposite views, and here came the application: what was the position of those people in this matter? Where persons who came before Committees and tendered their evidence felt that they were protected, and had privileges, it would shake their confidence if the evidence was liable to be made public, and

he thought that they ought not to allow that confidence that existed in those persons in relation to anything they said or did to be shaken by such things being brought against them elsewhere. He would therefore ask the House to negative the amendment moved by the honourable member for Wellington City (Mr. Bell). With regard to the suggestion to refer this particular matter to a Committee, he did not think that would answer, because it was a question as to whether any officer of the House was to be taken away by the wish of the majority. This objection was a fatal one, and, under the circumstances, he thought that the House would do well not to refer the matter to a Select Committee, as nothing would be gained. He would ask the House to disagree with the amendment, and to continue to act in accordance with the resolution it had passed. He had forgotten to say that the honourable member for Eden had asked the Government whether they would legislate in respect of this very question this session. A Bill had been presented to the Government, and was now under consideration. At all events, they should be quite content to pass an Act which would prevent any advantage being taken by one side over the other. If this course was not followed, and the matter was to be dealt with by the Supreme Court, the House would be placed at a disadvantage.

Mr. HOUSTON might state that petitions in regard to the Horowhenua Block had been before the Native Affairs Committee for the last three or four years, and the Committee recognised that there was a considerable amount of difficulty in connection with them. The Committee had come to a conclusion with regard to Block No. 11. This session a petition came before the Committee from Major Kemp upon the same subject, but the Committee became aware that a case was pending in the Supreme Court on this matter, and decided that it would be unwise for the Committee to enter into the matter under the circumstances. Consequently, he understood the petition was withdrawn. A short time ago he received a letter from a firm of solicitors asking that one of the petitions from Warena Hunia should be delivered up to them, to be made use of at a sitting of the Supreme Court at Wanganui. The letter was as follows:—

“Wellington, 7th September, 1894.

“DEAR SIR,—Horowhenua No. 11: There is an action set down for hearing at the Wanganui sittings of the Supreme Court on the 25th instant, at which it is necessary to have the petition presented to Parliament by Warena Hunia, dated the 27th July, 1891, produced. We understand that the petition is under your control, and we should be glad to know if you will authorise the handing of the same to the Registrar of the Supreme Court at Wellington, with instructions to him to cause same to be produced to the Court at its sitting at Wanganui, and to be returned to you, or to some officer you may name, as soon as the Court or the Judge has finished with it. We will, if you

wish it, issue a subpoena to any person you may name.—Yours obediently,

“BROWN AND DEAN.

“R. M. Houston, Esq., M.H.R.,
“Chairman, Native Affairs Committee,
“Parliament Buildings.”

He felt that he had no power to grant that request; and he caused a letter to be written to the firm of solicitors, as follows:—

“Native Affairs Committee,
“House of Representatives,
“Wellington, 10th September, 1894.

“DEAR SIRS,—I am directed by the Chairman of the Native Affairs Committee, House of Representatives, to acknowledge the receipt of your favour of the 7th instant, and, in reply, to inform you that it will be necessary to obtain an order of the Court for the production of Warena Hunia's petition of 1891. The Chairman is advised that this is the only course by which the petition you require can be removed from the custody of the House.—Yours, &c.,

“F. HARTMANN,
“Clerk, Native Affairs Committee,
“House of Representatives.

“Messrs. Brown and Dean,
“Barristers and solicitors, Wellington.”

He had consulted several honourable members on the subject, and he came to the conclusion that it was his duty to adopt this course; and, as the matter was now under discussion, he thought the question ought to be considered as to whether there should not be a distinct understanding that any Chairman of Committees situated in this way had no authority to give up any records or papers that came before him as Chairman of the Committee. He was glad the matter had come before the House, in order that he might state his views, and in order that other honourable gentlemen might also state their views on the subject.

Mr. PERE said this matter had been before the Native Affairs Committee, and he had asked that Committee to come to some settlement with regard to it, but the Committee replied that the matter was before the Supreme Court, and any decision they might give might prejudice the hearing in the Supreme Court. The Committee considered that it would be better to adjourn the hearing of the petition until the Supreme Court had dealt with the Horowhenua case, then pending in that Court. In his opinion it was not a very weighty question, and it could be easily solved. The land belonged to the whole tribe, and the two men were in the title as trustees for the tribe. The Natives had been petitioning for many years, and the Government, instead of settling the matter, were prolonging it. He thought, under the circumstances, that the House should let the Supreme Court have the documents asked for; and the House should take an impartial view of the matter. Several members had advised the litigants to withdraw the case from the Supreme Court, but they would not do so; therefore, if they suffered loss in the Supreme Court, it was their own fault. The Native Affairs Committee had also advised

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the litigants to withdraw the case from the Supreme Court and allow the House to settle it. However, he thought it better to allow the case to be fought out. It was the people who owned the land that he felt for; but he had not the same sympathy for the two litigants.

The House divided on the question, "That the words proposed to be omitted stand part of the question."

AYES, 44.

Buddo	Larnach	Pinkerton
Buick	Lawry	Russell, W. R.
Carncross	Mackenzie, T.	Saunders
Carnell	Mackintosh	Seddon
Carroll	Maslin	Smith, E. M.
Collins	McKenzie, J.	Smith, G. J.
Crowther	McKenzie, R.	Stevens
Duncan	McNab	Steward
Flatman	Meredith	Tanner
Graham	Millar	Te Ao
Guinness	Mills	Thompson
Hall-Jones	Montgomery	Willis.
Houston	Morrison	<i>Tellers.</i>
Hutchison, W.	O'Regan	Kelly, J. W.
Joyce	Pere	McGowan.

NOES, 12.

Buchanan	Lang	Stout.
Earnshaw	Massey	<i>Tellers.</i>
Green	McGuire	Bell
Hake	Newman	Wilson.
Kelly, W.		

PAIRS.

<i>For.</i>	<i>Against.</i>
Cadman	Duthie
McLachlan	Fraser
Pirani	Button
Reeves	Allan
Russell, G. W.	Hutchison, G.

Majority for, 32.

Amendment negatived.

Motion agreed to.

ADJOURNMENT.

Mr. E. M. SMITH was sorry, at this late period of the session, to have to move the adjournment of the House, but he did so in consequence of the question which had been placed on the Order Paper by the honourable member for Clutha. When that honourable gentleman asked the question he distinctly stated that he did not refer to any individual member of the House, but there was no doubt at all that it was directed at himself (Mr. Smith). He therefore wanted to tell the House what the facts of the case were. This application was made through him at the request of a very large number of the people in the Taranaki District, representative of the business-men of the district, and men who were members of the Chamber of Commerce, and the leading men there, and they were prepared to subscribe the money stated in the application pound for pound. He was an old colonist of over thirty years' standing; and when he remembered the great things that had been achieved by sending men to the Old Country; when he remembered the success of Sir Julius

Vogel when he was sent Home to float the ten-million loan; when he remembered that the Midland Railway project was brought about by sending people to England; when he knew that their great coal deposits had been developed through practical business-men proceeding to England in order to lay the matter before the capitalists of the Old Country, it was only a reasonable thing for the people of Taranaki to ask the Government to subscribe pound for pound for the purpose to which he referred, if the Government thought it was in the interests of the country to do so, and not merely in the interests of any individuals or any particular district. Was there anything lowering to the dignity of the House in asking for such a thing as that? He had advocated this course upon many occasions, both in season and out of season. Why should the honourable member for Clutha get up in the House and denounce the proposal upon personal grounds? He (Mr. Smith) knew the immense amount of good that would be done to New Zealand if the proposal were given effect to. It would, in the first place, mean the keeping in the colony of half a million a year. It would enable them to make their own railway plant, which they were now importing from Germany, America, and Belgium. They wanted to get the capitalists of England to take this matter up, and that was why the project was set on foot. It would be no pleasure-trip to a man to drag ten tons of minerals about with him and exhibit it at the Colonial Institute, and before the scientific men and capitalists of Great Britain. The Committee which had inquired into the subject was nearly unanimous in its recommendation; there was only one dissentient voice. The promoters of the scheme did not want it to be said that the Government would be voting the funds of the colony to a supporter of theirs, unless they were convinced that good to the colony would result from it. They wanted that House to decide it, and he was prepared to let it go by the decision of the House. If the decision of the House was against it they would drop it at once and for ever. When they knew what Victoria and New South Wales were doing in the matter of developing their mineral wealth by the introduction of British capital, surely there was nothing unreasonable in this proposal that the Government should subscribe pound for pound of the expense that would have to be incurred in sending a representative to the Old Country. He had not supposed there would be any member of the House so narrow-minded as to raise his voice against it. But if a member of that House was proposed for this or that Board, or in connection with this or that scheme, somebody in the House rose and denounced it. Such a course of action was lowering the tone and dignity of the House, and holding the House up to ridicule in the eyes of the people of the country. He was persuaded to bring this matter before the House by the senior member for Wellington City, and it was certainly a great national question. When that honourable gentleman was Premier of the

colony there was a great exhibition in Wellington, and he dragged the honourable gentleman down to that exhibition to let him see what the Taranaki District was capable of producing in the shape of mineral wealth alone. Over and over again the senior member for Wellington City had promised his assistance, and he would see now what the honourable gentleman would do. There was untold wealth lying in that district, and in other parts of the colony, and if the matter were properly brought under the attention of English capitalists plenty of capital would flow into the colony for the development of this untold wealth. It was only the other day that the Government were asked to send ten tons of minerals Home. The question of the profitable development of the ironsand had been already solved, and it only required to be brought prominently before the men of capital and the scientists of Great Britain to insure its speedy development. There were millions of money lying idle in the Old Country awaiting investment, and if these capitalists only knew what a field there was in New Zealand they would soon utilise their money in the development of this industry. He need only refer to the great success he had in Auckland when the men and machinery were placed at his disposal. He showed several hundred people what could be done with the ironsand; and what was wanted was capital to produce great and most splendid results. The development of this industry would, of course, as a natural consequence, lead to the greater development of their coal-mines. Large quantities of coal would be used up; and members knew that a great proportion of the wealth of England was due to the utilisation of her coal. It was with that object that the people of Taranaki approached the Committee. The Committee was set up for the purpose of seeing which was the best way to promote the resources of the colony. That Committee was comprised of men representing the intelligence of the country; and why therefore did the honourable member for Clutha put the question he did? That honourable gentleman would say he did so in the interests of the country; but such was not the case. It was because he (Mr. Smith) was on one side of the House and the honourable gentleman on the other. Ever since he entered Parliament in 1890, up to the present time, that honourable gentleman had always been having a fling at him; and he could tell that honourable gentleman that whenever he did not approach him in an open, aboveboard manner he would move the adjournment of the House in order to put the matter properly before the country. Some honourable gentlemen might say that when it was for them it was a grand thing, but when it was for somebody else it was a very wrong thing. The honourable gentleman told him a little time ago that when he was on one of his explorations to find out some new track he actually applied to the Government for a co-operative man to carry his swag. Not that he objected to that, because he thought if one was going into the country for such an

object he should have some assistance, and probably if he had applied to him he would have given him assistance. They had in the colony plant which had cost £100,000; they had, as Mr. Speaker knew, in his electorate nearly a hundred skilled workmen, men who had been trained in the best shops in England and America; they had the men, the plant, and the material here, and all they wanted was the capital; and they proposed to reach the capital. They knew very well that without a direct vote of the House the Government could not grant money to any member for any such purpose without bringing him under the Disqualification Act. He did not want a penny of such money—his supporters would subscribe his expenses; but they wanted to send the material Home, and he believed the shipping companies would make a great reduction in the freight. If the Government placed an amount on the supplementary estimates, and if that amount were carried by the House, he thought they should bow to that decision, as it would be in the best interests of the country.

Mr. EARNSHAW said, as a member of the Tariff and Industries Committee, he felt it his duty to steadily oppose this recommendation of the Committee, and he regretted to say he was the only one of the Committee who opposed it. He had not opposed it on any grounds personal to the honourable gentleman; he thought they must all recognise the earnestness of the honourable member for New Plymouth with reference to the development of this industry. He did not think there was a member of that House more desirous of seeing the iron industry developed than he was; so that his remarks, he felt sure, would be accepted on this subject in the spirit in which he gave them. The Industries Committee was appointed to find out the best mode of developing the industries of New Zealand. They at once came face to face with the issue, Was it the best mode to pay men in this colony to go Home to float private companies to develop the industries of New Zealand? That was the question, which every member must answer for himself. In his opinion it was the last way in which they should spend the colony's money. The honourable gentleman put his case before the Committee very fairly and temperately. He stated that his object was that one or two gentlemen should be sent from New Plymouth or New Zealand to meet the ironmasters in England, many of whom had had to let their blast-fires go out; and no doubt they would be desirous of starting a business in some other suitable place. It was clearly understood by the Committee that the honourable gentleman would be one of the two persons who were to go Home; and no doubt the people of New Plymouth and Auckland who subscribed the £250 for expenses would look to the central figure, who had continually placed this question before the country, to go Home on this expedition as their expert. The question then arose, Was it right or proper that the House should vote a sum of money to send a member of the House Home to float a company, or to negotiate

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with private companies, to come out to this country to start that industry? It was upon that ground, and upon that ground solely, that he gave his vote very distinctly against the proposal made to the Committee, and he had seen no reason since to alter his views in that respect. The honourable gentleman stated in his remarks in the House that a number of the leading men in his district, and other persons, were prepared to subscribe pound for pound up to £250, making with the subsidy £500, to send some person Home for the purpose he had indicated. He also stated that in Auckland, when making the test, there were some five hundred people interested in, or present at, the operations, and that they were very much pleased at the result. If this was so, he ventured to say to the Government and to the House that there should be no difficulty at all in raising the amount of £500 to defray the expenses of sending a person Home for this purpose—that was, if the people were satisfied, after seeing the tests, that the work which the honourable gentleman had conducted for years past had come to that stage that the problem of the reduction of ironsand had been practically solved. If the honourable gentleman's statements in that respect were correct, there could be no difficulty in arranging that matter. In his opinion, however, unless the Government were prepared to say to the delegates that they were determined that all the iron rails, bridges, and material used by the Government in New Zealand should be made of colonial iron—unless they made that a stipulation—they would not induce any Home firm to come out here to supply the other part of the local market. The output of such works would be much larger than the local consumption, and, that being so, they would have to look to outside markets. It must be recollected that you could not start a blast-furnace and keep it going for one month and then stop it the next: it must be kept going always. As a preliminary, therefore, the Government would have to say that they were determined to use New Zealand iron, and New Zealand iron only. He did not think the Government had come to that point, and he thought a decision in that respect should be arrived at first, before any money was voted. He quite realised that the honourable gentleman had spent years of his life, and had impoverished himself, in trying to promote this industry, and he would personally like to assist him or any delegates in going Home; but he did not think it was the duty of the Government to vote money to send any one Home to float a private company. If that were done in this case, it must be done in other cases. Take, for instance, the proposal in the Budget with regard to the beet-sugar industry: they might just as well vote a sum of money to send Home some person to float a private company to develop that industry. So they could go on from industry to industry. He ventured to state that that would end in the utter demoralisation of the House. It was not the amount, it was the principle which was involved. He trusted the House and the Go-

vernment would be most careful in coming to a decision upon this question, because giving a grant of money would not end with the present case. It must not be forgotten that the question of the reduction of ironsand in New Zealand was no new question. There were other countries which had large quantities of ironsand. This was a very great question, and members should approach it from a practical point of view, and from the position of being guardians of the public purse. It was only upon those grounds that he was speaking. With regard to constructing large ironworks in New Zealand, they could not rely solely upon the products of ironsand; they must also develop our hæmatite lodes. They must have soft hæmatite pigs to mix up with the product of the ironsand. He was convinced that ironsand would make first-class bar-iron. He knew something of the materials, and could say that it was almost equal to Lowmore iron. He did not think it was equal to it, but it lay between B.B.S. and Lowmore. If they were going to use it for castings—and, of course, they must use it for all purposes—they must have other grades of iron to mix for the various purposes required. In his opinion, the plant should be placed in the Collingwood district, which was within easy shipping distance of the ironsand, close to the largest beds of hæmatite in the colony, and also close to coalfields. This was a large question, and one which fully deserved the attention of the Government. He altogether demurred to the money coming out of the public Exchequer.

Mr. MITCHELSON was dissatisfied with the answer made by the Minister for Public Works as to when the Government were going to lay the Public Works Statement on the table. He had gone to the trouble to take out the number of days after the commencement of the sitting of the House upon which the Public Works Statement was delivered during the last eleven years, and he found that the last three years compared most unfavourably with former years, and that the present Minister for Public Works—the Premier—was the greatest sinner of all Ministers for Public Works in this respect. In 1884 the Public Works Statement was delivered fifty-one days after the sitting of the House; in 1885, seventy-five days; in 1886, forty-two days; in

4.30. 1887, sixty-seven days; in 1888, ninety-nine days. That was the longest time for which the Public Works Statement had been delayed, and that was caused by the enormous amount of work thrown upon the then Government in connection with the revision of the Customs tariff. In 1889 forty-eight days elapsed before it was delivered; in 1890, thirty-six days. Then, coming to 1891, the first year of the Ballance Government, when the present Premier held the portfolio of Public Works, eighty-eight days elapsed; in the following year, ninety-five; and, in 1893, ninety days. That was last year. Those who were members of Parliament last year would remember that the debate upon the Public Works Statement, the public-works estimates, and the supplement-

tary estimates were all forced through during one sitting, and during the early hours of the morning, by the Premier. The debate upon the Public Works Statement last year was taken only two days before the prorogation of Parliament. They had now been in session ninety-nine days, and they still had not got the Public Works Statement, nor did they know when they were going to get it; and they were led to believe, by the statement of the Premier made a few days ago, that he expected to prorogue the House not later than the end of the second week in October. The Premier had said there was good reason for the delay that had taken place; he said that the Government were still unaware of the amount of money they would have at their disposal for carrying on the public works of the colony. In the Financial Statement they were told that the amount available from the Public Works Fund on the 31st March last was £263,737. It was also stated there that it was proposed during the present year to set apart out of revenue £250,000 for the purposes of public works throughout the colony; and, in a table laid before the House on the previous day by the Treasurer, they found, from the correspondence that had taken place between himself and the Agent-General, that it was also proposed to collar another £50,000 from the sinking fund for the purpose of aiding the Public Works Fund. Taking these three amounts, they found the Minister would have £563,737 for expenditure during the present financial year, £283,000 more than was actually expended last year, without taking into consideration the amounts proposed to be taken out of the loans to be raised under the Bill that passed this House two or three days ago. One might imagine, from the statement of the Premier, that he did not himself know what amount he would have available for carrying on the public works of the colony until he knew whether the Bill was going to pass in another place or not. Now, honourable members who supported that Bill, as he himself had done, did not contemplate that any portion of the moneys named in the Bill was to be used for the purpose of carrying on the ordinary public works of the colony. As he understood the provisions of that Bill, the moneys proposed to be raised under it were for the purpose of improving lands for settlement, and for making roads and constructing bridges for opening up and giving access to Crown lands, and for similar purposes in connection with the land to be acquired under the Bill from the Natives. Seeing that this was the case, he did not think it necessary for the Government to make this long delay before making public their proposals for carrying on public works during the present financial year. The Minister of Lands, in introducing the Bill, said it was their intention to prepare three schedules of works that were to be carried on under its provisions. Seeing that was the case, he thought the Premier would be doing justice to the members of the House and to the country if he stated he would deliver the Public Works Statement,

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say, on Tuesday next; and if the Bill which appeared to give the honourable gentleman so much concern was not passed in another place, more especially as so little of the money authorised by it would actually be required for expenditure during the present year, no harm would be done; and, if it was passed, the schedules could be attached to the supplementary estimates, and the votes could be passed by the House for the purposes the Minister of Lands considered necessary in the interests of the country. He was inclined to think, from the delay that had taken place, and from the statement of the Minister for Public Works, that his intention was, as soon as the Bill in question became law, to set apart a considerable portion of the moneys provided under it for the purpose of carrying on the ordinary public works of the colony. If that was his intention, it was not right to members of the House, who had assisted in passing the Bill upon the understanding that the money raised under it was to be used for other purposes. He considered the Premier ought not longer to delay the delivery of the Public Works Statement, and ought not to do as he had done during the previous session,—namely, ask the House to discuss the proposals contained in the Public Works Statement, and to pass the public-works estimates and the supplementary estimates through, the same night, or at one sitting, as was done last year by sheer force. Such a thing had never before been attempted in New Zealand, and ought not to have been done. He felt sure that, if honourable members allowed the Premier to use the same influence to force his public-works estimates through as he had done during last session, they would not only be doing themselves an injury but an injury to the country.

Mr. SEDDON said the honourable gentleman had been very moderate in his remarks in reference to the delay in bringing down the Public Works Statement. But he would put it to him, as a practical man, how was it possible for him to bring down that Statement unless ways and means were first provided? The honourable gentleman knew very well there were only ways and means for slightly over half a million, and, of course, in that he included what he had no doubt would be termed the "windfall" of the £50,000 he had alluded to. Never had the Public Works Fund been so low in the history of the country. He supposed the loan-balance did not amount to more than £60,000 or £70,000. The Public Works Fund had never before been in the position it was in at the present time. The honourable member knew that very well; and he knew, as a practical man, that you must have money that would cover, at all events, the expenditure for two years. No Public Works Minister would be worthy of the name unless he saw his ways and means for at least two years. He was alluding now to the £500,000. The other moneys, as the honourable gentleman knew full well, were for entirely different purposes, but they must come down under the Public Works Statement. As to the roads that were to be made to open up

Crown lands and land bought from the Natives out of the £250,000, the Minister of Lands was bound by law—the law they were passing—to place item by item for each of these roads upon the public-works estimates.

Mr. MITCHELSON.—They were brought down one year in the Appropriation Act.

Mr. SEDDON said they could not be appropriated without first being passed by the House under the public-works estimates. As he had told the House previously regarding this quarter of a million, there would have to be a schedule showing the roads that would have to be constructed. The allocation of the money would have to be determined by the Government, and the works specified. It was impossible, therefore, for him to bring down the Public Works Statement until he knew whether or not that money was to be granted. If it were not granted, where should he be with his Public Works Statement? Perhaps the honourable gentleman would like him to bring down his Public Works Statement, then for him to have his ways and means cut down, and to be left a laughing-stock to honourable members and to the country. It might please the honourable member to put him in that position, but he was not going to be put in it if he could avoid it. He had no wish to keep the Statement back, but he was quite sure the honourable member would sympathize with the Government when he saw the time it took to get through the business. He was not complaining, because he knew the magnitude of the proposals, and the desire there was for placing their views with regard to those proposals fully before the country. They could not, under the circumstances, complain. The honourable member told them that this was the ninety-ninth day. Well, that was not the fault of the Government. The honourable member knew that this session many important matters had come up. There had been the Standing Orders, and no ordinary Bill that had ever come before the House, or that was likely to come before it, was of the same importance as were the Standing Orders. It had necessarily taken a considerable amount of time to deal with them. That was work that should be taken into consideration. Then, there had been legislation affecting other matters of great importance which had to be dealt with, which no Government could have foreseen. These had come as surprises, suddenly, and the Government and Parliament had had to deal with them. If the honourable member was reasonable, these were matters that he ought to take into consideration. This had delayed their financial proposals. He was not complaining of the time that had been taken up in the debate on the Address in Reply or on the Financial Statement. Considering the magnitude of the proposals, he did not think any unreasonable delay had occurred, but still these proceedings had taken time: and then there was the refusal of honourable members to sit late. If honourable members had sat, perhaps, another dozen evenings till six o'clock in the morning, probably they would have had the Public

Works Statement before now. Their own supporters had on more than one occasion absolutely refused to do any more work, and the Government had had to submit to the inevitable. He regretted this very much, but hoped that, in the course of a very short time, they would be in a position to know what funds would be available. He wished to remove one misapprehension the honourable member had. The honourable member had said they were going to use money out of the quarter of a million provided for opening up Crown and Native lands in connection with the ordinary public works. It would be necessary to provide for railways. There were the Eketahuna-Woodville connection, the Otago Central, the completion of the Rotorua line; but they were not going to use the money raised under the Native Land Acquisition Bill for ordinary public-works purposes. They would adhere as closely as possible to what they had told the House; but they could not bring the Public Works Statement down till they knew what the ways and means would be. Then, they had to provide for public buildings, and for roads and their maintenance. These would be on the ordinary public-works estimates, apart from the others. If the honourable member were in his position he would see it was a position of difficulty. He had no desire to keep back information or statements. He must say members had been most reasonable in their requests; there had not been half a dozen who had asked him this session for works. Their means, however, were limited, but it was not on that account that the Statement had been kept back. They had to take into account the Coolgardie attraction, and the fact of so many men being out of employment; together with the demands for the increase of settlement. The Government had to take all these into account, and, so far as they could, they would endeavour to retain the population by making reproductive works, and the estimates would be drawn with that object. Honourable members would give the Government credit when he told them the expenditure last year under Part I. was the lowest expenditure on public-works in the history of the colony.

Mr. MITCHELSON.—No.

Mr. SEDDON said it was absolutely lower than the expenditure during the last year of the honourable gentleman's term of office; and he thought that there could be no complaint. It was the desire of the Government, with reference to the public-works expenditure, to husband their resources: and, if they were true to the colony, themselves, and the people, they must assist settlement and thereby assist the people. As regarded the question of the adjournment, and the question of sending some one Home, he did not agree that that was the proper course to adopt, because it might be said that the Government did so to please a supporter, and to promote his welfare. The honourable member for New Plymouth deserved well at the hands of the colony, but they could send some specimens of the raw material to the Agent-General, to bring the

resources of the colony fully before the British public. That was a work which, he thought, was justified; but to send Home a representative to float companies and to provide capital was a thing he did not think the State would be justified in doing. Before coming to a final conclusion it would be necessary to go through the evidence produced before the Committee, and then they could decide accordingly.

Mr. T. MACKENZIE was sorry the honourable member for New Plymouth had taken the question he (Mr. Mackenzie) had placed on the Order Paper in the spirit he had taken it in, but, unfortunately, that was a matter he could not help, and he did not offer to apologize for it. He held that Parliament should be as free as possible from motions of this kind. It was undoubtedly true that the honourable gentleman, since he had held a seat in that Parliament, had actually asked the Government to send him Home at the expense of the colony, and that was an improper position for any honourable member to take up.

Mr. E. M. SMITH said he had never asked the Government; he asked the House.

Mr. T. MACKENZIE said the Government was the voice of the House. He thought if the House were represented in London by the honourable member for New Plymouth and by the Minister of Labour they might expect the colony to be "boomed."

Mr. G. HUTCHISON.—Did you say "doomed"?

Mr. T. MACKENZIE said that the honourable member for New Plymouth had stated that this matter had been brought before the House on a previous occasion, and undoubtedly it had, and the reports had been opposed to giving him aid, and had been sent back to the Select Committee in order to give the honourable gentleman an opportunity of bringing the matter again before the Committee to secure a favourable report; but the reports again were unfavourable. It was a question which the honourable gentleman had repeatedly advocated—namely, the subsidising of a member of that House. No doubt the honourable gentleman fancied there was a great deal of mineral wealth in his district, but he was so exuberant in his admiration of Taranaki that he exaggerated the amount enormously. What had he told the House? That there were some 447,000 square miles of coalfields in Taranaki alone.

Mr. E. M. SMITH.—I did not say that. We have a great deal of coal in our district, and I said 400 square miles.

Mr. T. MACKENZIE said it was in *Hansard*, and, no doubt, the honourable gentleman corrected his *Hansard* proofs. He would read what the honourable gentleman had said—it was in Volume 80, page 67: "447,000 square miles." The honourable gentleman went on to say that each acre had 30,000 tons of coal, and therefore the sum-total would be no less than 8,580,000,000,000 tons of coal.

Mr. E. M. SMITH.—The honourable gentleman is giving a quotation to lead the House to believe that he is reading from *Hansard*,

Mr. Seddon

when he is not. His statements are not in the pages of *Hansard*, and it is not fair.

Mr. T. MACKENZIE said he had given the honourable gentleman's own words in *Hansard*, but he would read the whole extract. Speaking of their natural products, the honourable gentleman was reported in *Hansard* to have said, "And now those vast coalfields, covering an area of 447,000 square miles, averaging about 30,000 tons to the acre, lay there slumbering." On that computation there were 286,000,000 acres of coal; but a trouble here arose, as there were only 67,000,000 acres of land in the whole of New Zealand, and on the basis of 447,000 square miles there would be no less than 8,580,000,000,000 tons of coal in that district. He thought that would be sufficient, and that the House would support him in his conclusion that the honourable gentleman had really slightly exaggerated the matter.

Mr. E. M. SMITH.—No.

Mr. T. MACKENZIE said it was all in *Hansard* except the quantity of coals, and the column was hardly wide enough to afford space to embrace the figures. The honourable gentleman's demands upon the Government for this expedition Home were diminishing. He formerly claimed £200,000, when he first approached the Vogel Government, but he would do him the credit of saying that he had not asked for that sum all out of one loan. He had asked for £150,000 from one loan and £50,000 from another, so as to make it a bit easier for the Government. This was not the first occasion that the indecency of the honourable gentleman's action had been apparent.

Mr. SPEAKER said the honourable gentleman must withdraw that expression, as it was one that should not be applied to any member of the House.

Mr. T. MACKENZIE said he would withdraw it, but he was merely quoting what Sir John Hall had said on a previous occasion when this very subject was before the House. What he desired to say was that it was not, to his mind, right that any member of the House should use his influence on the Committees when he was interested in a matter under consideration, as it prevented the members of a Committee from going into a matter as freely as they should.

Mr. E. M. SMITH said that he went out of the Committee.

Mr. T. MACKENZIE said that when the report of the Committee came before the House it was referred back to the Committee once more, in order that the honourable member might be present and state his application more fully; and he did attend the Committee personally; but after consideration the Committee reported that it had no recommendation to make. The honourable gentleman had been also a little incorrect with reference to an application which he alleged that he (Mr. Mackenzie) had made for assistance on an expedition from the Government. Possibly the honourable gentleman referred to a private conversation, but he had no recollection of it. It was perfectly correct that mention had been made to the Go-

vernment for assistance, but no assistance was ever given. He thought any one who knew him (Mr. Mackenzie) would know that he took his fair share of what was going on. Had Government given a man he would have been employed to carry a food-supply to a central dépôt, from which they might work, and employ the time more profitably. He offered to supply the men with food and all they required, and only asked the Government to pay the wages. That was a very small contribution, and would only have come to £5 or £6. The expedition had cost those in charge £100, and the work they were on was more likely to be beneficial to the colony than to himself. Under the circumstances, he did not think it was fair for the honourable gentleman to make the statement he did. He objected to the principle of honourable members influencing the House for the purpose of having public moneys spent upon them in order that they might go to the Old Country to develop industries that ought to be developed on their own merits. If the trade of this colony was to be developed it must largely depend upon its own merits, and, as the honourable gentleman had said that he could prove on oath that he could supply material from 25 to 30 per cent. less than the price at which the articles could be landed in the colony at, if that could be done, surely it was evident that the industries of this colony in a very short time could be developed both with profit to the promoters and with advantage to the colony. He thought the course suggested was an improper one for the honourable gentleman to suggest.

Mr. BUCHANAN said that the honourable member for New Plymouth was the Buzfuz of the

50. House. He did not think the honourable gentleman was responsible for his actions or words when he got on to the subject of Taranaki and its industries. Past experiences proved that this was so; and he thought the honourable gentleman should therefore have the indulgence of the House, and should not be taken seriously when he went off at full speed as he usually did on the subject of native industries in his own particular part of the country. The Hon. the Premier had replied to the question as to when the Public Works Statement would be brought down that he had not got his policy Bills through, and that until the House granted supplies it was impossible to bring the Public Works Statement down. This was the ninety-ninth day of the session, and they were only now dealing with the policy Bills which were announced and, practically, carried in the debate on the Financial Statement. How, then, could the Premier justify himself for the unreasonable delay which had taken place in bringing down his policy Bills? He had two or three words to say to the Minister of Labour, who had made a pretence of answering the important question he had put to him on the subject of the unemployed in Wairarapa, and told the House that he was anxious to deal even-handed justice to the labouring population in all parts of the colony; but he took

good care to conceal the fact that he had been carting the unemployed from his own district and spreading them broadcast over the whole colony, the Wairarapa included.

Mr. REEVES.—Where are they in your district?

Mr. BUCHANAN said they were to be found travelling up and down the Wairarapa district looking for work but unable to get it, and possibly some of those unfortunates were among those who owing to hunger and want had helped themselves, as had been shown by the extract he had quoted shortly before from the *Evening Post*. With regard to the unemployed in his district, the Minister had stated that, according to the best information at his disposal, the number had very greatly decreased since he (Mr. Buchanan) had made his somewhat alarming statement to the House some little time ago. He had stated to the House nothing but what he knew from his own personal knowledge to be true. And, to show how little attention was paid to the unfortunate labouring-men in the Wairarapa district, he would quote the authority of the honourable gentleman's own department as given in the *Labour Journal*. In the *Journal* of January the agent for Masterton reported, "Business good; no idle men in the district; plenty of employment for those who are willing to work." Martinborough: "No idle men in the district;" and so on. In the following month, February, the Masterton agent reported, "Harvesting operations are being carried on, which gives employment to a number of men in the district." Martinborough: "Very few idle men in the district." In March the Masterton agent reported, "Since last report a large number of men have found their way into this district, and this, combined with the finishing of the harvest operations, has thrown a number of men on the market, and they are at present unemployed." To his own knowledge some of these men came from the district represented by the Minister of Labour.

Mr. REEVES.—Does the report say they come from my district?

Mr. BUCHANAN was speaking from his own knowledge. They were sent to the Forty-mile Bush, and were shortly afterwards discharged. The *Journal* for April reported, as to Masterton, "Trade fairly good. There are a good many men out of work at present, as there always are at this time of the year. Bush-felling will again absorb almost all those at present out of work." Martinborough: "A few general labourers and bushmen reported as being out of employment." In May the report from Masterton was, "Unskilled labour: A number of men are reported out of employment in the district." Martinborough: "No appreciable change since last report." That meant that there were no men out of employment. He knew that to be quite contrary to fact; and the agent there did not report to the honourable gentleman's office the true state of affairs in the district. The Masterton report for June was, "Work is very slack. Agent attributes cause to low prices now ruling

for produce, which debars farmers, squatters, and others from employing the amount of labour they are usually in the habit of doing." Martinborough: "Agent in his report states that in his opinion the 'unemployed cry' has been greatly exaggerated in his district. There is now a class of men on the road different from the *bona fide* man in search of work; they state that they want work, and yet will not leave the main beaten track to look for it." Now, with regard to that statement, he had to say that on the stations away from the main beaten track some of them had to put up something like twenty men for the night. The report of the Labour Agent was as wrong and misleading as anything could well be, and the Labour Bureau must have known that this was so. The Masterton report for July was, "Unskilled labour very plentiful; many men waiting for bush-felling contracts, which are expected to come out shortly. There are a large number of idle men in the district." Martinborough: "No residents reported out of employment, and appreciable difference in number of men on the road." For August the reports from Masterton were: "There is a visible decrease in the number of men out of employment in this district as compared with last month, but the supply is still in excess of the demand; many of those seeking employment seem to be totally unfitted for axe or pick-and-shovel work." Martinborough—now, he wanted to particularly call the honourable gentleman's attention to this: "In his report for the last month our agent states that there is a great decrease in the number of men on the road, and, as far as he is aware, there are no residents in the district out of employment." There never was a more glaring misstatement than that delivered to a Minister by any responsible officer; and yet the honourable gentleman commented on his agents' reports as if they were something to be relied upon. The agent's last report, for September, was, "There are a number of men on the roads, but with the advent of fine weather it is likely that a lot of work will be put in hand, such as scrub-cutting, &c." Here they had the agent making the astounding statement that scrub-cutting would be available to take up the unemployed at this late period of the season, almost on the threshold of summer. It was a piece of wicked misrepresentation, which ought to be exposed. He thought, if the honourable gentleman wanted to get honest work through his Labour Bureau, as he felt sure he did, such conduct on the part of his agent for so many months past deserved the severest reprehension. It was simply untrue that the number of unemployed had largely decreased, as stated by the *Labour Journal*, and they had a right to as much attention at the hands of the honourable gentleman as his own constituents. The colony had been put to a large amount of expenditure in sending the unemployed from the honourable gentleman's constituency to other districts, and here were those unfortunate men in the Wairarapa travelling over muddy roads and rough country, all through

Mr. Buchanan

the winter, exposed to all sorts of weather and hardship, in the endeavour to obtain employment. He had received very scant courtesy and attention from the honourable gentleman, and had received nothing but a misleading answer—namely, that the Wairarapa "unemployed" difficulty was not such as called for attention, because of the great decrease in the number of men seeking employment. The facts of the case were easily obtainable, and were absolute proof to the contrary.

Captain RUSSELL wished to emphasize the remarks of his honourable friend the member for Eden as to the extremely improper position in which the House had been placed owing to the Public Works Statement not being brought down before so late a period of the session. The Hon. the Premier very suavely and with his usual astuteness endeavoured to divert their attention from the real fact at issue by saying that it was impossible to bring down the Public Works Statement until this extremely late period because the financial policy of the Government had not yet received the assent of Parliament. At the commencement of the session they had been told over and over again that there were no borrowing proposals in the Government policy, and they were now told that it would be impossible to push on the public works, which were to be carried on out of borrowed money, because the financial policy of the Government had not been assented to. But, if all the reasons the Premier had to put forward for the Public Works Statement being so late in coming down were that he had been unable to get a set of financial policy Bills passed, it was entirely the fault of the Government that the financial Bills had not been passed long ago. It could not be said that they had had opposed to them an obstructive band of men upon the Opposition benches, and it could not be denied also that there had been a majority of the most submissive nature following the Premier. They had seen one or two young members plunge a little bit in harness, but in less than no time they were brought back into subjection, and there never was so submissive a majority as that which had followed the honourable gentleman during the present session. Why, then, was not this financial policy brought down earlier in the session? They had it alluded to in the Governor's Speech, and subsequently in the Financial Statement: were they right then in assuming that the Government had not even shaped their financial policy when the House met? He was afraid that was the only conclusion they could come to. They could arrive at no other conclusion than that during the recess Ministers were skylarking all over the colony, without devoting any time or attention to formulating the policy they intended to introduce when Parliament assembled. There could be no doubt that the Premier, even from his own showing, had been most neglectful. When he said "the Premier" he spoke of him as the moving spirit in Cabinet. He told them just now there was the fact of the Coolgardie diggings enticing away so many of our people; that never had work

been so scarce; that never was the price of gum so low, and therefore so many persons thrown out of employment. But notwithstanding—notwithstanding that Coolgardie was attracting the surplus labour, notwithstanding the low price of meat, of wool, of grain, and the abnormally low price of gum, notwithstanding that he was going to spend more money on public works this year than had been spent for years past—by his own showing, the Premier was allowing great numbers of people to go away from this colony because he was too supine—he could not speak of him as lazy, for there was no laziness about the honourable gentleman—but because he was too careless to get the money to employ them. He admitted that he was asking Parliament for a larger expenditure than had been going on for years, but in spite of all this, he had neglected his opportunity, and had allowed people to drift away because he was not prepared to take the necessary steps to keep them in the colony.

Mr. SEDDON.—The expenditure during the last three months has been double what it was formerly.

Captain RUSSELL said, if that was so, then it was unauthorised expenditure, and this, too, without having brought down the Public Works Statement, by which that expenditure could be justified.

Mr. SEDDON.—The money has been spent out of appropriations.

Captain RUSSELL said that, seeing the appropriations must have lapsed on the 31st of March last, all the expenditure since that time had been going on without appropriation of any kind whatsoever. He was sometimes amused by the Premier; and they heard so many similes about him. They were told that sometimes he trampled on his followers with hobnailed boots, and then they heard about the "sweet will" of the honourable gentleman—a delicious combination of hobnailed boots and sweet will. He was pleased to hear the Premier tell them that he was not going to allow any person, at the country's expense, to go to England and float companies of any nature whatever. It would have been a great mistake, because, as had been pointed out by the honourable member for Dunedin City (Mr. Earnshaw), the promoters of beet-root-sugar factories or of any other kind of industry whatever would have just as much right to be sent Home at the country's expense as the promoters of the ironsand industry; and, so far as one could judge, the promoters of such other companies would probably be much more successful than the promoters of any ironsand company. He was able to recall the year 1856; and in that year, before he came to New Zealand, he had the pleasure of seeing tools that had been manufactured from Taranaki ironsand, and he was then assured there would be a complete revolution in the iron industry consequent upon the Taranaki ironsand being manufactured in large quantities. That was nearly forty years ago; and still the Taranaki ironsand was in the same position: the industry had not been developed. In truth,

whether the sending Home of Mr. Smith would enormously develop the industry was an open question; they could not assume it as absolutely certain; he did not think it was. But, as a great matter of principle, the Premier was right in refusing to admit that it was the duty of the Government to give premiums from the funds of this colony to enable private persons to proceed to England to assist the floating of companies. Surely everybody must admit that a subject which had been so long before the public of New Zealand, and upon which so much money had been expended on experiments, was not likely to prove a success in the commercial world, or private enterprise would have proved this long ago. Whatever industry was likely to prove successful never lacked capital. They had had experiments in gold, silver, copper, even tin, and now, with regard to ironsand, they were told that unless Mr. Smith went Home it was impossible to get the iron industry started. Unfortunately, experience went to show that on the coast of Sweden there were any quantities of ironsand similar in character and quality to that of Taranaki.

Mr. E. M. SMITH.—Chemically it is quite different.

Captain RUSSELL said that, although the ironsand of Sweden was in close proximity to the large markets of the world, yet they were unable to successfully utilise it. If that were the case, and considering all the difficulties about coal, although the honourable member for New Plymouth said there were 447 square miles of coal in the neighbourhood of New Plymouth, unfortunately it was not in juxtaposition with the ironsand.

Mr. E. M. SMITH.—Close to it.

Captain RUSSELL was quite right in saying it was not in juxtaposition. It was recognised, in the smelting of iron, that unless they had coal, lime, and iron in juxtaposition it was impossible to carry on the smelting industry successfully. He understood the Minister of Labour wanted to say a few words before the dinner adjournment, and he would therefore sit down in order to allow the honourable gentleman that opportunity.

Mr. REEVES said he wanted to address a few words to the House in general, and to the honourable member for Wairarapa in particular. The honourable gentleman had again favoured the House with the bitter cry of the poor Wairarapa landowners. As far as one could judge, the larger landowners in that unfortunate district must be the worst-treated, the most heavily burdened men in all New Zealand. That was what one would gather from the honourable gentleman's wailings and complainings on their behalf, and from the manner in which he periodically came to that House to cry and wring his hands on their behalf because they actually had to find a meal for a certain number of unfortunate men who had to walk about the country to look for work. These poor men, with their thirty, forty, fifty, and sixty thousand acres of land, actually had to find a meal and a shakedown for the un-

fortunate swagger who walked about from one station to another to look for work in winter-time. This was another of the tales of woe and hardship which the honourable gentleman periodically brought before the House. It was not for him to say the honourable gentleman should be ashamed of himself, because that would be unparliamentary; but if he were the honourable gentleman, and represented the land-monopolists of the Wairarapa, he thought he should be ashamed of himself to come there and tell such pitiful and periodical tales of woe, and to appeal for mercy on behalf of these great landowners, as he did once or twice every session. If those gentlemen objected to the "swagger" nuisance there was open to them a very easy way of dealing with it, and that was to break up those big estates of theirs and allow the people to settle on the land. They did not hear of this "swagger" nuisance, and complaints about them, in districts which were closely settled, but they did hear of it from those districts where the land was monopolized, where it was mopped up by huge estates, where humanity was divorced from the soil, and where they got their labour by means of keeping the "swagger" system on foot year after year. What was the "swagger" system but the offspring of the land-monopoly? If the honourable gentleman wanted to cure the one he had better cure the other. After his pitiful appeal the honourable gentleman then launched into an attack upon himself (Mr. Reeves), charging him with carting his constituents wholesale up to the honourable gentleman's district at the public expense, and turning them loose to wander about on the roads. Now, none of his constituents had ever been carted up to that district at all. None of them had ever been put on public works there; none of them, he had every reason to believe, were to be found wandering about on the roads. A few, and a very few, of his constituents during this year had been sent to public works, but not in the honourable gentleman's district, but in the district of the honourable member for Masterton. If his honourable friend, who took up an enormous and improper share of the time of that House, would only be quiet when in his seat he (Mr. Reeves) would be able to get on faster. A few of his constituents were sent up to, and put upon works in, the honourable member for Masterton's district; and why his honourable friend the member for Wairarapa should come to the House and relate the woes of the honourable member for Masterton passed comprehension. The honourable member for Masterton was very well able to take care of his own district, and did not require the advocacy of the honourable member for Wairarapa. Now, how many of his (Mr. Reeves's) constituents had been carted up to the district represented by the honourable member for Masterton? During this last quarter actually twenty men were sent up there to be put on railway- and road-work. That was the cry of the honourable member for Wairarapa. But he would tell the honourable gentleman that they were not carted up there at

Mr. Reeves

the public expense. Taking them up there did not cost the public sixpence. They paid for it themselves.

Mr. BUCHANAN.—No.

Mr. REEVES said the honourable gentleman had no business to contradict him, and to make statements that were perfectly contrary to fact on subjects about which he (Mr. Reeves) must know a great deal more than the honourable gentleman. He would not give way to the honourable gentleman, who must take his gruel quietly. He was a Scotchman, and most Scotchmen knew how to suffer in silence. The honourable gentleman did not seem able to take his gruel in silence. He was very noisy when getting the whip, but he would not get less of it on that account. The honourable gentleman had likened the honourable member for New Plymouth to Serjeant Buzfuz. Had the honourable gentleman any idea of who Serjeant Buzfuz was? He had better look up "Pickwick," and he would see the absurdity of drawing any parallel between that great legal luminary and the honourable member for New Plymouth. The honourable member for New Plymouth was not an Old Bailey lawyer by profession, and was not like Serjeant Buzfuz in personal resemblance. He was about as much like Serjeant Buzfuz as he was like Mrs. Bardell. Again, the member for Wairarapa complained that he (Mr. Reeves) did nothing to help the working-men. The honourable gentleman was so carried away by the exuberance of his own verbosity that he ten minutes afterwards contradicted himself by saying that he (Mr. Reeves) had every desire of doing everything for the working-man, which was quite the reverse of what he said previously. Then, as to the charge that he (Mr. Reeves) had answered the honourable gentlemen discourteously. He gave a very plain and courteous answer. Had the honourable gentleman any idea of what courtesy was? Why did he not show some courtesy when talking about him (Mr. Reeves)? The honourable gentleman should try to practise courtesy instead of preaching it. It would be a complete change in his whole demeanour. As to the attack on the Labour Agent, well, who was likely to know more about the state of labour in Wairarapa,—the Labour Agent, who had been living there for three months, or the honourable gentleman, who had been in Wellington consuming more than an ordinary share of public time during the last three months, and delaying the progress of business by his eternal, wearisome, and inconsequent harangues about all things? If the honourable gentleman would devote himself to business,—if he would try to master facts, instead of speaking so often, and delaying the business of the country,—he would know more than he did about the state of labour in Wairarapa, and would do less to stop the Government from carrying out remedial measures which were calculated to benefit the working-men and stop that evil of want of employment which he talked about, and which he and his friends had caused for years past by monopolizing the soil of the coun-

try. If the honourable gentleman did this he would do a great deal more good than by trying to make capital against the Government.

Motion for adjournment negatived.

NEW ZEALAND CONSOLS BILL.

7.30. On the question, That this Bill be read a third time,

Sir R. STOUT said,—I do not intend to take up the time of the House more than two or three minutes in speaking on this Bill. I speak at this stage of the Bill because there are certain things, which have come out in the discussion in Committee, which really did not come out on the second reading; and I wish to give my reasons why I opposed this Bill, and shall do so in two or three minutes, as I do not wish to have a long debate. This is the beginning of what may be termed a new system in New Zealand. It is, that we may raise money locally instead of doing as we have hitherto done—namely, going on the London market for loans. The interest fixed in the Bill is not to exceed 4 per cent., and the term may be up to forty years. I do not think we need this Bill at all. So far as small investors are concerned, they have ample facilities in our savings-banks; for our larger investors we have our ordinary bank-deposit system; and the system proposed in this Bill must conflict with one or other of our existing systems: that is, you may help to deplete the savings-banks of some of the deposits, though I do not think you will do so; or, under the system on which people deposit money at from 4 to 5 per cent. in the ordinary banks, you may encourage them to invest in New Zealand Consols. I do not think that if that takes place it will be beneficial to the colony. On the contrary, I think that we have not sufficient funds available for ordinary commercial enterprises, and that if the Government should take these moneys instead of getting our loan-money from London it will tend to cripple, to some extent, our commercial enterprises. That is one of the reasons why I am opposed to this Bill. Some have said that it is not a loan. It is a loan from ourselves, and is carrying out, no doubt, the policy shadowed forth in the Financial Statement of 1891. I am not going to read that, but if honourable members choose to refer to it they will see that the then Treasurer hinted that, instead of our going to the London market to obtain money for our public works, we might obtain all that we required locally; and this is the means by which that is to be done. It is true, so far as the money is concerned, that it can only be applied to Government securities approved of by the Governor in Council. Of course, the moneys received as Consols may be applied in the purchase of our debentures—that is, debentures under our Native Land Acquisition Act, our Land for Settlements Act, our Loans to Local Bodies' Act, and our Advances to Settlers Act—if that Bill should pass. Therefore all the money we get will practically be invested in Government debentures. It will be the means of furnishing the Go-

vernment with loan-money for the prosecution of public works and for the purchase of European and Native lands. Therefore, whatever it may be called, it is practically a Bill to obtain loan-money. One of the things I strongly object to, even from a colonial or State point of view, is the long term that may be given to those Consols. I do not think it is commercially sound. I referred to this point in Committee, and I now wish to put it on record that the best financiers recommend now that loans should be for short terms. I know that there are some who have advocated that loans raised by the State should not be redeemable—that they should be irredeemable bonds; but the vast majority of financial experts recognise that, with the continual fall in interest which has gone on during this century, it is entirely inadvisable to make loans for long periods. If you make them for long periods, and interest falls, you come to pay higher rates than you otherwise would pay. Honourable members have nothing more to do than to look at the rise and fall in English Consols—to see what took place a hundred years ago. In the case of our Consols we were paying up to 6 per cent., and sometimes 7 per cent., for our money; 5 and 6 per cent. was the ordinary rate. Now our Consols are issued at 2½ per cent., and in 1903 they will only be 2½ per cent. And we must expect, considering the enormous sums of money for investment in the Home-country, that interest will not tend to rise; it will, if anything, tend to fall. It is entirely inadvisable to have our loans for long periods; I think we should have limited the term to, say, fifteen or twenty years; but, unfortunately, the Committee last evening were not able to agree to any amendment being made in the Bill unless the Government consented, and therefore it allowed the term of forty years to remain in the Bill. It is quite true the Treasurer has said that he does not intend to issue bonds for that long term, and may issue for a much shorter term; but we ought not to give such a power to any Colonial Treasurer. It may be that a Treasurer may be in financial straits, and may give a loan for a long period; and, if he does so, he can say that he has got the sanction of Parliament, and that a Committee of this House declined to shorten the period mentioned in the Bill. I think this is a mistake, and I am exceedingly sorry it has been agreed to. As to the other points in the Bill, as the Treasurer is not very well, I do not intend to discuss them to-night. I only again express my regret that this Bill should have been introduced. I do not think it is necessary. It will not help our financial position one bit. It will only tend, I believe, to injure our banks; and, by injuring our banks, it will not enable them to give the commercial people, or the manufacturing people, the accommodation they should get. It is bad finance for any State to attempt to get hold of all the capital of the State to use for State purposes. Wherever that is done the whole State suffers. I might have cited financial authorities upon this subject,

but I referred to them in Committee last night, and I shall now simply, on the third reading, enter my protest against the passing of this Bill.

Dr. NEWMAN.—Sir, I do not intend to make a long speech, but I wish to refer to some things which I consider very noticeable in this Bill. One is that the ostensible purpose of this borrowing was to offer an investment for savings in New Zealand, whereas it came out in Committee that there was nothing at all to prevent English investors from taking up the full amount. I think the Treasurer, before the Bill finally becomes law, should draw up and insert some clause to prevent that. The actual position is that our 4-per-cents are at present at 109½, and are largely taken up by insurance companies and other large money-investing companies. If any of these institutions choose through their agents to buy our bonds they will get our 4-per-cents at 100, instead of paying 109½. These bonds are for forty years, whereas our inscribed stock is for a shorter period; therefore it is a better investment for any company to invest here than to take up any of our bonds in England. This will to a great extent defeat the object of this Bill, and it might have the effect that instead of borrowing money at 8½ per cent. we shall be borrowing it at 4 per cent. I think the Treasurer should devise some means to prevent speculations of this kind being carried on, because it would be an exceedingly unwise way of borrowing money for any purpose. I am glad to see that one exceedingly vicious aspect of the Bill has been altered, inasmuch as it said, if any money was invested in this manner, that it should be paid into the Consolidated Fund of the colony. I am happy to see that taken out. I want to say, further, that if any loan is raised in the colony there should be a clause in the Bill appropriating it to some specific purpose. There is in this Bill no direction how it is to be used, or what for, and, though the Treasurer, in the Financial Statement, states that it is for one purpose, he said in Committee that it might be used for another purpose. Every other loan that has been raised in the colony for many years has been for some specific purpose. I would also point out that we have already borrowed this session a large amount, and it is a great pity that the Treasurer should insist on borrowing further in this direction. He seems to think the colony is to be made prosperous in this way, but I for one cannot see it. Then, I think the House should take notice of one remarkable fact, which shows how rapidly the evil of borrowing goes on. We originally began by guaranteeing one or two small things, such as the Westport Harbour and Greymouth Harbour loans, but we have gone on from bad to worse, until last year we guaranteed all the notes of all the banks in New Zealand, practically guaranteeing a million for outsiders; and this year we have guaranteed two millions for a bank, and it is on the cards that we are going to borrow still further for that institution. The colony has pledged its credit

for three millions for the banks. I do not object to some of the guarantees, but I do think the House should be very careful before it goes very much further in guaranteeing. The time will come when the colony will be called upon to meet the interest on some of these guarantees. I should like to ask the Treasurer another question, and that is this: If we borrow all this money, and it is not specifically allotted to works, and is frittered away in unproductive works, how is he going to manage without further taxation? This loan means additional taxation, and, unless it is put into reproductive works, such as railways carried to a paying-point, it cannot be made to pay. If the Treasurer had come down with any definite scheme this Bill would not be nearly so bad as it is; but I should be glad if the Treasurer would, in his reply, tell us what the money is to be used for. I am aware that any hostile criticism is practically useless. I should further like to say that the clause which the Treasurer says is tying up the power of the Treasurer, in my opinion, does not do that at all. In conclusion, I would say that I can see no great advantage from the Bill, but on the contrary disaster. If the honourable gentleman is going to get all the money he can out of the colony, and not spend it in profitable works, it simply means fresh taxation, and a large amount of public money withdrawn from circulation and put into the coffers of the State.

Mr. BUDDO.—I shall only detain the House a few minutes while I record my objections to the Bill. I do not think it is wise for us to withdraw at present money from the channels of our trades, and I think this Bill is not so much devised with a view to encourage thrift in the colony as to follow the example of the Old Country of investing the funds of those wealthy institutions which are receiving large profits from foreign countries and the colonies. The circumstances of the Mother-country and of this country are entirely dissimilar. They have a very large income from outside sources, and there is a mutual advantage in their Consol system. It is a very good investment for the public, and it is also a good policy for the Treasury to keep their national debt going from this source; while in New Zealand every penny of revenue is required for running the State and finding the cash to pay the interest on the capital we have borrowed from the Mother-country. The first proposal that strikes me is that in clause 3, to borrow £1,000,000. I consider at present the raising of Consols in this colony to the amount of one million would be a mistake. The state of trade in the colony cannot afford it, and if you give a limit of one million it will be entirely disastrous to trade, which is now suffering from a lack of capital. The traders and farmers of this country find very great difficulty in getting overdrafts at the banks and equal difficulty in meeting their mortgages, while every facility is already given for the encouragement of thrift in the colony by investing in the Post-Office Savings-Bank, as well as by private financial institutions. I have

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no objection to the State having every opportunity to acquire funds in temporary difficulties, but surely it might do so on different lines. Weak finance on the part of any Government is a mistake. At the same time, we must take care that we do not weaken the finance of the traders and others in the colony who are driving a legitimate trade for the good of the country. We must not forget that a comparatively large amount of revenue is derived from small traders and farmers throughout the colony, and the working-people depending upon them; and I consider a system of Consols will cripple them in every way. I see no reason why nearly the whole of this money that has been voted this session for various purposes could not be raised in the London market. That is the place to go to for loans, especially when our trading finance is not strong. There is not the slightest doubt we should serve the interests of the country by doing so, and at the same time allow our local finance to adjust itself. It is a well-known fact that during the past year the bank overdrafts to small trading firms have been decreased by one-half. It will be seen that in many cases we have very largely reduced trade by this. So long as money is plentiful the trader is encouraged to go on, but the moment the bank tells him he must draw in he is liable to restrict his business. We must allow that money is not plentiful at present, and we shall find this system of investing the private funds of the colonists in Consols necessarily restricts our trade. I believe the duty of the Government of the day, if they see that our trade suffers from this system, will be to at once raise money in some other way if it is required, and, if not, at any rate to allow the Consols scheme to have a rest. The State has a duty to perform, and the first duty is to the taxpayer in matters of finance and to protect the traders, and through them the colony as a whole.

Mr. BUTTON.—I merely wish to put on record that in all its stages I have opposed this Bill, which is one of the financial policy Bills of the Government. I hold the opinion that it is calculated to produce very mischievous consequences; and, without any further remark, or any other wish than to record my protest against the Bill, I content myself with voting against the third reading.

Captain RUSSELL.—Sir, members of the Government have never been in the unfortunate position in which we are placed now, neither can they realise the difficulty under which we all labour in getting up to make a protest against that in the wisdom of which we certainly disbelieve. We are under this disadvantage: that we know if we are capable of advancing any argument worth listening to it will not be attended to; that members' minds are made up for them, and it is useless to put forward any argument, however convincing it may be. This, however, will not deter me from entering once again what I recognise to be a futile protest against what is virtually admitted by the House to be a very improper and injudicious measure. Three

special reasons may be brought against the Bill: first, that it is a borrowing Bill introduced by a Government which professes to be a self-reliant, non-borrowing Government; the second reason is that this borrowing Bill is a Bill borrowing at the most expensive rate it is possible to raise money at; and third, this expensive borrowing Bill is in itself a sham. What has come of all the promises that we were to be self-reliant? They have gone. Why are we compelled now under this Bill to borrow at a higher rate than the colony can obtain money for in the Old Country? And in the third place, why is the country—and, I am afraid, the House—led to suppose that the money will be raised in New Zealand itself? Everybody must know, if he takes the trouble to think, that a Bill cannot by any human ingenuity be devised under which it is possible to provide against the money-lender in England taking advantage of the high rate of interest offering under the so-called New Zealand Consols Bill. I have heard of a case in point. Some time ago Queensland and Victoria set themselves to have local loans at a considerably higher rate of interest than ordinary loans raised in the Mother-country. What was the result? There is an instance of a Scotch financial company doing a large business in Australia which took advantage of the high rate of interest offered by the Queensland and Victorian Governments, and that institution, instead of subscribing as it would have done for a share of a loan to be raised by those colonies in the Mother-country, at a comparatively low rate of interest, tendered for and got a considerable sum of money at a higher rate in the colony on the so-called local loan.

8.0. The manager of the institution himself admitted that it was practically a free gift of nearly 1 per cent. to that institution, as they had funds that they were bound to invest in colonial securities, and would have so invested them at a lower rate of interest had not the higher rate of interest been practically forced upon them by these local loans in Victoria and Queensland. So there can be no doubt it will be in this instance also. Persons in England with money to invest cannot be prevented from investing in securities belonging to New Zealand unless they are, as I believe they soon will be, afraid of our being unable to pay our interest.

An Hon. MEMBER.—Oh!

Captain RUSSELL.—Why does the honourable gentleman say "Oh"? Nero fiddled while Rome was burning, and I believe there are several honourable members in this House who would fiddle whatever happened to New Zealand; but that is not going to deter me from saying that I believe the time is not far distant when New Zealand securities will be depressed by the conduct of the Government now on those benches. That will be the inevitable result of the plunging the Government is forcing on the colony. It cannot but have a depressing effect on our securities. This Consols Bill has another disadvantage, [that of allowing the Minister of the day—endeavour to

controvert my argument who may—of allowing the Government of the day to practically invest a million of money in any way they choose whatsoever; and this House, in a manner I believe unprecedented in any Parliament of any English-speaking people, has allowed a Government which has proved itself false to all the promises it made on the hustings—false to everything the people were led to believe of it—to borrow money in a reckless manner, without the slightest control over its expenditure on the part of the representatives. Sir, I feel it my duty to put this opinion on record.

Mr. EARNSHAW.—There is one thing that strikes me as very singular, and that is, that not one of the Government party has seen fit to get up and put on record his opinion whether this Bill should pass. An honourable member says they do not wish to waste time, and “Hear, hear,” says the Premier. I noticed this morning the Premier took up a great deal of time, for he wasted two or three hours when honourable members might as well have been in their beds. Sir, I think, notwithstanding what the leader of the Opposition has said—that it is hard to speak in a House that has, by overwhelming numbers, determined upon giving support thick and thin to the Government in this measure—it is still the duty of every honourable member who opposes the measure not only to give his vote against it, but also to state the reasons why he gives that vote. Though this House has only just come from the people, the fact remains that the people have not in any way indorsed this policy; and, Sir, at every possible point in Committee the Colonial Treasurer determined that he would have no amendment, no matter how reasonable it might be, though he said from time to time that he had no wish at all to do that which the Bill will permit him to do. Yet even on this point he determined he would have no amendment whatever, either of a legal character or to restrain any Colonial Treasurer from doing that which he himself said he did not want to do. He called upon his majority to ram the Bill through the House without any amendment whatever. Now, Sir, the main point in which the Committee tried to amend the Bill was that one million was more than was required. According to the Treasurer's own statement he only meant to raise half a million, either within the current financial year or within a year. Now, if it was so, there was no necessity to pass a million, because this House will be in session in plenty of time next year to pass half a million, or whatever amount the House in its wisdom may see fit to pass. But, apparently careless of that which has always been one of the highest privileges of Parliament, one which Parliaments have most jealously guarded,—that from year to year they shall pass the estimates and find the ways and means,—this House has taken a new departure, and an unprecedented course—that is, it has committed itself to giving moneys for several years in advance, even though it did not know, in some cases, what the money was going to be

used for. Then, there was the question with regard to interest. Though the Treasurer, and every Minister, and a great number of their supporters have said from time to time there is an enormous amount of money lying in this colony that is not earning interest, that money is plentiful, and that there will be a large demand for these Consols, yet, in the face of reiterated statements that they could raise money easily in the London market at $3\frac{1}{2}$ per cent., they have determined they will have nothing less than 4 per cent. in this Bill. And, Sir, what is more than that is, they are demanding to have it for a time that, I think, is altogether extreme. If we take the fall in the rates of interest for the last ten or fifteen years we shall see that forty years is too long a time to issue 4-per-cent. Consols for. But the Colonial Treasurer, with all his assertions that there is plenty of money in this colony, is not at all sure that he will be able to get money in the colony, and therefore he is determined, if he cannot get it in the colony, he shall have power in this Bill to go on the money-market in the Home-country and raise the money there. He was not sure in the first place, for it was partly a legal point, as to whether the Act of 1884 was sufficient, or whether the Act of 1887 was not the primary Act, and it would be impossible under that Act, unless in certain succeeding measures it is specifically stated in certain terms: under that Act he would be able to go to the Old Country and raise this money either by converting it into inscribed stock or by raising it on the ordinary money-market. Now, the amendment I moved in Committee I think was a most reasonable one. It was that if we are going to have Consols in New Zealand we should, at any rate in the first place, determine that we would have them at the lowest possible price within the purchasing-power of the Treasury in New Zealand, and that they should not be sold at less than par. That, I think, was a fair amendment; but the Treasurer opposed it with the whole force of his battalions. That is clear evidence that he does not believe he can get the money at that price, and that he is determined he will have money, even if he has to get it at 95, 97, or 99. I think the House should not have given the Treasurer this latitude. He may say he does not mean to sell at less than 4 per cent.; but this House has no right whatever to allow it to be at the mere *ipse dixit* of the Colonial Treasurer as to the price at which he will purchase money. We ought to determine in most unmistakable language what the conditions are on which we shall get money. The Colonial Treasurer said, in the course of his remarks in Committee—and owing to his not accepting amendments the debate was more of a second-reading character than a debate on Committee points—that moneys invested in banks are not loans. Well, I contend that, whether you put money into the Post-Office Savings-Bank or whether you put it on deposit in any of the private banks, that is, so far as the depositors are concerned, a loan. There is no doubt that these Consols are a specific loan,

Captain Russell

only that it is raised in the colony; and the late Colonial Treasurer had no qualms upon this question, because in his 1892 Budget he distinctly stated that it would be a loan raising money on New Zealand Consols. Now, there is one clause that seems to aim at an old-age-pension scheme; it is the one that will allow minors over ten years of age to be the holders of Consols. As they are to have a currency of forty years, I do not know whether he is driving at an old-age-pension scheme or not, but it may be intended to be something in the nature of an annuity—something that when the holders are fifty they can fall back upon. I do not know that that is so, but it clearly shows that he means to dive into every hole and corner in New Zealand to get money to spend. Now, there is another point with regard to this Consols measure on which, I think, the House has not taken a proper stand, and it is this: that for the first time in New Zealand we are voting money before we know what it is to be used for. That would be new not only in New Zealand, but in every Anglo-Saxon country. Ways and means should always come after the policy is unfolded as to the works the Government mean to undertake; but this year we have determined to give the money first, and to find out afterwards what it is going to be used for. I am of opinion that this money will simply be absorbed by the measures which the Minister of Lands has introduced, and that the Government, instead of raising a distinct sum of money for the prosecution of public works, are raising by a side-wind three-quarters of million as a country vote. There can be no question at all about this: that the Government feel they are certain of the city vote—whether their present supporters are or are not returned for the centres, they feel sure they can poll the city votes; and they have so formulated their borrowing proposals as though the money was all to be raised for the country, in the hope that thereby they will secure the country party in New Zealand. I tell them they will never secure the middle yeoman farmers in New Zealand—they will never have them. They have never belonged to the Liberal party, and never will belong to it. The Government can fly as large a kite as they like for that vote: they will never get it, and they will find that out as time goes on. Though they may think that by this dexterous process of splitting up the vote they will control the country vote, I feel sure that when the members return to their constituencies the country people will see the hollowness of these proposals. And it is to be regretted that a Ministry that for three years went round the country stumping the country and asserting that they were a self-reliant, non-borrowing party—

An Hon. MEMBER.—We have heard that before.

Mr. EARNSHAW.—Yes, and you will hear it again and again in this House, just as long as I choose to state it. I know what I am saying, and I know what I am doing, and if the honourable gentleman only knew it as well he would get on his feet and debate these mea-

sures more than he does, instead of simply blindly supporting them. The people of Oamaru did not send their member to the House to support these proposals. They sent him to support the Government who were promulgating from every platform in New Zealand a self-reliant non-borrowing policy, and the honourable member was returned on those lines, for doing that. The members who were supporting them in the last Parliament, and who were returned to the House for this Parliament, did not realise that the Government were not living on the net revenue of the colony, though they had led the people of New Zealand to believe that they really had been living within their resources. And yet, without any great change having taken place in the country, the Government have met this House and asked under half a dozen different systems for loan-money. So far as the electors are concerned, the country has not pronounced in favour of these financial proposals, and I believe that when the country realises the magnitude of these proposals it will say, "We will have none of them." However, I am not going to speak any longer on the question. I gave my views very fully when we were debating this Bill in Committee, and I trust the time will soon come round when I shall be able to debate the question in public, and realise whether the people of the district I come from really sent me to the House to support these proposals or not.

Mr. CROWTHER.—The honourable member for Hawke's Bay told us a few minutes ago that one of the Roman Emperors was fiddling while the city was burning. Well, I do not think any of us here to-night are in that mood. So far as I am concerned, I feel the question is too important to be so lightly treated. The honourable member for Hawke's Bay related the story, of course, only to illustrate the position. So far as I am concerned, upon this third reading of the Bill I feel more afraid of it than I did on the first consideration. If I could make up my mind under any circumstances that we could form any groundwork for making ourselves believe that we could make it a success I should be willing to support it. I have a strong desire to do whatever I can. If I could only make myself believe it is for the good of this country and the people who are in it I certainly would do so. I have no desire to find fault with any member in this House. I have no desire to preach either Liberalism or any other ism. My doctrine is the good of the country. I would support this measure if I could believe that we could see sufficiently far ahead to offer some sort of guarantee to the people who sent us here that it was a measure that we had the best reason to believe would promote the interests of the country. At present I have not been able to train my mind into any such belief: I must therefore vote against it.

Mr. BUCHANAN.—Before the honourable gentleman replies I have just a few words to say. The honourable gentleman has been compelled by certain circumstances beyond his con-

trol to accept various amendments to this Bill since he first introduced it; it has therefore been considerably modified; but the measure, in my opinion, is still one that ought not to be passed. However, the honourable gentleman has got a majority at his back which enables him to carry anything through this House, no matter how inimical it may be to the best interests of the colony. When the honourable gentleman was before the country at the late elections he made no proposal whatever such as is embodied in this Bill—namely, to go upon the London market to borrow a million of money, and with power to expend that million without any control whatever by this House,—because the honourable gentleman has no schedule whatever attached to the Bill. All he tells us is that the Bill is no worse than receiving deposits of money through the Post-Office Savings-Bank; but he has endeavoured to hide the fact from this House that this money is to be borrowed for forty years, without any power on the part of the lenders to demand its repayment, whereas in the case of the Post-Office Savings-Bank the money deposited there by the colonists is on demand, liable to be paid out at any time. Then, when the honourable gentleman replies on the third reading, I hope he will give the House an explanation of the reason—he has not done so yet—why we should be called upon to pay 4 per cent. interest out of the consolidated revenue on the million to be borrowed, when the Government on more than one occasion has told this House and the country that our credit was so good that there was no difficulty whatever in borrowing money at par in the London money-market at $3\frac{1}{2}$ per cent. interest. What justification has the honourable gentleman for tying down this colony to the payment of 4 per cent. interest for forty years, when as a matter of certainty we shall be able long before that to borrow money possibly at half that rate of interest? The honourable member for Hawke's Bay told the honourable gentleman what he had been told more than once already—that he would not be able to keep out the foreign money-lender from gaining the advantage of the high rate of interest under this Bill. The honourable gentleman told us that he was going to make provision for this by regulation. I feel the honourable gentleman will not be able to do that, and more especially after the instances which have already been related regarding similar borrowings by Queensland and Victoria, for these transactions have also come under my own personal notice. The manager of the financial company which conducted these operations told me the whole particulars himself, so that there can be no doubt whatever about them; and we shall have an exact repetition of them under this Bill—namely, foreign capital coming in and taking all the debentures at 4 per cent. interest, when the colony could have borrowed at $3\frac{1}{2}$ per cent. The Government have over and over again been convicted of aly borrowing. To that they are now adding equally aly spending, because we can get no particulars

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whatever from the Government benches as to the purposes to which this million of money is to be put. For my part I have done my duty to my constituency and to the colony in making my protest against this Bill, and I can go no further than to vote, as I shall do presently, against the third reading of the Bill.

Mr. WARD.—I have to thank the senior member for Wellington City (Sir R. Stout) for his expression of consideration this evening. I regret that I cannot agree with the observations which the honourable gentleman has put upon record in speaking upon the third reading of the Bill. In Committee, as he said, various points were debated very fully, and, of course, the opinions of the Government, as expressed in Committee, were not recorded. Now, the honourable member takes exception to this proposal upon the ground that it is raising money locally, and, like the honourable member for Wairarapa, he indicated that it was the intention of the Government to raise this money at 4 per cent. I have stated already, and I now repeat it, that both honourable members very conveniently forgot to state that the rate of interest is not to exceed 4 per cent. I stated in Committee during the consideration of the Bill that it was intended to first issue these Consols at $3\frac{1}{2}$ per cent. If after trial the rate is found to be too low to do any good, then only would the higher rate be adopted. Whether or not this system of issuing Consols at that rate of interest will be acceptable to the public, if it cannot be to those honourable gentlemen, it will be to the people in the colony who wish for a safe means of investment which they are unable to obtain for themselves. Now, Sir, the honourable member for Wellington City (Sir R. Stout) stated, on this point, that the savings-banks were the proper places for the smaller class of investors to put their small deposits. That, no doubt, is so. He went on to argue that the banks were the right places for the large deposits to be placed in. I do not deny that the honourable gentleman is to a certain extent right on that point also. I say, however,—and I think very few members will contradict it,—that during the last year or two some of the institutions in this colony which have received large sums of money on deposit have not used those moneys in the colony, but that those moneys have gone elsewhere, and that there was a desire expressed during the elections that this exodus of money from the colony should to a certain extent be stopped. The primary object of this Bill is to give those persons who are desirous of sending their money to the monetary institutions of the colony for investment an alternative method of placing their money out at interest, feeling that the colony should have the benefit of its investment here. That is one of the reasons why this proposal has been put before the House; and I repeat that the $3\frac{1}{2}$ per cent. interest at which it is intended to issue the Consols in the first instance will not, in my opinion, have the effect feared by the honourable member for Kaiapoi.

An Hon. MEMBER.—Is that at par?

Mr. WARD.—Of course it is at par, as the honourable member will see if he looks at the Bill. Honourable members continue to harp upon this par business. I wish to direct the attention of the House to the real position in connection with this par matter. We heard the honourable member for Dunedin City (Mr. Earnshaw) make statements on this point to-night, and last night also, which showed that he could never have read the Bill, for if he had read the Bill and understood it he would never have made the statements he did in Committee or in the House. If he will look at clause 6 he will see that it is absolutely provided that "Every person making any such deposit shall at the same time lodge an application in the prescribed form for his name to be entered in the register as the holder of inscribed Consols for the amount which he so deposits." Consequently Consols would be absolutely inscribed for the amount he has deposited. Therefore the honourable gentleman's argument about issuing below par will not stand looking into. If a person wishes to take out Consols for £100, he puts down £100, and he gets an inscription for the amount which he deposits. The honourable member could not have understood the matter when he made his statement. If a person is desirous of investing, say, a sum of £15 under this proposal, he will receive Consols for that amount, and if he has £250 to deposit he gets an inscription of Consols for £250. The honourable member for Wellington City (Sir R. Stout) asserted that through these Consols we wish to borrow to the full extent allowed by the Bill. I do not think that any honourable gentleman can be serious in making a statement of that kind. This is not an issue of debentures, it is not an issue of Treasury bills, nor is it an issue of stock with the object of obtaining money for this colony for loan purposes; but it means placing these Consols on sale to the people in the various money-order branches of the Post Office, and at the Treasury. If they do not

choose to invest in this way the colony does not get sixpence from them. There is a very great difference between the position of these Consols, Treasury bills, and debenture stock, and a trial of the system will prove beyond question the correctness of my assertion. There is no such possibility as inscribing at below par. The honourable gentleman asked in Committee why I would not accept an amendment from him to the effect that Consols should not be issued at below par. The honourable gentleman must know it is an absurdity to say that. If it were necessary or useful, of course I should have accepted it, but, as it is, it is not possible to issue below par. Then, again, I am told that no amendments in the Bill would have been accepted by me in Committee; but I think honourable members will agree that every amendment I proposed in Committee was agreed to. They were important amendments, and in the direction of doing what some honourable members, in my opinion, rightly desired; and the principal one was to have this money safeguarded and not allowed to go into

the Consolidated Fund. I moved amendments absolutely putting it beyond the power of any Government to use this money for the ordinary purposes of loan-money; and honourable members, in saying that no amendments were accepted in Committee of this House, are saying what is not correct. The senior member for Wellington City (Sir R. Stout) said that this system of lending for long periods is not economically sound, and he argued that some years ago money was worth 5, 6, and 7 per cent. Well, there can be no doubt that at the time the honourable member referred to money was dearer than it is now. And the honourable gentleman cited financial authorities for saying it is undesirable to issue these loans for long periods; but let us come down to the practical level, and I say that the position of affairs in the financial world at the present time is opposed to that view. We have this on the best authority, and lately had an instance where a short-dated loan did not realise nearly as much as it would have realised had it been a long-dated loan. During the last month or two we have received information from the Agent-General that the highest-known financial authorities have stated that the very fact of limiting the period of years would probably act detrimentally to the object for which a recent loan was issued. I refer to the guaranteed two millions for the bank. That being so, it appears to me that, while honourable members are taking exception to the proposal in this Bill that the time should not exceed forty years, they completely overlook the fact that circumstances might arise which would make it desirable to make the issue for forty years. I repeat that circumstances may arise in which it would be desirable to make the issue for forty years. Then, the honourable member for Wellington City (Sir R. Stout) said that when in Committee I stated that the Treasurer did not intend to issue the Consols for so long a term as forty years. I wish to say that I made no such statement in Committee; and, as the honourable gentleman said, when the House assembled for the third reading of the Bill, that I had stated so, I wish to put on record the fact that I had not stated in Committee that I was not going to issue them up to forty years. I said the maximum period was forty years, and if a lesser period was not sufficient that would be done. Now, Sir, I pass on to the remarks of the honourable member for Hawke's Bay. I was a little surprised at the honourable gentleman's remarks. He said that no Opposition had ever been in such a position as the present Opposition, as their arguments were not listened to. Surely the honourable member must imagine we have all got very deficient memories, and that we do not remember what took place in 1887, 1888, and 1891, during a portion of which time the honourable gentleman was in the Government. It goes without saying that there never was a time in the history of the colony when the arguments of the Opposition were not listened to; and, if the arguments were listened to, then the honourable gentleman

was deluding this colony as to what took place during the time of the Administration of which he was a member; and I think that by comparison with what then took place the party at present in power have nothing whatever to be ashamed of. The honourable member forgets that even last night a number of the supporters of the Government, as a result of legitimate debate in Committee, did not do what the honourable member stated. They did not support the Government; they listened to argument, and voted accordingly; and it shows clearly that what took place is in very material particulars very different from what took place when the honourable member was in an Administration. The honourable gentleman is a terrible alarmist; he is a pessimist of the first order; and I regret it for his own sake, because he is a very estimable gentleman, and one we all respect; and I should like him to take a very much higher and more hopeful view of the position of affairs in the colony. He said there were three reasons why this proposal should not be assented to. First, because it was borrowing; secondly, because the expenses in connection with borrowing would be heavy, and we should have to pay 4 per cent.—he forgot to say the interest would not exceed 4 per cent.; and, thirdly, it was a sham. We will deal with the borrowing aspect. Well, my honourable friend said this is a borrowing proposal. Surely he does not ask the House seriously to put it in the same category as ordinary loan proposals.

Captain RUSSELL.—No. I wish I could.

Mr. WARD.—My honourable friend says he wishes he could. But I repeat, unless the people of this colony choose to invest in these Consols, the Treasury will get no money for them; but, if investments are made under the proposals in this Bill, the money is beyond the control of the Administration of the day for the purposes of the public works of the colony. It is a precisely similar position to that of the ordinary deposits of the people in the Post-Office Savings-Bank; and I think it is straining a point to say that it is borrowing, for all that it amounts to is that it places the department at the disposal of the people under a better system than that of the Post-Office Savings-Bank. Now we come to the second reason, that of its being an expensive system of obtaining money. The honourable member, with all the pessimism with which he asked the question, entirely overlooked this important fact: Supposing we give 4 per cent. on these Consols, does not the honourable gentleman know that the holders of the Consols would be receiving the income from them in this colony, and in the ordinary course the holders would pay income-tax? Most undoubtedly they would; and that is a material point. Assuming you had in this colony at the present moment raised money under this system at $8\frac{1}{2}$ per cent., which is the amount these Consols would be issued at, and if we were able to get the money at $3\frac{1}{2}$ per cent. in London, we have to remember that the local investors would have to contribute to the taxation of the

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colony, and to pay income-tax upon the money invested, which goes to show clearly that, while the honourable member may regard this as a most expensive system of borrowing, it points in the opposite direction. Now, where does the "sham" come in? It is quite true that my honourable friend, although he is of an alarmist character, and believes that the proposals the Government are making will inevitably result in reckless plunging—it is quite true, whether the honourable member entertains this opinion or not, that he did not so very long ago advocate the raising and loaning of twenty millions in this colony, at 6 per cent. I think. The honourable gentleman quietly proposed to raise twenty millions sterling for investment on private mortgage in this colony, and at a time when the amount of mortgages was only about six millions sterling; and when the honourable gentleman comes along here and tells us we are indulging in a system of reckless finance I want to know what terms can be applied to a gentleman who advocated such a wild-cat scheme as he advocated in his "green and salad days." Words fail me to put the honourable member in the position which he ought to be in; and I do hope he will be very careful, and not follow in the footsteps of one or two others who have preceded us in the politics of this country, by absolutely leading themselves to believe that the whole world is going to the dogs, and that New Zealand is going there first. I can quite conceive that by giving continued expression to such views honourable gentlemen make themselves believe them; and even the more sanguine wonder whether or not, instead of doing good, we are going where the honourable member suggests. I hope his temperament will alter for the better. Then, again, I do not think the honourable gentleman can expect that the system of finance the Government has advocated is going to be used for such purposes as he advocated in Committee. The honourable gentleman said the classes of investments were very bad; but I do not think that he was serious when he suggested that we ought to include racehorses.

Captain RUSSELL.—No; I said advances to settlers.

Mr. WARD.—Of course; the honourable member is quite right; he evidently intends that: but, if he thinks racehorses would be a first-rate class of security, of course he is quite welcome to that opinion.

Captain RUSSELL.—Would the honourable gentleman kindly explain how income-tax would be collected on the savings of people whose income would be in most cases under £300?

Mr. WARD.—The honourable member asks me to kindly explain how income-tax would be collected on the savings of people whose income would be mostly under £300. Surely he does not mean to say that every one who invested in the Consols would be in receipt of an income under £300. If he does think so, then I am very sorry for him. For instance, there is included in this Bill provision for investment by minors, and, as a matter of fact, it is

quite conceivable that there are minors who are seeking for assistance, or whose trustees are seeking for a class of investment they cannot get.

Mr. G. HUTCHISON.—The trustees pay for many of them.

Mr. WARD.—The honourable member will probably give one credit for knowing a little about some of these things, and although those sharp queries of his have to be dealt with upon the spur of the moment, it is significant that he seldom gets one off the track; but I say the bulk of the people in this colony who avail themselves of this system will undeniably pay income-tax. It is perfectly true, however, that there are many who will not do so. I say it is a much better system to have that money raised in the colony, and the earnings upon it retained by the people in the colony, who pay income-tax, Customs duties, and in other ways contribute to the revenue of the country. I want to say a word or two about the honourable members for Auckland City, Messrs. Button and Crowther. It is to my mind a very significant fact that, while the member for Auckland City (Mr. Button) says that he is going to oppose the whole of the financial proposals of the Government, in to-night's *Evening Post* you will find resolutions passed by the Auckland Chamber of Commerce, either to-day or yesterday, urging that a large expenditure of money should be made for carrying on railways at one place, and for opening up roads in the Auckland District. Those honourable members are perfectly prepared to advocate that money should be obtained for these purposes; and I want to know, when proposals to that effect are brought forward, if they are going to oppose them. I am sure they will be the first there, and no one will deny that you will find them all there when the division of the moneys takes place, and, no doubt, there will be other honourable gentlemen there who also on this occasion assume the rôle of pessimists. When it comes to the time of the division of the necessary moneys for various districts in this colony you will find that there are no other two members in this House who will be so soon after the spoils as the two honourable members I have referred to, who profess to be so anxious about the financial position of the country; and the third will be my honourable friend the member for Marsden, who backs them up for his district requirements very well. Then, Sir, with regard to the honourable member for Wairarapa, it seems to me that he also is becoming somewhat singular in his views; and I may say, without offence to the honourable gentleman, that his attitude is really becoming somewhat extraordinary, because we find him continually airing his eloquence upon every conceivable subject. In Committee he acted quite fairly in regard to this Bill, having vigorously opposed it right through. But when he says there were no amendments made in the Bill he must know that that is not correct.

Mr. BUCHANAN.—The honourable gentleman has misunderstood me. I said there were

no amendments made of the honourable gentleman's own motion.

Mr. WARD.—Sir, there have been no amendments made in the Bill except those I moved myself. I think the honourable gentleman supported some of them; but he should not allow his opposition to everything emanating from the Government to place him in a false position. I can assure the honourable gentleman that he will lose caste if he does not draw the line somewhere. Now, one word for the honourable member for Dunedin City (Mr. Earnshaw). That honourable gentleman's attempt to raise the question of city and country support to the Government in connection with this Bill was, I think, ill-advised. The honourable gentleman said that the reason the Government were catering to the country members was that they knew they would have the support of the cities. Well, if that is so, then all I can say is that when the elections come round it will be very bad for the honourable gentleman. But I think, if my honourable friend will look at the city support in this House, he will see that we have not got that support as a whole in any part of the colony, so that his argument in that respect was unfair to both the country members and the town members who support the Government. The three members for the City of Wellington have opposed this measure right through, and, as a matter of fact, they are generally opposed to the Government; and two of the Auckland members are generally opposed to the Government; also one of the Christchurch members is not, in the ordinary sense, a Government supporter. Then, we have the honourable member himself, a representative of the City of Dunedin, who has proclaimed himself in this House a deserter from the Government. That being so, the honourable member will see that his argument, so far as this view of the question is concerned, is scarcely borne out by the actual condition of affairs. Now, I have said that the honourable gentleman accused the Government supporters of not debating this Bill; and I think he was again unjust to the Government supporters and to members of the Government upon this question. And why? Because did they not occupy the whole night in talking on the second reading of the Bill? It has been thoroughly debated in Committee. They know that the custom is, when the third reading comes on, to let it go with one or two speeches. There is seldom a lengthy debate on the third reading, especially at this period of the session, when, I think, there is a general desire not to take up the time of the House at any great length. And I have reason to thank many honourable members for their generosity in waiving their right to indulge in long speeches when no object can be attained. I have to say, in conclusion, that this system of introducing Consols into New Zealand is, in my opinion, a good one. Time alone will enable the colony to judge whether my opinion is justified. I say that in the colony at the present time there are moneys available for investment which it is well known are not

invested at all. I believe there are moneys in the colony which are not deposited in the banks of the colony at the present time, and, that being so, I say the Government are quite right in giving to the people of the colony another method of placing their moneys on deposit. And I repeat that, so far as this system of Consols is concerned, it is impossible to issue them below par, and the proposal to issue them in the first instance at $3\frac{1}{2}$ per cent. is, in my opinion, a safe policy, and one which can only be left to time to judge. I hope it will succeed. It is an experiment, and the money may not be freely subscribed, and, indeed, I may say I do not think it will be. I decline absolutely, myself, as one who desires to see the country prosperous, to believe in the pessimistic views of the honourable member for Hawke's Bay and those who support him in such views. I am hopeful of the future prospects of the country.

The House divided on the question, "That the Bill be now read a third time."

AYES, 81.

Carncross	Kelly, W.	Parata
Carnell	Larnach	Pinkerton
Carroll	Lawry	Reeves
Collins	Mackintosh	Seddon
Duncan	Maslin	Smith, E. M.
Flatman	McGowan	Stevens
Graham	McKenzie, J.	Ward.
Guinness	McKenzie, R.	
Hall	Millar	<i>Tellers.</i>
Houston	Mills	Hogg
Hutchison, W.	Morrison	Montgomery.

NOES, 22.

Allen	Massey	Stout
Bell	McGuire	Tanner
Buick	McNab	Te Ao
Crowther	Meredith	Thompson.
Earnshaw	Mitchelson	
Hall-Jones	Russell, W. R.	<i>Tellers.</i>
Heke	Saunders	Buchanan
Hutchison, G.	Smith, G. J.	Newman.

PAIRS.

<i>For.</i>	<i>Against.</i>
Cadman	Duthie
Harris	Lang
Joyce	Button
McLachlan	Green
Pirani	Wilson
Russell, G. W.	Mackenzie, T.
Steward	Fraser
Willis.	Kelly, J. W.

Majority for, 9.

Bill read a third time.

NATIVE LAND COURT BILL.

9.0. Mr. SEDDON.—Mr. Speaker, it was with some diffidence that I accepted the position of Native Minister. I knew that this question was one of great importance to New Zealand, and more particularly to the North Island. It was the desire of the Government, so far as possible, to bring about friendly relations with the Native race, and we had every desire to do justice to our Na-

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tive brethren. First it was necessary that there should be confidence established. It was the want of confidence and the distrust that have existed in the past that have been the cause of the troubles between the two races. I am pleased now to say this: that the relations between the two races are of the most friendly and cordial character. I have every confidence in saying that the Native race now look upon the pakehas as their friends. It requires much more to be done. The Legislature, I say, has its duty to perform, and does perform it, and, if it performs it well and wisely, then I say we have for the last time heard of discord as between the two races. It was necessary that the Native mind should be ascertained. I say it was impossible to ascertain it by remaining in Wellington. I considered, Sir, that it was necessary that the Natives should be visited in the different parts of the colony; yes, even in the hilly fastnesses of the Urewera country. There were some parts of the colony where the Natives were what is known in the Maori language as *pouri*. The Natives there had taken up, as it were, the position that they could not, in many instances, come to see the Government. In some instances they would not come; they remained isolated; and something was required to be done, and I believed that it was in the interests of the colony that the Native Minister should go; and there was no lowering whatever of the dignity of the position by the Native Minister going into the Native districts and meeting the Natives face to face. I say the fact of having done so has already borne good fruit, and it has had the effect of improving the relations between the two races. Now, Sir, I have said that it was necessary to get a grasp of the Native mind; and I have no hesitation whatever in saying now that that which probably many members of this House had been led to believe, particularly in the past, would be dispelled if they had taken the round I took. They would have found that in the different Native districts and parts of the colony, and amongst the different tribes, there is a difference of opinion as to how Native questions should be dealt with. What has proved satisfactory to the Ngatimaniapotos would not be accepted for a moment by the Natives on the East Coast. They have a different idea altogether as to how matters affecting them should be dealt with. Neither would the Natives north of Auckland approve of being dealt with as the Ngatimaniapotos would desire to be dealt with. The Ureweras are a different people entirely from those I have mentioned, and want separate and distinct treatment. That treatment which would apply to the Natives in the districts I have mentioned would not for a moment be approved by the Ureweras. The result of my visit into the Native districts may be summed up under two heads. One grievance, and the principal one that I found, was in respect of the lands of the Natives, and the management of their lands. True, Sir, where they were empowered to dispose of their lands

and to obtain a title to their lands through the Courts, there was a defect in the law—procrastination, delay, and expense—and it was from these two points in particular that I found there was the necessity for a change. I will now tell the House what the different modes of treatment are that are required by the different Natives. At Taumarunui, and right through the Waikato, the Natives favour individual dealing with land also. The Natives prefer individual dealing with land, dealing direct with the Government; and they were satisfied—in fact, well pleased—with the Native Land Acquisition Act of last session. There, if you were to say that they were to deal through their chiefs with the Government, they would not for a moment hear of it. Whether their chiefs have been dishonest with them I cannot say, or whatever the reason may be, but the result was that each owner desired to have a title to the land ascertained, and to dispose of the land to the Government individually. But what they complained of was the prices that had hitherto been paid. They complained of the Government having forced down the price of their lands, and then their necessities compelled them to take what was offered: hence they had sold only the worst of their land to the Government, reserving the best. Even for the worst they had sold they complained that they did not receive a proper value, and they hailed with satisfaction and delight the Act which we passed last session. In Waikato I tried to ascertain the Native mind as regards the King movement, and I found this: that they did not desire to have a separate power of their own; they were not at all disloyal to Her Majesty. I found that underlying this whole King movement there was this one fact: that it was only by that movement that they were able to have any land at all to live upon. There are a large number of King Natives there whose lands have been confiscated; they have no lands, they are absolutely landless: and there are a large number of them without land. By keeping up the King movement they have been, of course, squatting upon lands of their friends. Now, as the Government have commenced to purchase the land from the Natives and to deal with the Natives, as these Natives get their lands through the Court, so the position of these landless Natives becomes almost intolerable, and they have shifted occasionally from place to place. As regards the Opithea Block, where we had the trouble with Kerei Kaihau, I found underlying this the fact that a very large number of these landless Natives were squatted on that block. If the Government negotiated and took that block and made a road through it they would have to go and live with some of their friends. I found this, and look upon this as one of the questions we shall have to deal with: that if we can, as has been done in the South Island and elsewhere, make some arrangement and provide by some means or other for these landless King Natives now in the King-country, and who are most discontented, then I believe myself that will effec-

tually and for ever settle the King movement. Now, Sir, in the North of Auckland the Natives are entirely opposed to dealing with the Government—in fact, to having any dealing whatever as regards their lands. The Bill that was introduced by the Maori member for the district might be said to fairly represent the minds of the Natives north of Auckland, and the Native districts there. They want to establish Native rights, to have their own legislation, a Parliament of their own, to govern themselves, and, as it were, to draw a cord round, and allow no one inside except by permission of the Natives.

Mr. THOMPSON. — They are all Home Rulers up there.

Mr. SEDDON.—They are, as my honourable friend says, almost all Home Rulers up there. I inquired what was the cause of this, and I found it was the low prices for land and unsatisfactory dealings, and the improvements made as regards the settlement that had taken place, and in some instances the advantages they had found by leasing the land. In fact, I may tell the honourable member for Inangahua that there the Natives have grasped the situation, and they believe that the unearned increment should go to them. Therefore, as far as their land is concerned, they are desirous of leasing and dealing individually, and not, of course, coming to the Government. But among them I found one or two agitators who had been there from the East Coast, and I found that amongst the Natives they had their professional agitator, as we have amongst the Europeans. Therefore in that respect they have copied the pakeha. Now, on the East Coast the Natives are very favourable to the Government.

Captain RUSSELL.—What part of the East Coast?

Mr. SEDDON.—I mean in the Gisborne district, and all up the East Coast. They are very favourably disposed towards the Government there, and do not desire to go further than this: that they wish, in dealing with their lands, to have committees of management. On the East Coast they favour the committee system. They favour trusts being established, and dealing by committees with the Government as corporate bodies. I have no hesitation in saying, as far as that part of the colony is concerned, that with plenty of money available for land-purchase, with these corporations or committees appointed, we shall have no difficulty in obtaining as much land as we require. They have also a desire—which, I think, should be fostered—to leave their old system of settlement and congregating together, and to go in for individual settlement and farms. I found a great desire on their part to do that, and they put some very pointed questions to me. They said the Government were finding money for placing Europeans on the land, but they were doing nothing whatever to assist the Natives, —to place them on the land in the same way. They said that in this respect past Governments had failed to do their duty to them. Now I come to the Urewera country, and I

may say, as regards that country, and regarding what has generally been the idea in the mind of the public as to the value of that land for settlement purposes, the sooner that is dispelled the better for all concerned. It has been something like a coveted garden, coveted by those who are afar off, by those who know nothing whatever about it. If those people went and saw that country they would sympathize with the Ureweras who want to keep the country to themselves. There is very little flat fertile land. It is the most broken part of the colony that I have visited. It is nothing but a series of mountains, gorges, and creeks from one end of the boundary-line to the other. The land in time, many years hence—it is very heavily timbered—may become fit for grazing purposes, but that is all it is fit for. From Whakatane up to Ruatoke you have good land, but most of that has already been acquired. There is just one block going through the Court, and when that block is through I do not think we should exercise our minds in the slightest as regards the remaining lands in the Urewera territory. The Ureweras and other Natives say that Sir Donald McLean, when Native Minister, promised that a boundary-line should be made, and that within that line the land should be theirs. After visiting the district, I advised that in this respect we should let them alone. It has been said that there are gold and other minerals in that part of the colony. I saw some likely-looking auriferous country, and in some places I saw some alluvial wash, and if I had had a tin dish and been on a prospecting expedition I should certainly have tried it. It certainly looked very likely-looking wash. I also came across two or three quartz reefs, and some quartz was given to me which was said to have come from a creek called Ruatahuna, near Te Whaiti. There is no doubt it was gold-bearing, but whether it came from that creek or not I could not say. At all events, I saw nothing to warrant the Government going to the extreme of interfering with the Natives within that boundary. What I think should be done, and which could be easily done, would be this: I think, if there were a road made from Galatea to Te Whaiti, and from Te Whaiti to Te Mimi, and then across to Lake Waikaremoana, the Natives would be only too glad to assist in making it. If you sent a surveyor there and attempted to survey it you would have trouble at once; but if you sent an overseer who understood the Native character, and asked him to make a road right through, and start to-morrow, the Natives would assist him to make it. That is the way you have to go about this business. I also found there—and it was very pleasing to me—a desire that we should establish Native schools, for, though these Natives have by their own action separated from us, they now begin to see that they have done a wrong to their children, and the Natives at Ruatoke, Te Whaiti, and Ruatahuna all want schools. I say it would be a very good thing indeed if we established schools for them. At Galatea, Mr. Wylie, the schoolmaster, has great

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power over the Natives. He is their medicine-man, their doctor, and nearly everything to them—he has their entire confidence; and if we had such a schoolmaster at Ruatoke, and another at Te Whaiti, and another at Ruatahuna there would be an end for all time, in my opinion, to any trouble with the Ureweras. I may say that I met with the most friendly reception from one end of the Urewera country to the other. Their demands were not at all unreasonable; but the threats which have been held out, and the fears which have been established in their minds, were such as to keep them aloof from Europeans. I hope the same friendly feeling will be established, and that we shall treat them as was recommended very many years ago. I told them very firmly that we must know where their land lay, but, as regarded subdivision or making detail surveys of their land, that was not intended at all. They were quite prepared to agree to that. My opinion is that for some years to come there will be no necessity for our trying to purchase any of their land. There is no necessity for doing more than surveying the outside boundaries. I do not think we shall ever again have trouble with the Ureweras. I have said, as regards the Waikato Natives and those on the East Coast, that no law you can pass would please them. Our laws must be applicable to the Native mind in different parts. There is the same difference of opinion as exists amongst Europeans. What has kept the Natives living together in hapus has been the fact that in the past our laws have been defective. A tribe has land in the Waikato, say, and in Taupo, and one section of the tribe lives on the land in the Waikato and the other section at Taupo. The land is cut up almost like a chess-board, and those little bits of land have been given to Natives residing in the two places. No attempt has been made to allow the Natives to exchange their land, or to give the Court the power of saying to the Natives where they are separated in this way that they may exchange their land. That seems to me to have been a serious defect, and the Natives themselves have said so. Some of these pieces of land were hardly sufficient for a Native to live upon. The land was scarcely worth selling, because there were so many persons interested in it. The Government were not purchasing it, private persons could not do so, and there the land has remained year after year. We must have legislation, I think, which will permit exchanges to be made between the Natives. If we do this we shall be doing good, and we shall promote their going upon the land and settling upon it the same as European settlers. Now I come to the difficulties in connection with the ascertainment of titles. I have often heard on the floor of this House, and in the country, the Natives condemned because their land has remained under their customary title; and it was said they were blocking settlement. But when you begin to go into the question, as I had to do, you come to understand how our laws stood. First of all, there are the delays after the applications.

have come in. There is the cost of survey; then there is the Court to hear the case, which would probably go into it for a month or two; and then there would be an adjournment, and the Court would probably go back to further investigate the case after a delay of eight or twelve months. In the meantime the Natives would be kept in suspense. The Court was sometimes held in a township, and the Natives were kept waiting there day after day, week after week, and month after month. Under these circumstances, the Natives were sometimes almost penniless when they came to the towns: in fact, they have no right to be dragged to the towns at all. One serious blot has been that after the title had been ascertained there was an application for rehearing; the application came before the Judge; the Judge had to decide whether a rehearing should be granted; then a rehearing was granted; and then three months had to elapse. There was all this delay and expense. Many of the Natives saw that they would become landless and penniless through going to the Courts as the law stood. Now, I will state what is proposed to be done under this Bill. The Bill is divided into two parts. The First Division deals with the Native Land Court, the Second Division being the policy or administration as regards Native land after it has passed through the Court. I think it would be a great advantage, as is proposed in this Bill, that land once having gone through the Court should be under the Land Transfer Act direct. What has been the ruin of many of our settlers and those who have trafficked in Native land has been that there has been no finality. For a private person to go in for the purchase of Native land is almost like going on to a sandy desert without a compass—you scarcely know where you will land; the result will probably be that you will perish. That has been the experience of many persons in this colony. In the Bill before us an honest

9.30. attempt has been made to remove the difficulties in this respect. Applications for hearing and rehearing have been abolished altogether, and the privilege, if you may call it so, of going to the Supreme Court has also been taken away. Under this Bill there is simply a Native Land Court, and a Court of Appeal established in connection with it, and a decision of that Court of Appeal is final. It is much better that it should be so than to have the law as it stood in the past. There is also a better provision made for assisting the beneficiary owners in trust. During my visit to the Natives I found their laws very defective, their land being given to a certain number whose names were inserted in a certificate of title as owners. They were, no doubt, intended to be owners in trust—practically trustees; but as time has gone on, and developments have taken place, in many instances there has been a great injustice done to the tribes by those who have had their names placed in the certificates. I think myself that the possibility of such things occurring ought to be taken away, and provision is made for this in the Bill. The sooner that is done the sooner justice will be done

to a large number of Natives. Then I come to the question of surveys. As the law stood in the past no doubt many surveys took place when the real owners of the land had never made any application at all. A man desiring to purchase would go to the surveyor, and the surveyor worked with the intending purchaser and obtained the signatures of some who had no right to the land; but with these names, and a claim to be interested in the land, the surveys have taken place; and many Natives have complained of this. Eventually the survey has been made, and the surveyor has had a lien on the land, which has remained standing there. Sometimes he has had the power of forcing a sale, and by this machinery the land has been put into the market and sold. I say the time has arrived when these surveys ought to be done under direct Government control, and private surveys should be entirely abolished. This has been forced on my mind from what I saw and heard on making inquiries. I suppose the total amount involved in liens on past surveys would be about £20,000, and it is necessary that something should be done in dealing with this phase of the question. The honourable member for Auckland City (Mr. Button) moved in the direction of meeting those cases. It is a large sum to ask us, no doubt, to find, knowing our straitened finances, but I believe, myself, the Government should give authority to the Surveyor-General to ascertain the fair value; the Government might then have the power to satisfy the liens, and the Surveyor-General ought to take the land at a fair value for the amount advanced. It would be much better for the Government to stand in this position; it would be better for the Natives, and tend to solve some of the difficulties which surround this very difficult question. I may say that before concluding I shall briefly go through the Bill, so that members may follow me as I explain some of its details. But I come now to the question of the policy of the resumption of the pre-emptive right, and in this respect, although there may be many who will differ from the Government on this point, I say it is the only safe policy to adopt. We may, and I think should, give reasonable facility to those who have been in the past engaged in purchasing Native land, so as to allow them to obtain a title; but as from and after the 1st of January last I think the Legislature would act wisely in saying that there should be only one means by which the Natives can dispose of their land—namely, through the Government. As regards promises or agreements to purchase entered into before that date, some compromise may be arrived at. We have no wish to do what is unjust. There may have been some technical difficulties. In fact, it is impossible to understand the Native laws, or the laws relating to the Native Land Court. A Judge of the Supreme Court has himself said that it is almost impossible to understand the existing law. I say there is good cause made out for allowing such agreements to be completed, and in this case the Govern-

ment are prepared to carefully consider giving a fair compromise, not desiring to do what is unjust. At the same time we must protect the Natives against fraud where they have not received fair value, or where improper influence has been brought to bear; but where it has been a square bargain between the Natives and the purchaser I think we ought, in passing the Act, to meet the cases, and settle once and for all, and stop once and for all, the purchase by private individuals from the Native race. I think this is a sound policy, and in my opinion it should never have been departed from; and one of the greatest difficulties ever brought about in the North Island arose from the Act of 1873. In Division I. of the Bill you will find a provision enabling the exchange of lands from the Natives. Then, there is the policy question of vesting the settlement of blocks of land owned by large numbers of Natives, and the nomination and appointment of committees of management. I have good reasons for considering it desirable that this should be done. This is more applicable to the East Coast Natives, whilst in other portions of the Bill we have dealt with the question of the individual Native by giving facilities for the ascertainment of title. The Waikato Natives will then be able to deal individually with their land. As regards Natives in the North of Auckland, they could adopt either one of the two methods I have mentioned, but with them it is more a question of price than of anything else, and with the Native Lands Acquisition Act of last session, and with a fair price offered to them, I think the land will be offered to the Government, and difficulties in this direction which have stopped settlement will be removed. Then, as regards private dealing with land under sections 68 to 73: If we drew the line at that all at once there would be some difficulty in getting the Bill through this session, but we know there must be some compromise, especially where extreme views are held on this question. And I say myself that we shall not be doing what is just to the Native race or right to the colony if we do not resume the pre-emptive right. I have said, as regards the part of the Bill dealing with the Native Land Court, we give under section 53 to the Native Land Court exclusive jurisdiction in regard to the probate of wills and the administration of estates. We find a number of wills made by Natives, influenced while unwell, probably on their death-bed, where undue influence has been brought to bear; and the making of wills amongst the Natives is quite a trade: in fact, it has become quite a fine art. That wants to be met, and is met under this Bill. Then, there is the question of transmutation to freehold tenure. This is a step in the right direction in the interests of the Natives and in the interests of the Government, or, if we maintain the right of private individuals to purchase, it is a necessary thing to do. Sections 101 to 113 are entirely dealing with applications for rehearing, *et cetera*. I say that, in my opinion, nothing has tended so much to injure and demoralise our Native brethren, or been so expensive to them and to

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the country, and has kept back settlement so much, as the difficulties in ascertaining titles and the constant applications to the Court and the contingent expenses. That is met in this Bill. The proceedings are simplified, and the costs reduced; and at the same time the machinery is such that the method of ascertainment of title is more complete. There is also provision made for the execution of deeds by Natives. The functions of the Trust Commissioners are abolished, and the duties that devolved upon the trust are now to devolve on the Native Land Court. There was no necessity for the double expense, and the proposed machinery of the Native Land Court is, in my opinion, preferable. The expense will be less, whilst the work will be better done. As regards the law relating to surveys, we have also met that matter as well as we are able under existing circumstances. In conclusion, I desire to impress upon the members of the House that the laws relating to Native Land Courts and dealing with Native lands are very defective. Go through the statute-book, and take this Bill, and see the number of Acts that have to be repealed. Any man who turns up and goes through the schedule will see the number of Acts repealed. This Bill only contains a few clauses, and any person who takes it up and reads it can very well understand it. There has been amendment, yet it is a consolidation. I say it simplifies matters, and, if carried into law, I, with confidence, say it will be about one of the best things that have happened to New Zealand for many years. I may be told that it is rather late now to bring in a measure dealing with this large question; but this Bill has run the gauntlet of the Native Affairs Committee. I have to thank the members of that Committee—members who hold different opinions from my own on general politics—for having assisted me in improving the Bill in Committee. Some of the amendments that were proposed I did not see my way to accept, but, taking the Bill as it comes from that Committee now, as regards Division I., I think the House will be practically unanimous in passing it. Then, with regard to Division II.: I would ask the House to go through Division I., and to postpone Division II.

Mr. MITCHELSON.—For a month?

Mr. SEDDON.—No, I cannot do that. I wish to tell my honourable friend the member for Eden that we should attempt to deal with Division II., and settle this policy question, because the uncertainty is injurious alike to the Europeans and to the Maoris. It is simply procrastinating: and, while we are advancing in the construction of roads, I know others are on the track; while the North Island Trunk Railway is being constructed, the land-grabber, the land-shark, the pakeha-Maori is at work, and we must not allow that to go on. We have a right to put our foot down and stop it, especially when there is a fair compromise to meet those who have perhaps in some instances, owing to mistakes as to the law, committed themselves, and whose purchases are just, though not legal. I am quite prepared to

meet such cases, sooner than block the passing of a Bill by which we are to do, I believe, the proper thing with regard to the Native-land question.

Captain RUSSELL.—Do you mean to debate Division II. to-night?

Mr. SEDDON.—I do not want to take advantage of my honourable friend. We could not divide the debate unless the proposals contained in the two Parts were in separate Bills; but, as I have said, I am not proceeding with Part II. to-night. The policy clauses I intend to postpone, and simply to carry Part I. of the Bill as it emerged from the Native Affairs Committee. I think that is all that is necessary. Sir, in conclusion, I may say that some rather cruel criticisms were made at the time I undertook the position of Native Minister. I admit that, with the exception of the time I was on the Native Committee some years ago, and occasionally on specially-appointed Committees to deal with Native questions, my knowledge of Native-land laws and Native Land Acts was somewhat meagre. But, I desire to do justice to the Natives, and at the same time to promote the welfare of the Europeans in the North Island. I saw that it was a very large question, and that unless it was dealt with promptly, and in such a way as would prevent trouble in the future, it would be a very bad thing for the colony. I therefore accepted the position, and have laboured hard to master, as far as I could, the details of this large and very important question. And here, Sir, I must say I have been ably assisted in my labours by my colleague the representative of the Native race in the Cabinet. He has been of great assistance to me, and in rendering that assistance I would say he has at all times adhered to what he propounded in this House years ago. If that had then been carried out; if we had then endeavoured honestly to place Natives and Europeans on one plane, and had amended the laws, then, I say, the North Island would be in a more prosperous condition to-day. His advice was then unheeded; but he has remained true to his convictions; and as I went through the country I found the Native race are coming to view matters from that standpoint. That being the case, it is our bounden duty to assist them, and the Bill now before us is an honest attempt to deal with a most important question. And if that question is dealt with on the lines laid down in this measure I say it will be a good thing for the North Island, a good thing for New Zealand, and a good thing alike both for Natives and Europeans. I ask the assistance of members on both sides of the House to deal with this question, and to deal with it in such a way that it shall reflect credit upon our efforts.

Mr. PERE.—Sir, I wish to make some remarks regarding this Bill. My first word is that I agree to the Parts of this Bill which have been passed by the Committee being dealt with by this House. I think that Part dealing with Native lands should be postponed, and also those parts in the Bill which honourable members might wish to amend. I say this

because the Government and the Native members have not yet consulted together in regard to this question of dealing with Native lands. That is one of the main principles on which I was returned to this House. The House has had put before it a Bill compiled by the Native people. I think the Bill compiled by the Native people is far superior to any Bill previously introduced into this House, because all the Bills which have been hitherto introduced into this House by Europeans have parts in them which the Europeans themselves are unable to explain the meaning of. And even some honourable members in this House are unable to explain some of the clauses in those Bills. Well, I will explain that I have often found that whenever any difficulty besets any honourable member in this House the invariable practice is to go and consult a lawyer about it, and even those lawyers who are consulted are sometimes unable to explain these laws. It has often been said in these cases that Mr. Button, solicitor, of Auckland, can perhaps explain the meaning. Then, honourable members are sometimes referred to Sir Robert Stout or Mr. Bell. With regard to the Maori Bill, the difference is this: When a Native reads his Bill, he thoroughly understands what is contained in it. I therefore think that the reading of the Part of this Bill which has reference to Native lands should be postponed until the Government and the Maoris have talked the matter over. I have now been in this House a long time, and have not yet seen the Government taking any steps in this direction. I have been hoping that the Government would give me an opportunity of having my Bill before this House considered. But my Bill has been blocked by Government Bills. This is the first Government that has had about a hundred Bills in one session brought before this House, while mine is only one. I consider that all the Bills introduced into this House by private members are Government Bills, because they all have one object—that of administering the affairs of the colony. The Bills introduced in this House by the Maori people are only two in number—one by the honourable member for the Northern Maori District and the other by myself. I refer to the Bill to which Mr. Hone Heke's name is attached. That Bill is the outcome of the pain which the Natives have been experiencing in consequence of the hardships which they have undergone at the hands of the Europeans. As a result of that, the Natives ask to be emancipated from their present state, so that they may in future look to the Queen only. I do not think that this House has any cause to ridicule the idea of Mr. Hone Heke in introducing that Bill. It has been the outcome of bad legislation by this House in the past.

10.0. The other Bill referred to is the one to which my own name is attached. The sole object of the Bill which I now hold in my hand is that no trouble shall fall either upon the Maori people or upon the Europeans. Under this Bill it is proposed that sales should only be effected when a perfect understanding

has been arrived at between the parties and they have consented to the transaction. Such is the case also with regard to leases. Another principle introduced into this Bill is to enable the Maori people to go in for farming, because the Native people are at present unable to do this, owing to the restrictions placed upon them by legislation made by this House. Having tied up all the lands, the Europeans now say that the Maoris are too lazy to work their lands. Well, in reply to such a taunt, I now say, Let the Maoris administer their own affairs, so that you may see whether what you say is true or not. I do not mean to say that the Maoris are to be allowed to legislate for themselves, but what I mean is that the Maoris ought to be allowed to introduce into this House certain measures for its consideration, and to be passed into law by the House, so that both races may well understand the provisions. Of course, when the Maori people introduce a Bill into this House the Europeans ought not to amend it in such a way as to make it unworkable. Honourable members ought to be satisfied with what they have done in the past in introducing bad legislation in regard to the Maoris. I am surprised at the Europeans persisting in talking about the Natives in this manner year after year. It is the desire of the Maori people to put a stop to dealings with Native lands. I am quite in accord with the Premier when he says it is now the wish of the Maori people to turn their hands to farming. I also agree with his remark that it is the wish of the Maori people to appoint committees to administer their lands, and that all dealings with Native lands in the way of sale should be made through these committees, and that leases also should be made through the committees. It is the wish of the Native people that the Government should assist and be their friend in dealing with this question. All this is provided in my Bill. It is proposed also to appoint a committee to assist the Maori people, some of the members of this committee to be appointed by the Natives. I dare say honourable members have read the clauses in my Bill, and understand the position. Of course, I admit there are some clauses in my Bill which are objectionable to Europeans, because it deprives them of certain advantages. I will point them out. It is the wish of the Government to resume the pre-emptive right over Native lands, so that when the Government wish to purchase a block of land they may do as they like with regard to it. And with regard to Native lands now vested in the Public Trustee,—I mean the lands on the West Coast,—the Government do not like these lands to come under this Bill; and also the power to enable the Natives to legislate for themselves. Perhaps the reason why they do not like the Natives to hold these powers is that they do not wish the Natives to prosper. It is a great wish of the Native people now that this Government should help them in formulating some laws for the government of themselves. It is also their wish that the Government should borrow money to enable them to work

their lands. That is my own wish too, because the Native people are being victimised by banks and private companies. I have already explained my views on this matter, in my last speech—that is, with regard to the position of both Natives and Europeans. I am not alluding to rich and wealthy Europeans. If such legislation were introduced, then the hope which the Europeans express—that at some future time prosperity might light upon the Maori people—will be realised. I will tell the House the way to place the Natives on a more prosperous footing. Do not allow foreigners or people from the islands and other countries to come to New Zealand. Reserve New Zealand for ourselves. We have the poor with us now, let us provide for them, because, if we do not provide for those Europeans and the poor, the probability is they will be setting up unions, and they will be shooting us. I think, therefore, the best way out of this difficulty is what I have suggested. I am inclined to think, Sir, that the poor people in England are being driven out here by the Government in England; and I am also afraid it is the wish of honourable members now to make New Zealand as prosperous and as populous as England is too soon. That is exactly why the poor people are now flocking into New Zealand. I suppose it is the wish of New Zealanders to fill this land with people, so that they will soon be able to set up a kingdom of their own. I think we have a king, and that ought to be our king. I allude to Tawhiao's son. That ought to be quite enough for us. Sir, if the Government will consent to help the Maoris in obtaining money, and the means generally for enabling the Natives to settle their lands and improve them, we shall see that in a very short time the colony will be in a more prosperous state; and we shall see, too, that a larger revenue will be received, after the adoption of such a system. It will take time for the Natives to pay the rates; but, on the other hand, if the Government do not afford these facilities to the people, I shall feel inclined to go and tell the Native people not to pay this rate that is imposed on them, because they are unable to do so, as all their lands are covered with bush. Under the present circumstances, the Natives are unable to distribute themselves in different parts of the country owing to the want of facilities, and owing to the want of good land for them to go upon. In some districts there are about five hundred Natives generally living together, and this is due to the want of land for them to go on. If, therefore, the committees are appointed to deal with this question, then the land will be thrown open to these people. But, on the other hand, it is useless to appoint these committees if they have not money at hand. The appointment of committees should be made simultaneously with the borrowing of money to enable them to carry on the work they have to do. If this Bill will help the Premier to enable the appointment of such committees to be made I shall withdraw all the bad words and bad terms I have used in

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this House. I wish also to say that the members of this House are far superior to those who introduced bad legislation in the past. I therefore now say to honourable members, Let the bad legislation be confined to the past. I am now appealing to the honourable gentlemen of the Opposition, and to other members; also to the honourable the senior member for Wellington City, who helped in this matter on a former occasion. That honourable gentleman took the first and initiatory step towards the appointment of Native committees when he introduced an Act some time ago, but the Act then introduced by him eventually became a dead-letter.

Captain RUSSELL.—Sir, I should like to begin my remarks by offering my congratulations to the Hon. the Premier upon the speech which he has delivered in reference to this Bill. It was logical and clear, and showed that the honourable gentleman had acquired a wonderful grasp of the subject during the time he has been in office. I, of course, differ from some parts of this policy, but I can honestly congratulate him upon the speech he made. With respect to the First Division of the Bill—the administration part—the honourable gentleman was quite right when he said that, practically, this portion of the Bill would go through without opposition; but there are sundry amendments which I should like to see made in the First Division of the Bill. The Bill itself is a vast improvement upon any other Bills that we have had dealing with the subject, and the speech of the honourable member who last addressed us—the honourable member for the Eastern Maori District—showed very plainly indeed what is the opinion of the Natives upon the subject and the policy of the Bill. Honourable gentlemen to-night who will follow me will, no doubt, deal fully with the details of the Bill, and I intend not to refer to the details, but simply to deal with this question of the resumption of the pre-emptive right. I shall endeavour to show, as I go along, that the resumption of the pre-emptive right would be wrong, and, in order to do so, I shall quote the Native Minister himself as having furnished many arguments against it. He told us the experience he had gained from the various sections of the Natives in travelling through New Zealand, and he went on to say that the law must be made so as to suit the different sentiments of the different tribes. The honourable gentleman told us that the sentiment prevailing among the people one and all was that they wished to be allowed to do what they chose with their own lands: in other words, they objected to the resumption of the pre-emptive right by the Crown. The honourable member for the Eastern Maori District told us that it was the desire of the Native people not to have the resumption of the pre-emptive right by the Crown, but that they should be allowed in their own way to deal with their own lands; and that seems to me the only sound policy that we can follow. It is a misfortune, as I find is the case on looking round the Chamber

now, that so little interest is taken in this vital subject.

Mr. CARNELL.—They do not know anything about it.

Captain RUSSELL.—The honourable member for Napier says, "They do not know anything about it." If that is the case, surely a sense of duty would lead them to endeavour to understand the *pros* and *cons* of a subject which must be of vital importance, not only to the Native people, but also to the whole of New Zealand. As the Premier narrated his travels he told us that from Taumaranui to Waikato the Natives preferred individual dealings with their lands, and they stated that they did not receive proper value from the Government—that they were a loyal people, but would be averse to the resumption of the pre-emptive right by the Crown. Then, the honourable gentleman reached the Waikato, and he told us that the people of the Waikato were all landless, but they were perfectly content—although they were landless, they were loyal. I think the honourable member's own words were that "all they required was some land granted to themselves"; they were quite satisfied with the Maori king, who, in their opinion, ought to govern all New Zealand, but they wanted lands for themselves in separate holdings. Then the honourable gentleman travelled to the East Coast, where, for the first time,—at least he specially mentioned the fact,—he met Natives who were favourable to the Government, or I presume so. He travelled a great many miles before he met them, but they were favourable to the Government: and how could they otherwise express themselves, when they found the Native Minister travelling amongst them? All will agree, even the Premier himself, that they wished to control the dealings with their own lands, and were opposed to the resumption of the pre-emptive right by the Crown; and they wanted, further, what I have advocated for fifteen years—namely, the individualisation of titles—so that they might have separate holdings, which, I maintain, can be the only solution of this question. Then the honourable gentleman travelled into the Uriwera country, and the Premier, in spite of their being "pouri," sympathized with them, although he was scarcely happy in the illustration he gave. He said they wanted to keep their own land, and we must sympathize with him, because according to the honourable member, the people were so poor that they could not even find a dish for him with which he could wash for gold. Still, the day will come when there may be goldfields discovered there, when the land will come into occupation. There can be no doubt that, as regards the resumption of the pre-emption, the Uriweras want to stick to their land to the absolute exclusion of everybody else. But the honourable gentleman went on to say that, although the probability of hostility had passed, we had better not send a surveyor up there. Does not that go to show that we have still to be careful in our dealings with the Natives, and that we have to consult them? And we ought to consider their feelings

their sentiments, and their prejudices when we come to altering the law in connection with their lands. All the Native members, representing the feelings of the whole Maori people, are opposed to the resumption of the pre-emptive right. The members of the Native Affairs Committee, appointed by Ministers on account of their greater intimacy with Native matters, agreed almost unanimously to strike out the clauses of the Bill authorising the resumption of the pre-emptive right; and all honourable members who have addressed the House in this debate have agreed on this one point, whatever difference of opinion they may have upon the details: that the Natives should be allowed to deal with their own lands. It is a matter of supreme importance to them, it is also of supreme importance to the colony, and we ought to sanction nothing that is in direct violation of the sentiments of the Maori people. I sympathize with the desire of the Premier to simplify the administration of the Native Land Courts, and to prevent the miserable scenes of drunkenness and debauchery which are said to be attendant on the sittings of the Court; and I hope such may be prevented; but they have nothing to do with the question of the resumption of the pre-emptive right by the Crown, as inquiry into titles must take place

under any circumstance. But I contend that the resumption of the pre-emptive right is perfectly at variance with the spirit of the Treaty of Waitangi. The Treaty of Waitangi conferred upon the Natives all the rights and privileges of British subjects, and the Natives did concede to the Crown the right of pre-emption. But I say that pre-emption did not mean, and was not meant to include, the sole right of purchase by the Crown. I should just like to read to the House a few of the words of the Treaty of Waitangi, as they put the case more clearly than my own arguments would be able to put it. In the second article of the Treaty of Waitangi, of the year 1840, it says,—

“Her Majesty the Queen of England confirms and guarantees to the chiefs and tribes of New Zealand, and to the respective families and individuals thereof, the full, exclusive, and undisturbed possession of their lands, estates, fisheries, and other properties which they may collectively or individually possess, so long as it is their wish or desire to retain the same in their possession.”

That, Sir, goes certainly to prove that the Natives were to be allowed to have the sole use and disposition of their lands so long as they choose to retain them. And in the third clause it goes on to say, “In consideration thereof Her Majesty the Queen of England extends to the Natives of New Zealand her Royal protection, and imparts to them all the rights and privileges of British subjects.” Now, reading these two articles together, it does appear to me that the Natives share all the rights and privileges of British subjects; and no right or privilege of a British subject is held more dearly than the right of doing exactly what he chooses with his own property. The re-

sumption of the pre-emptive right is in violation of the dearly-loved right and privilege every one is entitled to. It is in contravention of the Treaty of Waitangi, more particularly because the Natives were by that Treaty assured that they would, individually and collectively, possess the lands and other properties which it was their wish to retain. The spirit now of our legislation is undoubtedly to prevent their retaining in their own hands the dealings with their lands, if they wished to do so.

Mr. SEDDON.—To whom were the Natives to dispose of their lands under the Treaty?

Captain RUSSELL.—The Crown had the first right of purchase. The word “pre-emption” bears its own meaning. Pre-emption is “the first right.” There can be no doubt about it, if you take any encyclopedia or dictionary, pre-emption will be found to mean the first right of purchase, but not the sole right, which, I contend, was never conceded by the Natives. However, I am fortified in the position I take up by a statute dealing with the subject called “The Native Land Purchase Ordinance, 1846.” That ordinance was passed, so far as I am able to judge by reading, consequent upon the sale of land by the Natives to individuals subsequently to the passing of the Treaty of Waitangi. The words are these: “Whereas it is essential to both the peaceable and prosperous colonisation of New Zealand that the disposal of land therein should be subject to the control of the Government of the colony”—now, Sir, the word “control” does not there imply, so far as I can understand, that the Government should have the sole right of buying it—and to that end the right of pre-emption in and over all lands within the colony hath been obtained by treaty, and is vested in Her Majesty, her heirs and successors, and all lands alienated without the sanction of the Crown”—mark the words “sanction of the Crown”—“by any person of the Native race to any person not of the same race do, by virtue of such alienation, vest in the Crown as part of the domain lands thereof.” If the sanction of the Crown had been given there was still power to sell land to a private individual, proving that the word “pre-emption” was not meant to have the effect which some honourable members wish to give it. “And whereas divers persons have, without the sanction of the Crown, entered into contracts for the purchase, use, or occupation of lands, while private contracts are not, and in most cases cannot be, made with due regard to the validity of title”—and so on. Mark the words “without the sanction of the Crown.” Surely this passage, which I have quoted from the Native Land Purchase Ordinance of 1846, goes distinctly in the direction of proving that there were negotiations, and that these negotiations had been carried on between the individual and the Natives subsequent to the Treaty of Waitangi; and it can, I think, fairly be said that the rights and privileges of British subjects, conferred in 1840 by the Treaty of Waitangi, did not exclude from the Natives power to deal with their own lands, subject to the

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control and sanction of the Crown. I therefore contend that fifty-four years after the passage of the Treaty of Waitangi it would be in direct violation of the principle agreed to half a century ago—of allowing the Natives to deal with their own lands, subject, of course, to the regulation and control of the Crown—to claim for the Crown the sole right of purchase. It may be said, and it has been said very frequently indeed, that it would be infinitely to the advantage of the Natives if the Crown alone had the right to purchase. With this I disagree most completely. In the Native Affairs Committee we got the evidence of a chief from the Taupo district, named Te Heuheu. In reply to a question of my own—I cannot guarantee the exact words—he stated that the selling value of land, if the Crown had the sole right of purchase, would diminish from 5s. to 1s. an acre. Whether he was right in that assumption it is not for me to say; but there is uncontested evidence which goes to show that if the Crown has the sole right of purchase it will reduce the selling value of Maori lands enormously. It seems to me unjust that there should be a limitation. I agree that the country may have the right to prevent the alienation of large areas of land to an individual; I could concede that; but as to the justice of it, that is another thing. But, if the Natives are not allowed to deal with their lands as they wish, it will be a mistake both in regard to the interests of the Natives and of the Europeans. I remember making a speech on the subject fifteen years ago, and I took the trouble this evening to look up that speech, and I should like to quote some illustrations I used at that time as to the effect the resumption of the pre-emptive right would have on the value of land,—because so long as the Crown and the Crown alone had the right of purchase, the price paid to the Natives was ridiculously small; and I shall proceed to show that the Native Land Act was not introduced at the solicitation of land-sharks, as is so frequently asserted. The first Native Land Act, of 1862, was not introduced at the solicitation of land-sharks, but on the direct advice of Sir George Grey, who was Governor of the colony, and on the advice of the Duke of Newcastle, who was Secretary for the Colonies then. And all the highest living authorities on Native questions of those days, not excepting Bishop Selwyn, agreed that the true solution of the Native question, and the only way to make the Native people satisfied with Native-land sales, was to pass a Native Land Bill empowering them to deal with what was their own. To illustrate the prices paid by the Crown, I referred on that occasion to the report of Mr. Rogan to the Chief Commissioner on land-transactions in the Kaipara district from 1857 to 1859. He reported 152,530 acres as bought for £5,520, or at a fraction over 8d. per acre. Then, in Auckland, so late as 1861, 244,000 acres of land were purchased by the Native Land Purchase Department at an average of 9d. per acre. There are other illustrations similar, if not worse. Then, we come to another case,

which illustrates well what would inevitably happen if the Crown had still the right of purchase. Mr. Commissioner Searancke, writing in 1861, says,—

“On 12th November, 1858, I had again the honour of reporting to you on the negotiation for the purchase of the block [Upper Manawatu] of land, when his obstinacy was further confirmed and shown. I then offered him [Te Hiriwanu] a sum of £5,000, and subsequently £6,000—both indignantly refused. Since that time I have twice seen him and his friends, but his demands were still so exorbitant that I was compelled to decline any further negotiation verbally till such time as he would listen to reason. The acreage of this block is 250,000 acres, of which quantity 136,000 are of good available quality.”

I wonder what “reason” was in those days, when a chief was so obstinate and unreasonable as to want £6,000 for a quarter of a million acres; but this is an illustration of what happens with Government officers writing about the unreasonable demands of the Natives! Fancy the absolute indignation expressed at the fact of Native chiefs wishing to get a few pence more for their land! And inevitably that will come about again if the Crown has the sole right of purchase. Here are a few words on the introduction of the first Native Land Bill. It was the Hon. Sir Francis Dillon Bell who was Native Minister at the time. He said,—

“I hope, however, honourable members who see me standing here as a Minister and bringing down such a measure will not mistake the position which His Excellency’s Advisers take in this matter. We do not pretend to come down to this House and ask its assent to a new policy of our own, or to accept from us a proposal which might or might not afterwards—as in the case of ‘The Territorial Rights Act, 1858’—receive the assent of the Governor. We propose it as one means of giving practical effect to the Native policy of His Excellency Sir George Grey, and it is with the highest gratification that I am enabled to announce to the House that the principle involved in this Bill—namely, that the Natives shall be allowed to have as good a title to their lands as the Europeans have to theirs, and that they should, in the event of their disposing of or renting their land, be allowed to obtain the value of their land—has received His Excellency’s assent.”

And this was upon a letter written by the Duke of Newcastle to Sir George Grey in 1861, when Governor of the Cape, and when he was about to return to reassume the Governorship of New Zealand. There is nothing like quoting authorities on the subject, and these were the words of Bishop Selwyn:—

“The remedy appears to be simple—namely, an unqualified recognition of the Native land title to the fullest extent, and with every legal security that would be given to any landed proprietor of our own race.”

I have taken the trouble to quote this, inasmuch as it goes to show what the opinions of eminent men were when the Native-land ques-

tion was one of serious import in this colony. Men like Mantell, Richmond, FitzGerald, Carleton, Domett, and others held the same opinion—that the right of pre-emption was not beneficial to the colony, that it was retarding colonisation, and was not in the true interests of the colony and of the Native people, and that, therefore, it should be repealed. If it was desirable, so far back as 1862, to allow the Natives to deal with their own lands, it would be unjust that that privilege should be taken away now, unless very good cause is shown for doing so. The principle I have always advocated is the individualisation of the title. There is no use repeating arguments I have adduced to the House before in favour of such a scheme as that; but I would ask the Premier to remember this: that, however desirous he may be of obtaining land for the settlement of the colony,—which is a right and proper thing for him to desire,—first of all we must consider what is just to the Native people: and justice to them demands that we should endeavour to elevate them and place them on the same footing as the European race as speedily as it is possible to do it. That can best be done by granting to them exactly the same privileges and putting on them the same responsibilities as are imposed upon ourselves in the matter of the land. Again, on this question of the right of pre-emption, there are many difficulties in the way, and the Premier said he would endeavour, when we are in Committee on Division II. of the Bill, to see whether it will be possible to meet those defects, and to adjust them. I would point out this: that the Premier said that reasonable facilities would be given for completing transactions entered into before the 1st January last. If he had said reasonable facilities would be given to complete transactions entered into prior to the passing of this Act, I could understand what he was aiming at; but why he should limit it to the 1st January last, and not up to the present time, I cannot understand. I would ask him to consider that it is practically a repudiation of the just rights enjoyed by the people if transactions entered into under the Native-land laws of the country at the present time are not allowed to be completed, because it seems to me that to prohibit from completing their transactions with the owners any persons who have invested money believing they would in the course of time acquire a proper title to those lands, would be quite extraordinary; it is unjust to these people to say, arbitrarily, that all the money they have invested shall be lost money. Of course, such an act as this will affect every class of security. You must bear in mind that land-speculation has been going on in every district of the North Island. I believe that land-speculation has been perfectly right, legal, and beneficial, and that it would continue to be so if it were allowed to go on. It has been carried on under the land-laws of the country at the present time, and I would urge the Premier, if he succeeds in passing the clause of the Bill in relation to this matter, to have a fair and proper time for completion of

transactions extended to all those persons who have entered legitimately into negotiations either for the lease or the purchase of lands. I would suggest that those persons should have a proper definite time extended to them to complete these transactions, otherwise there will be a very serious loss to these people; and it cannot be held to be just that persons who have only done what the law allowed should be punished by an Act which really would be retrospective in its effect. Whether the House will indorse the arguments I have endeavoured to place before it to show that the right of pre-emption is in violation of the rights of the Native people I do not know; they are worthy of consideration. The Native people are, like ourselves, now subjects of Her Majesty, and to impose upon them restrictions that are not imposed upon ourselves seems to me an improper thing to do. The day was when the Maoris were a powerful race; they were always a chivalrous and a brave people; and now that we are more powerful, though we are not more chivalrous and brave, we must remember in our very strength that the Maoris are still a brave people, they are equally colonists of New Zealand and subjects of the Queen, and that justice to them is due at our hands.

Mr. CARROLL.—I must compliment the honourable gentleman who last spoke upon the mildness of his words, and the temperate language he has used throughout his speech on this Bill. I see very clearly now that we have come within measurable distance of each other, which may have the effect of our arriving at a more satisfactory solution of this question. In considering this subject we must view the law which exists at the present time, and then judge by contrast whether this Bill is an improvement or otherwise. It must be known to honourable gentlemen that the existing laws are far from being satisfactory. There are restrictions and limitations at the present time affecting generally all dealings in Native lands, which I need not mention. There are also obstacles in the way of Native owners trading with their lands, either to the Government or to private individuals, and there are manifold difficulties in the way of Europeans who wish to enter into transactions with the Natives. The endeavour of the Government is honestly in the direction of trying to improve things as they stand. We have done the best we could. We have considered the question from all points, and with due consideration for the interests of both Natives and Europeans; we have studied closely the rival theories of individualism and collectivism, and we have earnestly endeavoured to do what is in the right direction. I candidly admit that no one can bring in a perfect Bill, to meet all details and all conditions satisfactorily. There is always some defect or other, some unworkable part here or there, and it is only after you bring a law into force that, by its operation, you find out what the weak points are. But we claim the credit of aiming at true principles, which will lead to the proper ending of all the difficulties that have clouded

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us in the past. Now, standing out clearly and boldly in the speech of the honourable gentleman are the two points which he emphasizes. First of all, he is in favour of free-trade in Native land—or, in other words, he is against the principle of pre-emption by the Crown. Secondly, he thinks individualism is the only system by which the present difficulties can be surmounted. Now, although I am inclined to agree with him to a certain extent—and I followed his arguments pretty closely—I must differ from him on more than one point in these two principles which he advocates. First of all, let us deal with the question of free-trade. Supposing to-morrow the Natives had free-trade—that free-trade in its entirety was in force in this colony—what would be the result? Every European who wished to acquire a piece of land would go to the Natives individually, and would make individual bargains and acquire individual interests in blocks of land which were not individually but collectively owned.

Captain RUSSELL.—Individualise first.

Mr. CARROLL.—To individualise in all Native blocks of land would be an impossibility, and in most instances would prove ruinous to the owners. I will put a case. I with fifteen hundred others own a block of seventy thousand acres. It is not cleared land; it is bush-country, and very irregular. Now, there would be fifteen hundred of us to individualise. Would it pay us to do it? What could we do with our individual shares? They would be thrown away. The cost of survey alone would eat up each owner's share. Honourable gentlemen can understand that it is practically impossible to deal with land of that character on the individual system. You cannot individualise, and therefore I am in favour of that portion of this Bill which advocates a system of committees, or the setting-up of corporate bodies. In that I quite agree with the Native member for the East Coast, and with my honourable colleague the Premier. That is the only way by which you can deal with lands so circumstanced. I will put it this way, to make it clear: Supposing that land was owned by fifteen hundred Europeans, what would be the first thing that would suggest itself to the mind of these Europeans? They would face the fact that they could not individualise it to advantage,—that their individual ownership was of no use to them. Some of the fifteen hundred owners would call a meeting of their co-owners and would say, "Let us incorporate ourselves; let us form ourselves into a joint-stock company, all the owners becoming shareholders; let us set up a committee, who shall be our directors; let them deal with this land; let them cut it up in any shape or form they think best for selling or leasing purposes, and the proceeds from the leasing or selling shall be divided among the owners or shareholders *pro rata*." That would be the

system, and I will show how, in a very few cases, it might work. Supposing that land already instanced was first-class land—beautiful fertile country, all plains, bountifully watered, and of the highest value, worth, say, £12 or £15 an acre. In a case of that kind—a very exceptional one—I should be in favour of individualisation. It would then pay each individual owner to go to the expense of survey, to incur the cost of going before the Court, getting his individual title, paying for it, and holding his land in fee-simple. These are the two extreme cases I wish to place before the House, in order that honourable members may fully comprehend the merits of both. But, then, what is the fact now? All the best lands of the Native people have gone from them.

An Hon. MEMBER.—No.

Mr. CARROLL.—Well, the quantity of land they hold now which you can describe as first-class land is nothing to speak of. Certainly in our part of the country it is only a little portion here, a parcel there, and so forth. Speaking generally, the cream of the country has already passed from the Natives into the hands of Europeans. Therefore we must come down to this: that the bulk of the land held by the Maoris at the present time is second-, third-, and fourth-class land. That being so, we must adopt a principle of dealing with such land that will bring about the best results. I am inclined to favour the system of incorporation of owners in preference to any other. I will just refer shortly to our trip through the North Island. The Premier has given an account of it which I can corroborate. In different parts of the colony the Natives live under different conditions. In the Waikato, as has been stated by my colleague, the Ngatimaniapotos, who are the largest landowners, are not so much in favour of collectivism as they are of having individual dealings with their lands. They used very forcible arguments in support of it. They were very reasonable, and they also said that, failing to get free-trade, or the right to individually deal with their land, they were quite prepared to be allowed to work under the Act passed last session entitled the Native Land Purchase and Acquisition Act. The principle therein involved is that any purchases conducted by the Government with the Natives shall carry with them the principle of valuation—that is to say, that there shall be a fair valuation of Native lands when purchased by the Government. I think the Premier is quite prepared to concede that point to any section of the Natives throughout the Island, making the exception in land already under negotiation to the Government. That, I consider, would be fair. Where the land has not been under negotiation, where the land has not been under contract to the Government, although it may be under Proclamation, then the Native Land Purchase and Acquisition Act passed last year should come into operation; and if the Natives want it so let them have it by all means; we cannot honestly withhold it from

11.30. most convenient and speedy method of bringing land under such conditions either into the market, or into cultivation or other use. Now, we will again take the individual

them. I must correct the honourable member for Hawke's Bay in his reference to the account given by the Premier. In the Waikato the Premier did make a difference between what we call the Kingites and the Waikatos. The Kingite Natives are absolutely landless. They told us tales of woe about their landless condition. They asked for land to be given to them that they might settle upon it. They are so badly off for land that they even asked for school reserves to be returned to them, which they admitted they had given years ago for such purposes. There are in the Waikato some Natives who are not Kingites, who are very well advanced in education, who are in daily communication with Europeans, who own land individually, and in some cases collectively—fairish and good land. They separated themselves from the King movement because it was to their advantage to do so. They say, like reasonable persons, that they can make more out of their land by utilising it than by joining a movement such as the King movement. In the North of Auckland, it is quite true that, as the Premier said, they are inspired by a strong national sentiment. They have a reverence for the Treaty of Waitangi, but they cannot reduce anything evolved from it to a practical basis. They say, "Give us 'home rule'; we adore that Treaty; that Treaty was entered into on our soil; our old people made solemn pledges, and were the recipients of the bounty of Great Britain"; and so forth. They say, "We adhere to that Treaty, and we ask you to give us home rule. Let us make laws ourselves, and administer our own affairs." I have nothing much to say against that. We may admire their national spirit, but, at the same time, in this material age, we cannot give way to sentimentalism. We must consider the ultimate result: the good of the Maoris and Europeans, and the question of colonisation and settlement. Touching the question of the pre-emptive right: it is open to argument. I take a different view from that advanced by my honourable friend the member for Hawke's Bay. He says the pre-emptive right does not mean the sole right to buy. That may be so; but, after reading that Treaty, the only right to buy, I contend, rested in the Government. If a Native chose, in regard to his own property, he had the sole right to the use of it: but there was nothing in that treaty to indicate that he could sell to any one apart from the Crown. That was, however, altered or varied by some ordinance which the honourable gentleman quoted. What was the principle there? It admitted that there could be private dealings, but they were subject to the control of the Government and to the sanction of the Crown. If my honourable friend is in favour of that, let him see what our present Bill proposes. We propose the pre-emptive right: that the first right to purchase Native land should rest in the Crown; and, furthermore, we say that any dealing whatsoever between private individuals and the Natives shall be under the supervision of the Crown; the Crown shall be cognisant of every transaction affecting Native

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land. We have the experience of the past, and are guided by that experience. In every instance in which the Natives have been allowed to deal as they liked with Europeans their land has gone from them. Can any honourable gentleman point to any rich tract of country still remaining in the hands of the Natives? No. All the good portions of the country are settled upon by Europeans. Where are the Native owners who parted with those lands? Where are those who, according to the free-trade principle, received the value of the land in those days? What has become of that money? Sir, both Natives and money have disappeared. Those who are alive at the present time are absolute paupers. That has been brought about by free-trade. The Natives have never profited by free-trade in their land. Under the other system they have profited to this extent: In most of their purchases the Government made reserves, which the Natives continue to hold. Those reserves are not, as a rule, open to private dealing. There cannot be any serious injury done to the Natives by the Government having the pre-emptive right. I hold that that right, as against free-trade, will prove in the end more to the advantage of the Natives. Wherever the Maori and the Government act harmoniously together, one as the coloniser and the other as the colonist and settler, good must come from it. I need only instance the case of the West Coast Native reserves. Supposing the West Coast Native Reserves Act had not been passed by this Legislature, where would have been all that beautiful land stretching along the west coast of the North Island, which still belongs to the Natives? That land would have fallen into the hands of private individuals. What is the result now? Through the operations of that Act the land is reserved for the Natives. The Public Trustee was appointed to administer those reserves. They are cut up and leased to different Europeans; and very good settlers they are: in fact, the whole of that country is closely settled. The rents have gradually increased, during the last five years, from £7,000 to about £16,000. That is the result of administering Native lands for their benefit on broad lines, and under Government superintendence.

Mr. BELL.—Why not try that system?

Mr. CARROLL.—That system should be in vogue.

Mr. BELL.—That is not in this Act.

Mr. CARROLL.—This is an important step towards it. Let us get the thin end of the wedge in. The objection made to the principle we embody in the Act is that the Crown is to have the right of purchase; but we have embodied this principle in all our legislation. We have passed the Land for Settlements Act, giving the Crown the right to purchase private lands held by Europeans; and would you forego this right in connection with Native lands? It stands to reason, as a matter of right, the Government of the country must stand above the individual, and must exercise its right—that right is greater, and the exercise of it must be

on wider lines. After all, what is fair? Let us be fair to all; let us divide the present legislation into three parts; let us say that where the Native is fit to take up the position of a European, being free and independent, holding in fee-simple—not any undefined interest—he shall be the same as the European; where they occupy tribal estates, let them have the right to incorporate themselves for the purpose of dealing better with their lands. Let the Government, in the public interest, buy what it wants, before anybody else. And there is another class we must attempt to deal with. We should clear up the past—clean the slate; clear up all the imperfect transactions under which, although acting *bonâ fide* in an honest spirit, people have—by the peculiar legislation passed by the House, and by the various rulings given by the Courts on different points on which titles have hinged—been unfortunate enough to be placed in such positions as to entitle them to claim relief from us. We are not, however, in a position to make good what was really bad. But wherever there has been an honest effort in the direction of acquiring Native lands, where all parties have agreed, and only technicalities bar the way, it is only just that we should legislate to afford them the relief it is meet they should have. I have, in conclusion, to point out that I have divided the question into three parts. As far as the machinery part of the Bill is concerned, I do not think we shall disagree. Division I. was carefully discussed and threshed out before the Committee, and whatever amendments we were able to make in it we made. I do not apprehend any difficulty in passing that Division of the Bill through Committee, and I am sure we shall receive assistance from both sides of the House. There may be portions here and there which, in our endeavours to make a good Bill, we have not thoroughly grasped, or made as effective as they should be; but the intelligence of the Committee, no doubt, in going over the Bill will pick out such parts and set them completely right. With regard to the policy portion of the Bill—Division II.—I was glad to hear the Premier propose to deal with that on another occasion, although the debate will be taken on the whole Bill. I think that is a wise course. No matter how much we differ, no matter from what different standpoints we look at the question, the policy involved entirely depends upon the question of the pre-emptive right: how far it may be extended or modified; how far it will meet the condition and circumstances of the Natives living in one part of the colony; how far it will meet the circumstances of the Natives in another part; and how far it will affect the Europeans who are desirous of acquiring small holdings here and there directly from the Natives. But let the principle of honesty be the first consideration in our efforts to bring about a happy solution of the question. Let us be fair and straightforward with all parties. I have every hope that before the Bill passes through the Legislature we shall have come close together, and on the principle of give and take, governed by reason

on all sides, we shall make a very fair measure indeed.

Mr. HEKE.—I should like to touch upon the arguments raised by the Premier and the Hon. Mr. Carroll before I touch on the Bill itself. The arguments raised by the honourable member for Waiapu were directed first to the Crown's right of pre-emption, and its benefits to the Natives if that right were resumed by the Crown, and he urged upon the House the disaster that would fall on the Natives if private dealings were allowed, giving cases to substantiate his arguments. I wish to say that it is needless for me to go through the course of the arguments raised by the honourable gentleman. In years back—take the year 1887, when he was contesting the Eastern Maori Electoral District with another candidate—the whole course of his arguments then, and a few years after that, was against the Crown's right of pre-emption, and he gave very sound arguments against it. I may quote instances where, in a special report by the honourable member, when a Commission was set up by this House to inquire into the best mode of coming to a solution of the Native question, he says,—

“Evidence adduced before the Commission proved conclusively that where the Government interposed with its pre-emptive right, as was the case in the King-country, the Natives could not obtain a fair price for their lands. The Government offered 3s. an acre: at the same time, private purchasers were in constant communication with the owners, and willing to pay them £1 an acre. Need one wonder that large areas are blocked, therefore, retarding the settlement of the country, for the simple reason that the Natives refuse to take the 3s. an acre offered to them by the Government, when private parties are prepared to give them more than six times that amount?—and quite right too. During the many years the Government retained the right of pre-emption over the Native lands, the period was one fraught with many acts of injustice to the Natives.”

It was most amusing to listen to the honourable member. He completely changed front. While speaking just now, he raised the argument that it is fair that the Crown should have this right. If such an argument should be recognised by this House, all I can say is this: that I think it very unfair for the honourable gentleman, after putting his views fully and most clearly before the Natives, to come and urge now in the House quite the contrary to what he urged a few years back. Whether he has changed his mind entirely, of course I do not know: perhaps that may be so. Then, on another occasion, he put before the Natives this: that the desire of the Maori people was that the mana of the land should rest with the Maori people. Instead of the Natives being protected by the law, they were placed at the mercy of the Government of the day. Once the people themselves lost control of their lands, they had to say Good-bye for ever to it. I may add that this will be the inevitable result if the rights of the Natives are taken

away from them by Acts passed by this Parliament. And he insisted on several occasions, before large gatherings of Natives, that the Natives should hold on to their lands. Listening to the arguments raised by the Minister to-night, they are most inconsistent with all the statements he was so fond of telling the Native people on the East Coast and elsewhere. I should like to touch on some of the arguments raised by the Premier. In the first instance, I will touch upon his flying tour through the Native settlements. I have here a pile of letters, written to me from all parts of New Zealand, and from the leading chiefs in the country. All these letters show that they were dissatisfied with everything put before them by the Premier when he went through on his flying tour. I can substantiate that, as far as the North of Auckland is concerned, the Natives there were *pouri*—that is, sorrowful—that they were dissatisfied. I helped the Premier myself to convene a meeting, and a very representative meeting, of all the Native chiefs of the Ngapuhi Tribe and the Rarawa in the Hokianga district at Waima, to hear what the Premier and his colleague the honourable member for Waiapu had to say to them. Addressing the Natives, he said that, if they had any grievances at all, that was their opportunity to have them placed before him. The Natives, of course, were delighted to hear this statement by the Premier. The Premier stood and lectured them on different matters; and the time came when they thought it was drawing to a close and the Premier would be leaving. They asked him whether he had time to listen to their grievances: that was about six o'clock in the evening. The answer the Premier gave to the Natives was far from satisfactory. He said he had no time—that he had to catch the ferry-boat at a certain hour; which was no doubt correct. But he should have said that in the first place, and not left them to think that they were going to be satisfied by having a hearing from the Premier, who would listen to their grievances. However, I shall not dwell upon that. Now with respect to the land in and about Waikato. As stated by the Premier himself, the Natives there are entirely against the Crown's right of pre-emption being extended over their lands, and they, as the Hon. Mr. Carroll states, bring forward strong arguments. There is no doubt about that. Now, the main feature of the objections raised by the people of the Waikato, and also by all the Natives throughout the country, is this: that the prices offered to them by the Government purchasers are far too small compared with the prices offered to them by private individuals. I would impress upon the House this: that the only thing the Natives want is the necessary safeguards to prevent sharp practice: that is all they want. Pass some good measure: that is all. I quite agree with the arguments of the honourable member for Hawke's Bay. It is only reasonable that a limit should be put to the area that may be sold by the Native owners to any private individual. That would get rid of the chance of

private individuals buying from the Natives such extensive areas as used to be the case in times past. We have that now in force under the Act of 1886, which limits the area to about 650 acres. Whether that is complied with or not, of course, I do not know. The Premier says that what should be done is to gain the confidence of the Natives. That is quite right. Now, if the confidence of the Natives should be gained, as stated by the Premier, we have here the Bill of the honourable the Native member for the East Coast—a Bill which deals with the whole administration of Native lands. Now, what I should like to tell honourable members is this: When dealing with Natives' property honourable members must take into consideration that it is very unfair to compare the Native mind with the European mind. If it is the desire of this House to pass legislation to deal satisfactorily with Native property, you ought to accede to some of the proposals that are made by the Natives themselves. There is no doubt about that. Now, there is one thing which would bring the whole question to a speedy and most satisfactory issue, and that is to accede to the Natives all the different provisions set out in the Native Lands Administration Bill that has been introduced before the House by the Native member for the East Coast. There are provisions set out in that Bill which are also set out in the Native Lands Administration Act of 1886. And here I may refer to the arguments brought forward by the honourable member for Waiapu to-night. He recognises the principle which is set out in "The Native Lands Administration Act, 1886." Now, I should like to tell the House that when the honourable member put forth his views before the Natives in 1887, a year after that Act was passed, he was entirely opposed to the principle set forth in the Act. To-night, however, we hear him affirm the principle set forth in the Act of 1886. It is most wonderful. No doubt he is convinced of the necessity of dealing with the Natives through Native committees, which I firmly believe should be conceded by this House to the Natives. I also wish to say that there are several clauses in the Native Land Court Bill now before the House that have been taken from the Bill which the honourable member for the East Coast has introduced. There is the matter of incorporating and setting up of committees. No doubt that has been taken out of the honourable member's Bill, and also the matter of exchange. What I should like to say is this: It is a pity that the Premier could not see his way clear to accept the whole Bill. There is nothing in it opposed to the present laws of the country. It aims at nothing else than the utilising of the Native lands; it gives the Natives power to deal with Europeans or the Government direct, and to settle people on the lands by way of lease to the Government or to Europeans, or sale to the Government or to any Europeans. The Natives who attended the meeting at Gisborne said that the Natives had not the means of stocking their land; and it was thought fit that some pro-

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vision should be set out in the Bill introduced by the honourable member for the East Coast to enable them to obtain funds to get stock or to clear the land, so as to bring revenue to them, and also to provide for the increase of settlement in the colony. Now, touching upon the Bill itself, there are clauses in the Bill with which I agree. I believe, with the Premier, and also with the Hon. Mr. Carroll, that some of its clauses are good. At the same time I must take exception to other clauses in the Bill, which would do nothing but tend to provoke and irritate the minds of the Natives: such clauses, if carried, would tend to cause trouble, which might result in bloodshed. There is no doubt about that. I refer to clauses 60 and 61. Now, this is a kind of legislation that should not be introduced in any measure that is intended to deal with Native matters. Here you have clauses which take away all rights from the Natives, and vest those rights in persons who have no right whatever to the soil of New Zealand. They may have a piece of land where they live, but they were not the original owners. I think such clauses as these are nothing but unfair to the Native owners. Clause 60 vests the power in a Judge, who can authorise a surveyor to go upon Native lands and cause a survey without the consent of the Natives, thus depriving the Native owners of all their rights. I think that is very unfair. However, I will move when the Bill is committed that a change should be made, and I would ask the Premier to reconsider the matter, and to put in a clause or a proviso to the effect that the consent of the Natives should be obtained in the first place. Then, clause 61 hands over entirely the rights of the Natives to the Surveyor-General. That is awfully wrong. There is no justice in that—depriving the Natives of all their original rights to the soil, and then handing them over to a person who practically has no right at all. It is not only on the Treaty of Waitangi, referred to by the honourable member for Hawke's Bay, that the Natives base their rights to the soil, but on the fact that they were original owners coupled with that Treaty. I think it is very unfair that a measure should be passed through Parliament to deprive the Natives of their original rights. Now, leaving that, I should like to refer to the clauses that set out the matter of surveys and survey costs. This is a very important matter. Under this Bill, as honourable members can see, surveys can be forced upon the Native lands whether the Natives like it or not. Now, it is very unfair that, where surveys are forced on the Natives whether they like it or not, the charges for the survey should be laid upon the land, and that they should be charged a cruel interest of 5 per cent. on the principal. If the Natives are unable to pay such survey-cost, the interest to be paid continues. I think that is very unfair. However, I shall endeavour to introduce something that may be reasonable, and I would ask the Premier and his colleagues to act as reasonably as possible and try to put the

thing into a reasonable form. I think the rights of the Natives should be acknowledged. There is another thing I should like to see in this Bill. The minority here is shown to have full power over the majority. This is unfair. If the principle laid down by this Parliament, or by any Parliament, was that the minority should rule the majority, it would be all right. In this House the majority must rule, and, if it is recognised that it is right for the majority to rule here, it ought also to be recognised in the matter of the Native lands. The majority of the owners interested in alienating the block of land should be recognised, instead of the minority. We have had cases for several years in which trouble has been brought upon the Natives by one single individual. I venture to say, if this Bill is passed in the shape it is in at the present time, the inevitable result will be that trouble will again arise among the Natives. There is no doubt about it, I think, that this Parliament should try to avoid all that as far as possible. As the Premier has agreed to deal separately with the part of this Bill which refers to the Crown's right of pre-emption over Native lands, I will reserve my right of speaking on that until it is brought forward.

Mr. MITCHELSON.—You may not have the opportunity.

Mr. HEKE.—Well, speaking upon this point, I think we have had so many cases bearing upon it that it may be accepted by members of the House that we have just grounds for saying that the Crown's right of pre-emption over Native lands should cease altogether. We hear honourable members on the Government side urging this: that the Natives have suffered materially in respect of dealings with individuals, and that by allowing the Crown to deal with them the effects would not be so disastrous to the Natives, and that it would be better, therefore, that the dealings with the Crown should be made with the Natives direct. I can bring before this House evidence to show that the transactions which have taken place between the Government and the Natives have been just as bad as the dealings which have transpired between private individuals and the Natives. In fact, we have before a Committee of this House a petition which shows clearly that even direct dealings with the Crown have been to the Natives more disastrous than dealings by the Natives with individuals. And here I wish to urge, and again repeat that, if the Government wish to prevent disastrous effects from falling upon the Natives in respect of any transaction made between the Natives and Europeans, they should provide all necessary safeguards to prevent sharp practice. That is all. And I think the matter of having Native committees, so that every negotiation or transaction with the Native owners of land, either by individuals or by the Crown, should go through the committees, should be agreed to. The majority should be recognised, and the consent of the majority should be obtained in the first place before the committee is able to deal with any

land or any proposition put before it by the Native owners. Touching upon the question of pre-emptive right again, I have had several communications from Europeans and Natives where they say the offers made to them by Government purchasers are far too small, and by comparing the offers made by the Government with private offers it shows that between the Government offers and the private offers there is a great disparity. In many cases the private offers are in amount treble those made by the Government, and in many cases they are four or five times greater than the prices offered by the Government. In that case, I should like to say this: that any measure that is introduced into this House to obtain betterment or the unearned increment should not be applied to Native property. Here the Crown takes everything under this by offering the Native merely 2s. for his land, where private owners would offer, no doubt, £1. I say that a measure of this kind, which is introduced to obtain the unearned increment, should not be applied to Native land at all, and even rates should be avoided altogether, and all stamp duty on Native-land transactions should be avoided. I think this is only a fair argument to be used in respect of the right of the Crown with regard to Native land.

Sir R. STOUT.—At this hour of the morning I do not intend to keep the House long, but perhaps it would be better, if no other members wish to speak, that I should say a few words now. First, I have to say that the Bill has been divided by the Native Affairs Committee into two parts. The first portion deals with what may be termed the machinery set up for the ascertainment of the Native title, and for settling disputes between the Natives in respect of their land, probates, successions, and so on. The second portion deals with the policy of the Government in dealing with Native lands, or in administering Native lands. I propose to say a few words under this heading, but, before I do, I may refer to one or two remarks that the Premier used when speaking of his visit to Native settlements recently. I quite approve of what he did in making himself, as Native Minister, acquainted with the desires and views of the Native people. I give him every credit for performing his duty in that respect; but I was rather surprised at the way he put it, as if it had not been the custom formerly for Native Ministers to do this. It may be that he really did not mean to give to his words the meaning that they convey. We know that various Ministers in this colony—Sir Donald McLean, Sir Francis Dillon Bell, the Hon. Mr. Bryce, the Hon. Mr. Ballance, the Hon. Mr. Rolleston, and the Hon. Mr. Cadman—have visited the Native settlements and seen the Natives, in order to ascertain their views. And, even though I was never Native Minister, yet when I was in office I visited the Native settlements in order to ascertain the views of the Natives, especially with reference to my idea of dealing with their lands; so that I know something about them too. I will now point out what the attitude of the

Native people is generally in reference to dealing with their lands. To the Maori race the land is everything. It is their sole possession. They have not advanced so far as to become an agricultural people in our sense of the term. When we came to this colony they were neither pastoralists nor agriculturists; they lived mainly by hunting, and it is only after long training that you can expect any race to settle down and become an agricultural people. It is absurd to compare their race with ours. Men of our race have been accustomed to agriculture by a thousand years' descent and training. We must therefore, in dealing with the Maori people, make allowance for their history and heredity, and not expect too much from them, or that they will follow our ways very readily. As I have said, the land is their only possession. They have had no training in manufactures. It would take hundreds of years before you could expect them to follow on our lines. Then, the next thing is this: They are not a people that have been trained to individualism, such as our race has been trained to. They are still in the communal stage, and it is absolutely impossible to expect them to get out of that stage at once. In dealing with them, we must deal with them as they are, and not as we would like them to be,—although, I must say, it seems to me that on the part of our own race there is a tendency to revert to what is termed socialism, and to do away in many respects with individualism; and we ought therefore to make allowance for the Maori people. I make these few remarks because they bear on the manner in which I think the Native lands should be dealt with. We must not forget, I say, that the Natives are a communal people living in a communal state, and that they are not yet advanced enough to be treated like races trained in individualism. What does the Bill propose to do? So far as the first part of the Bill is concerned, I agree generally with its provisions. I have no fault to find with them. On the contrary, I believe that the Bill, if passed into law, will confer many benefits upon the Maori people in the ascertainment of their titles, and in their dealing with land, especially in so far as concerns leases. The new part of the Bill really is that referring to the Appellate Court in reference to Native titles. I approve of the provision for an Appellate Court. It was what I suggested some years ago when I was examined before the Royal Commission, and I think, if honourable members will turn up the evidence I gave, they will find that I then sketched out what I believe the Appellate Court should be. I did that, having been engaged in the Native Land Court, and knowing the difficulties in reference to the ascertainment of Native title. It will be seen that Part X. is that which deals with the Appellate Court. What it does is this, and I do not see anything wrong in it: It says to the Maori people, "You shall have the same right of appeal to this new tribunal as Europeans have in carrying a dispute to the Court of Appeal. An Appellate Court is set up for you, and the ma-

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chinery is set up to give you what is equivalent to a second hearing." There is no limit in reference to the appeal, and I do not know if it would be wise to have a limit. The only distinction between the provisions of the Bill and what I advocated in giving evidence before the Royal Commission is that in my proposal I suggested that all evidence should be taken down in writing in the Court of first instance—the Court which has first to hear applications to determine who are the owners of the land. That evidence would be all taken down in writing. Now, if it were taken down in writing, after the Court had given its decision, if any party was dissatisfied with the decision of the Court he would have the right to go to the Appellate Court, and that Court would not have to take fresh evidence, but would have to decide the case on the evidence given in the lower Court, except under special circumstances, and very strong reasons being shown for a contrary course being pursued. It seems to me that this Part X. should be amended in that direction. I am very sorry that I did not attend the Native Affairs Committee, and I certainly would have done so but for the fact that I had so many other Committees to attend; and, if I had done so, I would have tried to get the Bill amended in that direction. The difficulty in this Part is this,—and I hope the Premier will consider what I am saying, because I think he should move in this direction: Under this Bill we will suppose a case is to be heard. We know that some cases at present take over four months to hear. Under this Bill the whole of the evidence will be gone over again before the Appellate Court, so that it will be gone over in Court perhaps twice. I think that is a mistake. It will entail a great deal of expense on the Native people, and I think that is unfair. The whole of the evidence should be given in the first instance, and then no fresh evidence should be admitted except upon very strong grounds, such as absolute sickness at the time of the first hearing, or something of that kind. Then let the higher Court be guided by the original evidence, listen to arguments based upon that evidence, and give its decision accordingly. I therefore approve of the appellate tribunal, subject to the limitations I have set out. There is another point, and that is in reference to the surveys. I think the surveyors who survey the land with the consent of the Natives ought to have a lien or charge upon it, and when the land is sold or otherwise disposed of that lien ought to be met. The only other thing is what was referred to by the honourable member for the Northern Maori District, as to the power to make surveys—whether there ought to be power to survey without the approval of the owners of the land.

12.30. There is a great deal to be said on both sides of that question, but the difficulty about the thing is as to the owner of the land. You may not be able to ascertain the owner before survey until a Court decides; and if, for example, one section of the Natives say the land is theirs, and another section say the land is theirs, who is to give the right of survey?

Some would say if it were given to the person who had a sort of mana over the land it would remove the trouble, and therefore it might be wise for both parties to leave the discretion to the Native Minister. But in that respect the Bill is not so objectionable as the honourable member for the Northern Maori District thought. I shall not say more about the general principles of the Bill than to again repeat that I generally approve of the amendments made, and I have no doubt, if this first part is carried out, that it will be found to be very beneficial to the Maori people. As to Division II., I hold very strong views, and I doubt if it is any improvement on "The Native Land Administration Act, 1886." Notwithstanding that that Act was repealed, and that no transactions were brought under it, I still believe we ought to go on similar lines in dealing with Maori lands; and that leads me to reiterate what I said before, that the Maoris are a communal people, and we ought to allow them committees to manage their land—committees of owners. I agree with Mr. Pere that the committee system should be tried. That is one reason why I urge the passing of a law to set aside a block of a hundred thousand acres in the Poverty Bay District, and to appoint committees to manage the lands. I do not think we should have any land-purchasing at all excepting in special cases; and even then we do not need to borrow the money. If we said to the Maori people, "If you wish to sell your land, here is the Waste Lands Board to act for you as your *kaiwhakahaere*,—as your agent for administering your Native land; you can have your own committees, who can confer with the Land Board as to the mode in which you wish your land disposed of. If you wish it sold, it can be sold through the operation of the Waste Lands Board: it may be sold under the terms of the Land Act for cash by auction." I think that would be a fair thing. We should allow them to put it up to auction, the Land Board to have the right to get payment for the survey and a certain portion for roading the land. The amount would be limited by Act. This course would be cheaper; and if the Maoris wished to lease it, either under the lease in perpetuity or the perpetual lease, they should have the right to do so, and the colony need not buy an acre of land. It would simply be the agent for the purpose of sale, and the Maori people would get the proceeds. Native-land-purchase I believe to be a great evil, and private dealings in land a curse, for I am entirely opposed to the wholesale individualisation of titles and free-trade in Native land. I do not think that is right at all. You must have a limit, and you must stop people from buying land in large blocks. If the Maoris wish to lease only, as has been done on the west coast of the North Island, you need not prevent their doing so. The Maoris, unfortunately, have not learnt much thrift or foresight, and I am afraid the tendency in them would be to sell more land than they ought to sell, and not to reserve sufficient for themselves. That system should be adopted, and all private dealings in land stopped. I am

willing to give the Native Minister all necessary assistance to protect the Maoris; and, instead of the State buying land, I would say to the Natives, "If you wish to sell your land you must consult the Waste Lands Board; we will aid you to survey and road it, and in that way you will get full value for your land, and we can put a stop to those who rob you of it." The Natives will get value, and the colony every benefit. The Maoris have very great grievances, but I do not think that adopting the right of pre-emption will remedy them. What is the meaning of "pre-emption?" I agree with the honourable member for Hawke's Bay that pre-emption simply means that the Crown is to have the first offer, but it was never meant by pre-emption that the Crown was to have the first offer at a lower price than the Maoris could get from other people. I had a letter from a Maori yesterday, in which he states—I need not give the names—that he had an interest in a block of 600 acres or 700 acres, but the Government had put a Proclamation upon the land. Apparently the Government is offering something like 12s. 6d. an acre for land worth £3 an acre. The land was assessed at £3 an acre, and there was a person in the district who would have given that price for it; and I say it is entirely unfair for the Government to say to the Natives, "You must give us this land at 12s. 6d., although an outside purchaser would give £3 for it." How would Europeans like to be treated in that way? Under "The Native Rights Act, 1865," they are entitled to the same rights as Europeans, and therefore the Maoris have a great grievance, and I sympathize with them. We have no right to seize their land at a price less than they can get for it in the open market from other people. That is what they object to, and I would urge the House to consider that objection. Of course I will move in that direction, and, whether successful or not, I believe in doing what I consider is just for Maoris and Europeans alike. I do not mean to say that every detail is perfect in "The Native Land Administration Act, 1886," but I wish to see that principle in force. We should go to the Maori people and say to them, "If you wish to sell your lands we will act for you as a medium in the sale. You shall get the very best price that can be got for your land; it shall be sold by auction; we will not allow you to sell it in large blocks, but with the same restrictions as our waste lands are sold under. We will help you by making a temporary advance for roading and survey, and the Auditor-General shall see that the money is properly applied. You will get cash for it, and you will get rid of the people who live on you—the agents and Commissioners. Or, if you wish to lease the land, we will prepare it for you; we will get the rents audited, and we will arrange for their collection, and see that justice is done." What harm could there be in giving the Maoris this right? It is unfair to expect that the race can compete with us in land-dealing or in anything else, and we ought to try to do what we can to preserve the race.

Sir R. Stout

To force them to go into the open market and compete with us is to ask a race which has for years lived a communal existence to jump at once to a higher civilisation, and no race can do so. The lines I have mentioned are the ones that reform should take, and I believe it will be a fair compromise, and one the Maoris will accept. But if you force on them this pre-emption, and take the land from them at any price, you are casting a great burden on them, and they will consider that they are resting under a heavy grievance, which no amount of speech will ever get rid of. All I ask this House to do is to give the Maori people real justice; and we can give them that justice without doing any injustice to other parts of the population of this colony. We have by law—our honour itself—pledged to treat them as we treat Europeans. They have equal rights with us, and I say it is utterly unfair that we should seize their land at a less price than they can get for it from other people. That, I think, is the line reform should take. Then, they want committees to act for the owners of the land; and we should allow them to elect their own committees to manage the land. They can elect them annually or triennially, and the committees can confer with the Land Board, and the Land Board can proceed to deal with the land, and you can reserve burial-places, pas, and cultivations, and by that means you will educate the race and do what you can do to preserve it. I have to say one word more. There is no doubt that the Maori race is lessening in population very largely. In the North of Auckland, where you would think the Maori race would be better preserved than in other parts of New Zealand, there is great trouble amongst them. They are decreasing very much in numbers; diseases have got amongst them, more particularly consumption, and there is a bitter outlook in many respects for the race. Let us look at the thing fairly in the face. We have to remember, therefore, if we wish to preserve them and their lands from ruin, we must preserve the land for their successors—the Crown is the *ultima hæres*—so that in that respect we are not putting our population to any undue strain in looking at it from the race point of view as far as effecting the preservation of the Maori race is concerned. There is another reason why we ought to take great care that the race should be preserved and not be lost. It is a noble race, with many noble qualities; and on the ground of brotherhood, now that we live amongst them, we ought to strain a point to preserve them, just as if they were our own flesh. I say it is entirely unjust, entirely inhumane, for this colony to kill the race: for that will be the case if you force them into individualising their titles and introduce free-trade in land. I appeal specially to this House to consider the principle of the laws we have passed to limit, as it may be termed, individualisation in the struggle for life. What are our Factories Act, our Shop-assistants Act, and all the restrictions we are passing this session, and passed in the last Parliament? It

is the protest against extreme individualism—against the extreme struggle for life. It says there are weak ones amongst ourselves that have to be preserved, and if you allow extreme individualism and capitalistic monopoly the weak ones must go to the wall. If we are doing this for our own people, why should we not apply the same law to the Maori race in order that it may be preserved with far more care than it has been? I do therefore beg that their lands be dealt with under the system I have indicated. I am not going to say that it can be worked out without trouble. I believe it can be worked out with the sympathy and co-operation of the Maori people. It may be that the Act of 1886 was not accepted by them; they did not understand it, and they had what were called pakeha-Maoris who denounced it, and said it would do great injury to the Maori people, because they wanted what is called individualisation of titles to enable them to get hold of the land. They wanted to have the right to purchase at whatever price they pleased, and that was the class who opposed the introduction of the Act. I believe it is the only Act that would tend to preserve the race and to do equal justice to both, and I wish this House to remember that in doing what I ask it is not inflicting injury upon the European people, but it will really be raising the same feelings of brotherhood amongst them when we shall have done what we can to preserve the Maori people.

Mr. MITCHELSON moved the adjournment of the debate.

Debate adjourned.

The House adjourned at a quarter to one o'clock a.m.

LEGISLATIVE COUNCIL.

Monday, 1st October, 1894.

First Reading—Major C. Brown—Land for Settlements Bill.

The Hon. the SPEAKER took the chair at half-past two o'clock.

PRAYERS.

FIRST READING.

New Zealand Consols Bill.

MAJOR C. BROWN.

The Hon. Mr. BARNICOAT brought up the following report of the Public Petitions Committee on the petition of Major Charles Brown:—

“The Public Petitions Committee, having carefully considered the petition of Major C. Brown, of Taranaki, praying for inquiry into alleged grievances, and that he be afforded an opportunity of removing the great reproach cast on his long public service, and having taken evidence thereon, have the honour to report that your Committee, having considered all the facts brought before them, are of opinion that the petitioner is entitled to have the case fully investigated by the Chief Judge of the

Native Land Court, and that the Government should take the necessary steps for this purpose.”

He moved, *That the report do lie on the table.*

The Hon. Sir P. A. BUCKLEY thought it was only fair to the Government that he should make some explanation with regard to the report of the Committee. In the first place, he would say that he had no desire whatever to cast the slightest reflection upon the Committee; but unfortunately the Hon. Mr. Cadman, who had been confined to his bed for some time, had not been able to attend the Committee and give evidence. The Committee reported without taking his evidence, and without having taken the evidence of any one from the Native Office. If the Government had been asked they would have put before the Committee evidence of a character that would have justified the action taken by the Government. He therefore begged to move, *That the Standing Orders be suspended*, in order that he might move that the report be referred back to the Committee for the purpose of taking evidence which would be submitted to it.

The Hon. Mr. BARNICOAT said that this petition had been a long time under consideration. The Committee had been waiting for more evidence, which they had sought again and again. The Native Minister and the Minister of Justice had been more than once invited to give evidence, and they were invited to attend that morning when the Committee came to a decision. In every way they had sought more evidence, if more was to be had, and had carefully considered what evidence there was. A copy of Mr. Brown's petition had been sent to the Under-Secretary for Native Affairs, Mr. Haselden, to report on, and that officer had sent in a full report, which had been fully considered. If the motion of the Colonial Secretary were passed, the case would again be considered by the Committee; but he might remark that already it had not been loosely considered, but very deliberately, and all accessible evidence taken. The Committee had passed no opinion whatever on the action of the Government, but had merely recommended that the prayer of the petitioner be granted and that an investigation of the case be made by an independent tribunal.

The Hon. Mr. PHARAZYN said, after what had fallen from the Chairman of the Committee, he thought the Hon. the Attorney-General, who had quite properly endeavoured to put the Government in a proper position in reference to this matter, might withdraw his proposal, and let the report of the Committee be acted upon by the Government. It was only a recommendation for an investigation.

The Hon. Sir P. A. BUCKLEY.—It is more than that.

The Hon. Mr. PHARAZYN said it did not seem to him more than that. His honourable friend Mr. Barnicoat had said that the Committee expressed no opinion on the subject; they merely said that the matter ought to be investigated by a Judge of the Native Land Court. Major Brown had published a pamphlet,

which was merely, of course, an *ex parte* statement of the case; but on reading that he certainly came to the conclusion that the matter ought to be thoroughly investigated, in justice both to the Government and to Major Brown himself.

The Hon. W. DOWNIE STEWART said of course it was impossible to say what evidence the Government would bring before the Committee, but, assuming that the documents which had been brought before the Committee disclosed generally the nature of the petitioner's grievances, it seemed quite obvious, in the first place, that there was no reflection whatever cast on the Government; but the Committee thought that the circumstances were sufficiently doubtful, to put it in the mildest way, to justify Major Brown's having the matter investigated by some outside tribunal; and that tribunal was one which the petitioner himself suggested—namely, the Chief Judge of the Native Land Court. The circumstances were somewhat involved. The chief facts were brought out before District Judge Kettle, who tried a case in which the circumstances came out to a certain extent, and the jury in that case held practically that Major Brown had correctly interpreted the document in regard to which he was now impeached, and that, in fact, so far as Major Brown was concerned, he had distinctly complied with his duty in interpreting the document. It was suggested that the Government had some other charges against Major Brown; but the Committee did not consider themselves called upon to investigate any charges which were not before the Committee, even supposing the Government could bring forward evidence of a very strong character justifying, in their opinion, the step which they had taken. There was no doubt that Major Brown had been connected publicly with the Native Department for a considerable number of years. As far as could be known, this was the first imputation which had been cast upon him—at all events publicly. He did not know anything about the circumstances, but he was quite satisfied that the proper course, in the interests of the Government themselves, was to have the matter investigated by some outside tribunal. The suggestions or insinuations which had been levelled against Major Brown were of a very grave character, and such that no man who had occupied the position which he had occupied would allow to rest. There was one matter which he wished to refer to, and that was that the Government showed a very great want of courtesy—not intentional, perhaps—to these Committees. The Committee met morning after morning; they were informed that the Government had been communicated with, but no member of the Government had attended the Committee, or sent any one to represent them. Committees were very often left to hunt after information themselves in order to bring up their reports. In this case, the correspondence between the Under-Secretary for Native Affairs (Mr. Haselden) and Major Brown, and Major Brown's statement of the case, and Judge Kettle's report were all

Hon. Mr. Pharazyn

brought before the Committee, and were considered; and upon these different documents the Committee came to the conclusion that the case was a matter for investigation by the Chief Judge of the Native Land Court. He did not know what the Council might say about the matter, but he had a very strong opinion that Major Brown was entitled, before his removal from office, to have the matter investigated by a tribunal in which Parliament would have confidence.

The Hon. Mr. BOLT felt that he was expressing the opinion of most members of the Committee when he said it was generally considered by the Committee that it would be very desirable to have some evidence from the Government upon this question. It was quite evident, at least to his mind, that the Government would not have taken the action which they did—namely, that of striking Major Brown off the Commission of the Peace—without having some good reasons for doing so. The Committee thought it was very unfortunate that they did not have some evidence from the Government. At any rate, for his part he would like to see this question referred back to the Committee, so that such evidence as was forthcoming might be taken.

The Hon. Mr. SWANSON was a member of the Committee, and he looked upon the case as being this—namely, that it was practically a charge against the Government. That was what it meant. Major Brown contended that he had been unjustly treated by the Government in being struck off the Commission of the Peace and having his license as interpreter cancelled. He therefore wanted some person outside, whom he named, to be appointed to judge the case, and this the Committee had agreed to—he (Mr. Swanson) thought, not very wisely, for it was unusual for a man on his trial to have the selection of his Judge. Major Brown asked that an outside power should investigate the case. That request was agreed to. He had no fault to find with the Judge, and he might be entirely impartial. Even if the Committee had waited several more days, he still thought the Government ought to have been heard, because, if the report meant anything, it meant a condemnation of their conduct.

An Hon. MEMBER.—No.

The Hon. Mr. SWANSON said that might not appear so to the honourable gentleman's legal mind, but it did so to his mind. Major Brown complained about what had been done to him, and asked to have inquiry made outside the Government before there was any chance of the Ministers being heard on the subject. He would support the motion, with a view to the report going back to the Committee to obtain further evidence.

The Hon. Mr. KELLY had no objection to the report being referred back to the Committee for the purpose of taking new evidence, but he demurred to the statement that the report of a Committee on the petition of a petitioner who had a grievance could properly be viewed as a charge against the Government because the Committee recommended an inquiry by

the Chief Judge of the Native Land Court. One of the functions of the Legislature was to redress grievances of petitioners against the Crown, and, if no redress was to be obtained against the Crown by petition to the Legislature, the privilege was a farce and a delusion. Neither this nor any other Government was free from error, and the Government should not consider the report of a Committee, honestly made, a hostile one.

The Hon. Sir G. S. WHITMORE knew nothing about this case, but he wished to say that there was no question that within the Province of Taranaki Major Brown had been a good servant to the country, and it did appear to him that, after a long career, lasting, to his knowledge, thirty-three or thirty-four years, he should not be denied, at all events, a chance of making his case good. He should be very glad to see the case referred back to the Committee. Major Brown had served the country in a laudable manner for a long period of years, and had made himself respected by all the people in the Taranaki Province.

The Hon. Mr. BOWEN said the Council as a whole had heard nothing about the merits of this case, and it was very important that in coming to any decision on the matter they should have the whole of the facts before them, because it appeared that there was the character of the man at stake as well as his prospects; and there was, on the other hand, the question of how he had been dealt with. He did not quite understand, as the matter had now come before the Council, why the Committee had not had the information they wanted before them. He understood that they had applied for it, but, of course, it was not always convenient for a Minister to be present when there was a great deal of work going on. But he thought, at any rate, all the documents or information in the department ought to have been given to the Committee without delay. In the Native Department, for instance, there were Under-Secretaries and others who could have given the information necessary. He thought there must have been some departmental neglect in the matter. He was only judging from what had been stated in the Council. As the matter stood, they were aware that there was further evidence that could be got, and, in the interests of all concerned, he thought that such evidence should be obtained.

The Hon. Sir P. A. BUCKLEY wished the Council to understand that he had no intention whatever of reflecting upon the action of the Committee. He also wished to inform his honourable friend that the honourable gentleman most concerned, who had been summoned to appear, the Hon. Mr. Cadman, was unable to attend, as it was well known that he had been confined to his bed for some time; the Committee therefore came to their conclusion without hearing what he had to say on the matter. He thought it was quite as much in the interest of Major Brown as in the interests of the Government that this information should be supplied to the Committee and to the Government. He held that it was only right

that every subject of Her Majesty should petition Parliament if he chose to do so, and he had a perfect right to be heard. He thought that before coming to a conclusion on the matter the Committee might have had a little patience, so as to enable the evidence to be submitted to it.

Amendment agreed to.

The Hon. Sir P. A. BUCKLEY moved, *That the report be referred back to the Public Petitions Committee for the purpose of obtaining further evidence.*

The Hon. Mr. BARNICOAT hoped the Colonial Secretary, having moved that the matter be referred back to the Committee, would see that further evidence and information were brought forward. He could only say that they had been endeavouring to get evidence from the source indicated by the Hon. the Colonial Secretary, but were unable to obtain any more. The evidence they had was complete, he thought, comprising as it did a very full report from the Under-Secretary for Justice. He understood the Colonial Secretary to absolve the Committee from any charge of haste or unfairness. He wished to state on behalf of the Committee that the last thing the Committee intended was to impute any fault to the Government. Their desire was rather to enable the Government to completely exculpate themselves. At present the Government seemed to him to have committed an act which might admit of being interpreted harshly, and such a tribunal as was proposed by the Committee ought to be in a position to absolve the Government from any such charge. He hoped the Colonial Secretary would promise that further evidence should be obtainable by the Committee, and that they should not have to sit again and again awaiting information which they were not able to acquire.

The Hon. Mr. STEVENS would like to know whether the Council would be afforded an opportunity of seeing the evidence, as well as the report that was brought up by the Committee, as it did not appear to be on the table at present. With regard to those members of the Committee who had expressed dissatisfaction at the whole of the evidence procurable not being taken, there was no evidence or copy of the proceedings attached to the report, as was usual in the case of Committees on Bills. It occurred to him that if they were placed in possession of the proceedings in manuscript they might be able to form an opinion on the report of the Committee when it came down.

The Hon. W. DOWNIE STEWART said the matter had not been hastily considered. It had been before the Committee a number of weeks, and, if the Government had not placed such evidence before the Committee as they should have done, it seemed to him that they had themselves entirely to blame.

The Hon. Sir P. A. BUCKLEY thought the explanation he had given, that the Minister in charge of the department was ill in bed, would have prevented the honourable gentleman from casting any further reflection on the Government.

The Hon. W. DOWNIE STEWART said there seemed to be some misunderstanding. There was nothing whatever to prevent the evidence available being given by the Under-Secretary. In no case had there been any reflection on the Hon. Mr. Cadman, because, so far as he could understand the case, the whole thing had been conducted by correspondence. As far as he could see, the Committee had the whole of the correspondence before them. The chief difference seemed to be as to whether the matter should be referred for investigation to the Chief Judge of the Native Land Court, or to a tribunal selected by the Government itself. They thought it was better, on the whole, that the judicial head of the Native Department should decide a question of this kind, and he thought so still. But it seemed to him, in order that there should be no suggestion of the Committee having come hastily to a conclusion, if there was any further evidence to be obtained, it was desirable that it should be so obtained.

Motion, *That the report be referred back to the Public Petitions Committee for the purpose of obtaining further evidence*, agreed to.

LAND FOR SETTLEMENTS BILL.

On the question, *That this Bill be now read the third time*,

The Hon. Mr. BOWEN moved, *That the Bill be recommitted*.

The Council divided on the question, "That the word 'now' stand part of the question."

AYES, 8.

Buckley	Kelly	McCullough
Feldwick	Kenny	Montgomery.
Jenkinson	Kerr	

NOES, 23.

Acland	McLean	Stewart
Barnicoat	Morris	Swanson
Bolt	Oliver	Taiaroa
Bowen	Peacock	Walker, L.
Dignan	Pharazyn	Whitmore
Grace	Reynolds	Whyte
Holmes	Richardson	Williams.
MacGregor	Stevens	

PAIR.

<i>For.</i>	<i>Against.</i>
Jennings.	Shrimski.

Majority against, 15.

Amendment agreed to, and Bill recommitted.

IN COMMITTEE.

Clause 8.

The Hon. Mr. BOWEN moved to add the following proviso:—

"Provided that such selection may be composed of first-class, second-class, and third-class land; and that the area selected shall be so determined that the acreage of each class shall not exceed proportionately the prescribed maximum."

The Committee divided on the question, "That the proviso be added to the clause."

AYES, 22.

Acland	MacGregor	Stevens
Barnicoat	McLean	Stewart
Bolt	Oliver	Swanson
Bonar	Peacock	Taiaroa
Bowen	Pharazyn	Whitmore
Dignan	Reynolds	Whyte
Holmes	Richardson	Williams.
Kelly		

NOES, 8.

Buckley	Jennings	Montgomery
Feldwick	Kenny	Rigg.
Jenkinson	Kerr	

PAIR.

<i>For.</i>	<i>Against.</i>
Ormond.	McCullough.

Majority for, 14.

Proviso added.

The Hon. Mr. BOWEN moved, *That the following new clause be added after clause 6:—*

"No land shall be taken compulsorily until a description thereof has been forwarded to the Council of the county in which such land is situated, or, in any county in which 'The Counties Act, 1886,' is suspended, to the Road Boards within the said county, and the said county or the majority of the said Road Boards have reported to the Governor on the suitability of the land proposed to be taken. It shall be the duty of such County Council or Road Boards (as the case may be) to report their opinion within fourteen days after receipt of such description."

The Committee divided.

AYES, 15.

Acland	McLean	Stevens
Barnicoat	Oliver	Swanson
Bowen	Peacock	Walker, L.
Dignan	Reynolds	Whyte
Holmes	Richardson	Williams.

NOES, 15.

Bolt	Kelly	Pharazyn
Buckley	Kenny	Rigg
Feldwick	Kerr	Stewart
Jenkinson	MacGregor	Taiaroa
Jennings	Montgomery	Whitmore.

PAIR.

<i>For.</i>	<i>Against.</i>
Ormond.	McCullough.

The Hon. the CHAIRMAN gave his casting-vote with the "Noes."

New clause negatived.

Bill reported, with further amendment.

The Council adjourned at five minutes to five o'clock p.m.

HOUSE OF REPRESENTATIVES.

Monday, 1st October, 1894.

First Readings—Factories Bill—Government Advances to Settlers Bill.

Mr. SPEAKER took the chair at half-past seven o'clock.

PRAYERS.

FIRST READINGS.

Mining Bill, Native Land (Validation of Titles) Bill.

FACTORIES BILL.

On the consideration of the amendments made by the Legislative Council in this Bill,

Mr. REEVES said, though he should not ask the House to agree with all the amendments made by the Legislative Council in this Bill, yet at the same time it was his pleasant duty to express his sense of the reasonable, fair, and businesslike spirit in which, on the whole, this Bill appeared to have been treated in another place. On more than one occasion he had had to protest—sometimes rather vigorously—against the manner in which labour Bills, so-called, had been treated by the Council; and so he thought it was only proper on this occasion to say exactly the opposite, because it was right that the spirit in which the Council had treated this Bill should be fairly recognised. A number of amendments had been made, but with many of them he should not ask the House to disagree. In some cases these amendments were positive improvements, and appeared to have been inserted with a genuine intention of making the Bill better. In one or two other cases the amendments made were really of the most trifling character. In certain other cases he did not consider that the amendments were improvements, but, as some of them were of no importance, he should not ask the House to disagree with them. Certain of the amendments, however, were distinctly blots, he thought, on the Bill, of sufficient importance to warrant his asking the House to disagree with them, and asking the House to appoint a Committee to draw up reasons for disagreement. He would not, unless the House wished, dwell upon those amendments with which he should not ask the House to disagree, but would briefly explain the amendments with which he wished the House to disagree. First of all, there was an amendment in the first line of the new subsection put into clause 20. That was a very good subsection, or was intended to be: that was to say, it insisted that a record should be kept in every factory of the sums earned by the workers there, for the purpose of submission to the Inspector, who should, of course, use it in the preparation of his annual report, subject to the provisions and conditions which regulated the using of all information given by factories. However, in wording it—probably inadvertently—the word “wages” had been used instead of “earnings”—that was to say, a record was to be kept of the wages paid. It ought to have been of the “earnings” paid or received, because, of course, wages paid would exclude, he believed, under a decision, the earnings of piece-workers; and it was most desirable, if a record was to be kept at all, that a record should be kept of the earnings of piece-workers. Then, again, for a reason, or without one—for the action was inscrutable—the Council had struck out the last paragraph of clause 54. That was a paragraph

inserted to prevent women from working in factories at certain times when to do so would be most injurious to their health. That clause, he might say, had been inserted in the English Factories Act; and why the Legislative Council of New Zealand should object to the insertion of such a proviso as that, of so humane and needful a character,—a proviso which the English Parliament had not objected to,—he confessed was a mystery to him; but probably, on conference, the Council would see fit to reconsider that decision. Then, there was an amendment in clause 56, to which, as it stood, he strongly objected, although he did not think the Council had put it in with any sinister motive. Clause 56 stated that no child should work in a factory, and the Council had added the words “save with the consent of the Inspector.” Now, at first sight, that appeared to be an extremely proper addition; but they must remember that “factory” now, under this new Act, would consist of every place in which two persons worked. One of these persons might be the employer, so that the employer and one employé would make a factory. Now, it was obvious that many factories would be of a domestic character—that they would be part of the house in which the families lived. It was suggested that children belonging to a family factory might well be allowed, for example, to sweep out in the morning the room of which the so-called factory would consist, and unless a permit was allowed to be given by the Inspector, even that could not be done. However, as the reason for putting that in was that it should apply to those very small factories, he thought it should be clearly stated that it could only be allowed to apply to these small domestic factories, and that on no consideration should children under fourteen be allowed to work in the larger factories. He imagined the Council would make no objection to that. Then, in section (c) of subsection (3) of clause 63, by an obvious error in the wording, the Council had enacted that fish-curing factories should be exempted from the operation of the half-holiday clause during the fruit-preserving season. Then, there was a new proviso inserted in subsection (2), clause 63: the half-holiday clause. Now, reasonable as that proviso appeared to him, he wished to ask the House to disagree with it, for certain reasons. It was a proviso that, where a shopkeeper was also a factory-owner, and the shop and factory were attached to each other, he should be allowed to close the factory on the day on which his shop was compulsorily closed by any Act compulsorily closing shops. The meaning was that, if the closing-day for the shop was Thursday, and the closing day for the factory was Saturday, the shop- and factory-keeper should be allowed to close both shop and factory on Thursday. That was exactly the reverse of what he thought should be done. He thought that the shopkeeper should be allowed to close his shop on the factory-day, but not to close his factory on the shop-day. It was obvious that the factory-day usually in the larger places was Saturday, and was likely to remain Saturday. He

wished to do nothing which would deprive any of the factory-hands of the Saturday half-holiday, and to force them to close on the shops day—which might be Wednesday or Thursday—would do that. He thought the Council would probably offer no objection to reversing the action of the amendment, and he asked the House to disagree with it. The Council had struck out clause 64 entirely: that was the clause which gave the half-holiday to adult workers. He did not know that there was so much hope of the Council giving way on that point, but, as a matter of principle, he would ask the House to disagree with that. If they could not get their way on that, possibly it would require an Eight Hours Bill, which he trusted would pass into law next session, and would regulate the hours of adult labourers. Although he asked the House to disagree with these amendments, he thought it only right to express his sense of the reasonable way in which this Bill had been treated, and to express the conviction that, if the House was met in the same reasonable spirit with regard to these amendments, this Bill, which he trusted would go on the statute-book shortly, would not only be the best Factory Act in the Empire, but, he honestly believed, the best Factory Act on any statute-book in the world. He moved, That this House agrees with the amendments made by the Legislative Council in the Factories Bill, with the exception of the following: Those in the first line of new subsection (20); in the last paragraph of clause 54; in clause 56; in the new proviso inserted in subsection (2), section 63; and subsection (c) of section 3 of clause 63, with which it disagrees: and that this House also disagrees with the Council's action in striking out clause 64: and that Sir R. Stout, Mr. J. W. Kelly, and the mover be appointed a Committee to draw up reasons for so disagreeing.

Motion agreed to.

GOVERNMENT ADVANCES TO SETTLERS BILL.

On the question, That this Bill be recommended for the further consideration of certain clauses,

Mr. W. KELLY moved, That clause 25 be recommitted.

The House divided.

AYES, 23.

Allen	Kelly, J. W.	Saunders
Bell	Lang	Smith, G. J.
Buchanan	Mackenzie, T.	Stout
Button	Massey	Tanner
Earnshaw	McNab	Te Ao
Fraser	Mitchelson	<i>Tellers.</i>
Graham	Newman	Guinness
Heke	Parata	Kelly, W.

NOES, 30.

Buddo	Flatman	Lawry
Carncross	Hall-Jones	Mackintosh
Carnell	Hogg	McGowan
Carroll	Houston	McKenzie, J.
Collins	Joyce	McKenzie, R.
Duncan	Larnach	Meredith

Mr. Reeves

Mills	Reeves	Ward.
Morrison	Seddon	<i>Tellers.</i>
O'Regan	Stevens	Harris
Pinkerton	Thompson	Montgomery.
Pirani		

PAIRS.

<i>For.</i>	<i>Against.</i>
Duthie	Cadman
Green	McLachlan
Russell, W. R.	Russell, G. W.

Majority against, 7.

Motion negatived.

Mr. T. MACKENZIE moved, That the preamble and clause 11 be recommitted.

The House divided.

AYES, 13.

Buchanan	Lang	Thompson.
Button	Massey	
Crowther	Mitchelson	<i>Tellers.</i>
Fraser	Parata	Allen
Heke	Te Ao	Mackenzie, T.

NOES, 40.

Buddo	Kelly, J. W.	Pinkerton
Carncross	Kelly, W.	Pirani
Carnell	Larnach	Reeves
Carroll	Lawry	Saunders
Collins	Mackintosh	Seddon
Duncan	McGowan	Smith, G. J.
Earnshaw	McKenzie, J.	Stevens
Flatman	McNab	Steward
Guinness	Meredith	Tanner
Hall-Jones	Mills	Ward.
Harris	Montgomery	
Hogg	Morrison	<i>Tellers.</i>
Houston	Newman	Graham
Joyce	O'Regan	McKenzie, R.

PAIRS.

<i>For.</i>	<i>Against.</i>
Duthie	Cadman
Green	McLachlan
Russell, W. R.	Russell, G. W.

Majority against, 27.

Amendment negatived.

Mr. MONTGOMERY moved the recommitment of clause 64, for the purpose of striking out certain words, with a view of inserting the following words: "who shall at the end of each financial year apply the whole of the moneys received on account of the principal moneys as aforesaid during the preceding financial year in redeeming land-bonds by means of annual drawing."

The House divided.

AYES, 23.

Allen	Lang	Smith, G. J.
Bell	Mackenzie, T.	Stout
Buchanan	Massey	Tanner
Button	Mitchelson	Te Ao
Fraser	O'Regan	Thompson.
Graham	Parata	<i>Tellers.</i>
Heke	Pirani	Montgomery
Kelly, J. W.	Saunders	Newman.

NOES, 31.

Buddo	Carnell	Crowther
Carncross	Carroll	Duncan

Earnshaw	Mackintosh	Reeves
Flatman	McGowan	Seddon
Hall-Jones	McKenzie, J.	Stevens
Harris	McKenzie, R.	Steward
Hutchison, W.	McNab	Ward.
Joyce	Meredith	
Kelly, W.	Mills	<i>Tellers.</i>
Larnach	Morrison	Collins
Lawry	Pinkerton	Hogg.

PAIRS.

<i>For.</i>	<i>Against.</i>
Duthie	Cadman
Green	McLachlan
Russell, W. R.	Russell, G. W.

Majority against, 8.

Amendment negatived.

Mr. MASSEY moved, That the Bill be recommitted with the view of inserting the following new clause: "Where any person or company lends money at five per centum interest or less no mortgage-tax shall be charged."

The House divided.

AYES, 12.

Allen	Lang	Thompson.
Button	Mackenzie, T.	<i>Tellers.</i>
Earnshaw	Mitchelson	Bell
Fraser	Stout	Massey.
Heke		

NOES, 40.

Buddo	Joyce	Pinkerton
Carnell	Kelly, J. W.	Pirani
Carroll	Kelly, W.	Reeves
Collins	Larnach	Saunders
Crowther	Mackintosh	Seddon
Duncan	McKenzie, J.	Smith, G. J.
Flatman	McKenzie, R.	Stevens
Graham	McNab	Steward
Guinness	Meredith	Tanner
Hall-Jones	Mills	Ward.
Harris	Montgomery	
Hogg	Morrison	<i>Tellers.</i>
Houston	O'Regan	Carncross
Hutchison, W.	Parata	McGowan.

PAIRS.

<i>For.</i>	<i>Against.</i>
Duthie	Cadman
Green	McLachlan
Maslin	Smith, E. M.
Russell, W. R.	Russell, G. W.
Te Ao.	Pere.

Majority against, 28.

Amendment negatived.

Mr. EARNSHAW moved, That the Bill be recommitted in order to consider the following new clause:—

"Out of the interest received from mortgages under this Act, a sum sufficient to pay the tax on all mortgages under this Act, as if the mortgage had been to a private company, shall be paid to the Land-tax Commissioner."

The House divided.

AYES, 17.

Allen	Buddo	Heke
Bell	Button	Lang
Buchanan	Fraser	Mackenzie, T.

Massey	Newman	<i>Tellers.</i>
Mitchelson	Stout	Earnshaw
Montgomery	Thompson.	Smith, G. J.

NOES, 38.

Carncross	Joyce	Parata
Carnell	Kelly, J. W.	Pinkerton
Carroll	Kelly, W.	Pirani
Collins	Larnach	Reeves
Crowther	Lawry	Saunders
Duncan	Mackintosh	Seddon
Flatman	McGowan	Stevens
Graham	McKenzie, J.	Steward
Guinness	McKenzie, R.	Tanner
Hall-Jones	McNab	Ward.
Harris	Mills	<i>Tellers.</i>
Hogg	Morrison	Maslin
Houston	O'Regan	Meredith.

PAIRS.

<i>For.</i>	<i>Against.</i>
Duthie	Cadman
Green	McLachlan
Russell, W. R.	Russell, G. W.
Te Ao.	Pere.

Majority against, 21.

Amendment negatived.

Motion agreed to.

IN COMMITTEE.

Clause 42.—How advances to be made. Sub-section (3): Amount of advance.

Major STEWARD moved to strike out the words "fifty pounds or," and to insert instead the words "twenty-five pounds nor."

Amendment agreed to.

Clause 43.—Conditions subject to which advances will be made.

The following subclause, (b), was struck out: "The lessee is entitled under his lease to compensation for all improvements made by him on the land comprised therein."

Clause 46.—Mortgage docket to be executed subject to provisions of Act.

Mr. WARD moved to add the following new subclause, to follow subclause (4): "The Governor in Council may from time to time by regulations alter any of the aforesaid covenants and conditions or prescribe additional covenants and conditions; but such regulations shall not affect any mortgage existing at the time when they are made."

Amendment agreed to.

Clause 58.—"The Superintendent shall, within sixty days after the close of each financial year as aforesaid, prepare a balance-sheet."

Mr. WARD moved to add, after "prepare," the words "and lay before Parliament, if not sitting, within fourteen days after the commencement of the next session."

Amendment agreed to.

Clause 74.—"The Bankruptcy Act, 1892," shall not apply to this Act."

Mr. BELL moved to add, after "to," the words "debts payable under."

Amendment agreed to.

Mr. WARD moved to insert at the end of the clause, "except in cases where the Colonial Treasurer shall certify, in writing, his consent

to the discharge of a bankrupt from debts payable under this Act."

Amendment agreed to.

Mr. WARD moved the addition of the following new clause:—

"Notwithstanding anything contained in this or any other Act, the following provisions shall apply to every mortgage of leasehold land under this Act:—

- "(1.) The term of the mortgage (in no case exceeding the aforesaid term of thirty-six and one-half years) shall expire on the due date of the prescribed half-yearly instalment next preceding the date of the expiration of the lease, and such instalment shall include the balance of principal then owing under the mortgage.
- "(2.) Subject to the aforesaid modification, principal and interest shall be payable by the prescribed half-yearly instalments.
- "(3.) It shall not be lawful for the mortgagor to surrender his lease or to exercise any right of purchase of the land comprised therein without the consent in writing of the Superintendent.
- "(4.) So long as any moneys remain owing under the mortgage the Superintendent shall have the sole right to receive all sums payable to the mortgagor in respect of compensation or valuation for improvements or otherwise however under the lease, and may at the expense of the mortgagor do all things necessary in order to obtain the same.
- "(5.) All such sums when received by the Superintendent shall be treated as moneys arising from the lawful exercise of the power of sale."

Motion agreed to.

Bill reported, with amendments, and amendments agreed to.

On the question, That the Bill be read a third time,

Sir R. STOUT said,—I do not think that the third reading of this Bill should go through the House without my putting on record my objections to the measure. I do not say I expected that when the Bill went into Committee the Committee would be allowed a free hand in making amendments, but I expected that, at all events, amendments not affecting the principle of the Bill would be considered by the Treasurer, who is in charge of the Bill. But a new doctrine has been laid down, and it is this: that if any person is opposed to the principle of the Bill he is not allowed to suggest any amendment, because it is thought to be fatal to the Bill itself. If that principle is to be carried out in future legislation in this House it makes Committee consideration of a Bill a perfect farce. I wish to point out what I consider defects in this Bill, assuming that the House is willing to affirm the principle that the State is to become a money-lending institution. We have been told that this Bill is not a Bill of class legislation. It

is a Bill of class legislation. First, I point out that it does not give to all persons in the State equal chances of becoming borrowers of money. It limits the right of borrowing to those who have freehold land, or who are tenants of the Crown under certain conditions. It does not give to people who have leasehold land the right to borrow except they be Crown tenants, and it prevents people who have leases—most valuable leases—from getting any advantage under this Bill; such, for example, as tenants of Municipalities, tenants of Harbour Boards, tenants of Education Boards, and those who are tenants—as pointed out by the honourable member for the Grey—under the Native Land Act, dealing with leases on the west coast of the Middle Island. It is therefore in one respect a Bill giving privileges to certain classes of the community, and depriving others of like privileges. I submit that if there is to be a Bill passing providing for lending money it ought not to be confined to the classes that are mentioned in this Bill. All those who have leaseholds that are valuable should have had the same right to borrow from the State up to the half value of their leaseholds as other lessees under this Bill. Then, I need not point out, for that has been done before, that the Bill only gives aid to certain classes. Manufacturers and others who may require assistance for carrying on their work are debarred under this Bill, except they be landowners, from getting any benefit whatever. And it is well known that in the towns where manufactures exist very few manufacturers hold freehold land; consequently they can get no loan on their leaseholds, because they have leaseholds of either church property, municipal, educational, or Harbour Board property. Consequently, manufacturers are not only prevented from borrowing on the security of their machinery, but on the security of the leasehold interest which they may have. Then, I would point out that the original limit has been maintained in the Bill, notwithstanding that many members on the second reading said they were in favour of the limit being reduced. They have been convinced apparently privately, not by arguments in the House, but convinced by some meeting or other, or by private arrangement, and they have consequently voted contrary to the opinions they expressed when they spoke on the second reading of the Bill. It might be very useful for the House to look at the only report I believe that was ever brought up in this House dealing with this subject. That was in the year 1885. If honourable members will refer to the Journals of the House of Representatives of 1885, on the 3rd September, they will see set out at length a report on "Advances to Settlers." That report was brought up by the late Mr. Macandrew, and in that report the limit was fixed at £2,000. Not only was the limit fixed at £2,000, but the amount of the advance was not to exceed one-half the value. There were other provisions in the report which it is not necessary that I should refer to further than to mention that the interest to be

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paid by the settlers was only $4\frac{1}{2}$ per cent. I simply refer to that report as showing that the matter was carefully considered by a special Committee of the House. They did not think proper to give any aid to settlers beyond £2,000, or to advance money beyond half the value of the freehold. There is one thing in regard to which I would congratulate the House, and that is that, instead of having an indefinite amount, as it originally appeared in this Bill, of a million and a half a year, with no limited term, but to go on apparently for ever, the House has—and the Treasurer has consented to it—limited the amount to two years—that is, to three millions. That, no doubt, will be an advantage. I may now state what has happened in reference to the bonds and debentures under the Bill. That is certainly the most peculiar provision in the Bill. We have authorised the Treasurer to borrow in London at 4 per cent. interest. It is true he is not bound to issue bonds at 4 per cent., but he has the power to issue bonds at 4 per cent. in London, whilst we give him power to issue land-bonds here limiting him to $3\frac{1}{2}$ per cent., so that he has no discretion to give 4 per cent., say, in Wellington, for land-bonds, but he may give 4 per cent. in London on moneys borrowed for exactly the same purpose. That is, I think, one of the most peculiar clauses in the Bill. Why he should be permitted to give 4 per cent. to the London money-lender and only $3\frac{1}{2}$ to the New Zealand money-lender I cannot understand, and during all the debates in Committee no explanation was afforded of that peculiar provision. I am now still dealing with some of the clauses of the Bill before saying a few words about the principle. I will now refer to the clause about the Bankruptcy Act. I think it is a great pity that this clause 74 should have been kept in the Bill. What does it mean? It means that the Crown can override every other creditor. I will suppose that a farmer has borrowed, say, £1,000 under this Bill, and that a great calamity happens to him. For example, he may be one of those small farmers who were injured in the Hawke's Bay District by the recent floods; or he may be a farmer in the Taieri district, where the Taieri River might overflow. The river may overflow and seriously injure him, so that it may reduce his property to, say, half its value. He cannot make his interest out of his land. He has borrowed, say, up to two-thirds of the value—that is, £1,500 on the land. He has got about £1,000 on it, but the flood has come and reduced his land in value. He may have lost his stock too; and he may have other creditors. But he may have some stock and other things; but what would happen under this Bill? We will suppose that he owes other creditors £500, and he has property worth £500 outside the farm, we will say, in stock and agricultural machinery. Under this Bill, what may happen? Those creditors who have given him the £500 may be his grocer and his merchant, or those who have advanced money to purchase, say, grass-seed and various other things in regard to which agriculturists get aid.

What will happen under this Bill? The Crown can step in and seize the whole of this five hundred pounds' worth of property, and the other creditors may be left lamenting, and will not get a single shilling. It is not as if the Crown could come in and claim the dividend along with the other creditors. Under this Bill the Crown can step in and seize the whole £500, and the other creditors must go without a shilling. I ask, is that fair? Is it fair, if the Crown is entering upon a business like this, that it should have advantages which no other dealer has? If the man borrowed money from a loan company, or from any ordinary mortgagee, this loan company or mortgagee would have no advantage over the other creditors. They would have the security of the land, but outside of that they could not take a single shilling. They would simply get the same dividend out of the man's estate, if he became bankrupt, as the man's other creditors who had lent him money or who had given him goods. But under this Bill the Superintendent, or the Crown, practically,—this new lending institution,—is to have an advantage that no loan company nor any other person has. I think this is entirely unfair. This is giving the Crown an enormous advantage, and I say the effect of it will be very damaging to a borrower's credit, because if a merchant knows that a man is mortgaged to the Crown he will know that the Crown has a prior right, and that if the man becomes bankrupt he perhaps will not get a single shilling—the Crown will step in and take the whole of it; and therefore this man's credit will be lessened, and though he may get his money at $\frac{1}{2}$ per cent. or even 1 per cent. less interest, it will entirely deprive him of credit so long as you keep section 74 in the Bill—that is, so long as you say that the Crown is to have prior rights, and is not to be bound by the Bankruptcy Act. The Crown in 1892 abandoned all its rights; it said that it was to stand just the same as any other creditor if a man became bankrupt; but under this Bill that law is entirely altered, and the result is, that the Crown will have prior rights, and this man will either be deprived of his credit, or, if other creditors trust him, they will certainly be injured. That is most unfair. I submit that, if the State is to become a money-lender, it should take up the same position as any other mortgagee or loan company. It should have no greater advantages than other lending institutions, and ought to be subject to the same liabilities. That would be fair competition. But the present Bill means unfair competition, and I cannot see how it can be defended. And that brings me to the second point, and that is as to the mortgage-tax. I understood the Treasurer to say, in Committee, in regard to the difference between $3\frac{1}{2}$ per cent. and 5 per cent., that he was willing that the Crown should pay the mortgage-tax. But we learned this evening that he was not willing that the Crown should pay the mortgage-tax. The result is that if three millions are raised under this Bill—and it should keep at three millions—sup-

posing only three millions are borrowed, every year so long as these mortgages exist we shall lose £12,500 of mortgage-tax, which, if this money were lent by a private company, the private company would have to pay. The Treasurer may say that the three millions might be lent by a number of companies, and that each of these companies would have certain exemptions. But that would not be so, because exemptions are only allowed in the case of small mortgages. Therefore the result will be to place this department in an unfair position as compared with loan companies. You are practically foregoing a tax of £12,500 a year, and, if you borrow a million and a half every year after, you are giving up an additional £6,250 every year hereafter upon every million and a half borrowed. What will be the result of that? You are having what is entirely a class-tax. You are allowing—for this is really what it amounts to—you are allowing every mortgagor who borrows from the Crown to get off paying $\frac{1}{2}$ per cent.; he pays 5 per cent., while those who are not fortunate enough to borrow from the Crown are bound to pay $5\frac{1}{2}$ per cent. I submit this is entirely a piece

10.30. of class legislation. Leaving what I may term the details of the Bill, I now wish to point out what this Bill really means. I submit that it means the beginning of a borrowing policy, of which we do not see the end. Now, we—compared with all the countries in Europe, almost—have overborrowed; we are heavily in debt. The honourable gentleman said, I think, on the second reading of this Bill, that if we took the amount of money that had been spent on railways, and added that to the national debt of England, it would have been seen that we compared favourably with England. He is entirely wrong. The total amount spent in the making of railways in England—which would include rolling-stock also—I think, is £865,000,000. That is according to Mulhall. I am willing, however, to give him a thousand millions. If that is added to the present national debt of England, even if we take our population as a basis, we only ought to have borrowed £27,000,000, instead of £39,000,000; and so we at present stand as compared with England very badly—

Mr. WARD.—Have you worked it out?

Sir R. STOUT.—Yes, I have worked it out; and that is what we should have borrowed, taking it at that amount. And if England had borrowed at the rate that we have borrowed she would have a debt—plus the railway debt—of £2,248,000,000; whereas if you add the two together—that is, include the railway debt—her debt is something like £1,600,000,000. That is, even compared with England we do not stand well. We have overborrowed compared with England; and it should be remembered, so far as England is concerned, she has been, so far as she can, reducing her debt. She has reduced the debt since the Indian Mutiny no less than £130,000,000; and so it is with other countries. The United States have, since the war, reduced their debt something like £250,000,000; and we are starting a new borrowing proposal. It

is all very well for the honourable gentleman to say that we shall get by the borrowing proposals sufficient out of our mortgagors. If we are only to get it out of our mortgagors by paying $\frac{1}{2}$ per cent. on the mortgage-tax it is affecting our revenue in another direction, because, as the mortgages increase, our mortgage debt will run off, and we shall have to raise some new form of taxation. But I say that no State ought to borrow money simply because it can invest this borrowed money in getting interest. If you increase the debt, financially it remains a debt to the colony. Look at the total debt. Let any person narrowly scrutinise your income and expenditure, and by this proposal I submit you are affecting the credit of the colony. Now, then, Sir, there are two or three questions which may be asked, and I wish to meet them in a practical way. It may be said, "How are you to help our settlers?" Now, I wish to answer that. I will deal first with those who are your freeholders, and I say, so far as helping them is concerned, that you ought to have utilised your Public Trust Office funds and your Insurance funds, and that would have given you, with prudent management, about half a million a year. If you do not take up Treasury bills you might have, say, from the Post-Office Savings-Bank a quarter of a million a year to lend to settlers, and that will make three quarters of a million for the lending departments to help those who require it. That would have been a prudent thing to do. Then you could have reduced the interest, I believe, to 5 per cent., because, so far as your Public Trust Office is concerned, you only require to pay 5 per cent. up to, I think, £3,000 and 4 per cent. beyond; and, so far as your Government Insurance is concerned, 5 per cent. would have paid them, because their premiums are based on a 4-per-cent. table. But, instead of that, you have invested too much of your Insurance money at less than that—4 per cent., and some of it at $3\frac{1}{2}$ per cent. Because, if that is lent at $3\frac{1}{2}$ per cent. it is entirely bad finance. You are injuring your Government Insurance by making the rate less than what should be the actual rate. So far you are injuring your Public Trust Office also, by making them come out with a deficit. If you are not investing too much in the Treasury bills you should have adopted a practical scheme to help your settlers—at all events, all the freehold settlers—because half a million a year would be sufficient to aid them. You could have adopted such a plan. It might have been asked, "What about your settlers who are just going or have recently gone on to the Crown lands?" They would, no doubt, require assistance. This Bill has given them no assistance of any value, because, so far as the value of the interest of their leases is concerned, during the early years, in which they require assistance from the Crown or from companies, they can get nothing under this Bill. The value of their leases will mean nothing to them. No wonder an honourable member wished to reduce it to £25. Some of them will

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not be able to get £10 under this Bill. It will be no aid to the bush settlers who have been only in the bush six or twelve months. When they ask for some aid to enable them to add to their improvements you should have aided them in another way, and I think it would have been a popular way to aid them. You might have said that for the first three or four years, or even five years, that they were in the bush districts you would not charge them any rent at all. By this scheme you are giving no aid to them whatever. And I would point out, as I have shown, so far as giving aid to settlers is concerned, you can aid them without need of this Bill at all. But I do not think the ideal state of the agriculturist is to be a borrower. I think it has been an immense injury in any country where it has been tried, and honourable members will remember that I said in Committee that I thought the true ideal of the agricultural settler was to be a man who was not mortgaged at all, and who was not in debt. I will not, Sir, take up the time of the House by quoting an authority that I have found since; he bears out the statement I made in Committee. I refer honourable members to a book on 'political economy, by Professor Gide, Professor of the Montpellier University in France. He is talking of borrowing under this very system—the *Crédit Foncier*—that immense syndicate which is lending in France up to one hundred and twenty millions of money. The lending of this money has not been of advantage to the French settler. It has not been of advantage to the French agriculturist. It is not bias, it is not political colour, with Professor Gide. He is writing as a political economist—as a scientific expert dealing with this question—and he points out that the true way to help the settler was to have had the homestead law as it is in the United States. They should not have been allowed to borrow at all on their lands, and they would then have had secured to them their homes, so that their homes could not be taken for debt. Their homes should not be mortgaged or parted with; and if that system had been in existence in France it would have been far better than the mortgage system. He goes on to show what the facility that is given for borrowing by this *Crédit Foncier* system in France has done. He says of the borrower,—

"It might bring him luck once, but might ruin him ten times over. Following an inverse tendency, we should be inclined rather to demand the adoption of certain measures, such as the homestead laws in the United States, which, by preventing the landowner from borrowing, insure to him and his family the safe possession of his land."

That will be found on page 306 of his book on political economy. And so it goes on to show that, instead of this borrowing facility which has been given in France, in Switzerland, and in Germany, helping the small agriculturists, it has been really their ruin or injury. And yet, with all this staring us in the face, we are now to adopt this system for the first time. We are to load our colony

with debt, we are to injure our credit; and for what? Who are to be aided? The people to be aided are the people who are to go up even to £5,000 in amount; and the Treasurer says this is necessary, because if he cannot advance up to the limit proposed—unless he gets mortgages above £2,000—the system will not be a payable system. I ask this House at the last moment, is it fair to adopt this system at all when it has never been considered in the country? When members who have come here pledged to no borrowing have got to go back and reconcile this measure with their pledges to their constituents, when their constituents have never thought out what the indirect effects of such a system might be, I think it necessary, in the short time at my disposal, to point out what this Bill will do. I believe it is mischievous and not necessary, and I believe that all the aid the settlers require could be got from our existing Government Insurance and other departments. I do not think it was necessary to go to the London market for a single penny for the purpose when we could have carried it on without doing that in other ways. And I feel that, so far as our settlers are concerned, if they are encouraged to go into schemes of borrowing, it will happen just as this professor says—it may bring them luck once, but it will bring ruin to them inevitably, and I think it will tend to ruin the colony as a whole. That is why even at the last moment I have entered my protest against this Bill, and I shall certainly vote against it.

Dr. NEWMAN.—Sir, before this Bill goes through its final stages I want to say a few words upon it, as it is a measure of a momentous character. However, I shall not detain the House many minutes. I think the condition of the farmers of the colony is such that, within the limits of moderation, a measure of this kind could have been made a very desirable one, and I should have had much pleasure in supporting such a measure; but I think the Minister has lost a very considerable chance indeed. He had a chance of bringing in a Bill which would have met with the approval of this House and the country had he framed it with more care and been more cautious in the nature of his proposals. Had he proposed to raise a sum of £500,000, and had he proposed to lend that money simply and solely to the farmers for the purpose of increasing the wealth of the country, it would have gone exceedingly well, and if he had limited loans to £1,000 or £2,000, instead of £5,000, he could have had this Bill through a week ago with one-quarter of the opposition that has been raised to it. Had he done what I have pointed out he would have brought in a Bill which would have gained the approval of the country, instead of the hostility of a very considerable portion of it. The speech which the honourable gentleman made in moving the second reading of this Bill is in very striking contrast to the speech which he made to this House at the close of last year, and it is in such striking contrast to the condition of affairs now that I shall read an extract or two from his speech. He said,—

"It is very gratifying to know that during the past financial year our progress has been of the most satisfactory nature. In every direction this is apparent. I have no hesitation in saying that never in the history of the colony were its prospects brighter. Land-settlement has progressed vigorously. Our pastoral and agricultural interests have assumed large dimensions."

Sir, can it be said for a moment that the farmers are to-day in a happy condition? I say No. Then, let us see how he winds up in a glorious peroration, and let us contrast the position stated by him a few months ago and the condition which he pictured in bringing this Bill forward at the present time. He said,—

"Trade and commerce are active and increasing. The bulk of our exports is larger than ever. Our runs have greatly developed. . . . The avenues for employment are large and expanding. . . . It requires only the active cooperation of all classes to steadily advance this colony to an exalted position amongst the countries under the sway of the British Crown."

If he had put in the words "an auxiliary kingdom of the British Crown" he would have made that sentence perfect. What was the condition of affairs with regard to our population at that time? Our population was then increasing; but to-day our population is going away at the rate of about a thousand a month. As regards this Bill, I believe that various amendments could be introduced; and before it finally passes this House, after it comes back from another Chamber, I hope he will introduce several modifications, and make it more workable. I think there should be clauses introduced into it to limit the application of this money. I do not think large buildings, such as hotels, grandstands, *et cetera*, are properties upon which moneys should be advanced. Various other safeguards should also be introduced to enable the scheme to be conducted with something like safety. Then, I would point out the danger there is of lending money on properties situated in bush townships. I refer to what I might call mushroom townships in the country, in which property, we know, goes up for a time, and then comes down with a run equally often. There is, I say, considerable danger in lending money to these bush townships. For a period they have a glowing time of it, but after a very short time the whole thing collapses; and any man or any State that lends money to these country townships will find that in a large number of cases that money is practically lost. Therefore, I say, it is necessary the Lending Board should be guided by regulations under which money may be advanced in this direction. The success or failure of this scheme depends wholly and solely on the Lending Board. If the Lending Board proceeds with care and caution, if it looks into all securities narrowly, and refuses to be led away in times of a boom, then the danger will not be so great as it might be. We know that in times

of a boom it is very dangerous to lend money, because at those periods property goes to what may be termed a fictitious value. I am aware that in some countries of the world this scheme has done a great deal of good to the farming community; the *Crédit Foncier* in France has done good by reducing the rates of interest from 12 and 13 per cent. down to 5 per cent. The scheme has also done good in parts of Germany, where it has also been a great success. But the honourable gentleman cannot get away from the fact that there are many cases in which exactly the opposite has been the result; and we should profit by the mistakes of other people, and avoid following in the footsteps which have led to disaster elsewhere. Let honourable members take the Argentine Republic as an example. In that Republic the scheme, instead of developing into one for the assistance of farmers, has been turned into a mighty engine of disaster to the community. Though it was safeguarded to the extent that not more than one-half the value should be advanced on property, yet the large amount of paper money which was put into circulation lent a fictitious value to the land. The consequence was that money was lent on a paper valuation, and when the bubble burst these lands went down in value until they became almost unsaleable, and since then the Argentine has been in a miserable state of financial embarrassment and stagnation. The same thing, it is true, has been introduced in Victoria; but if this system had been introduced there a few years ago, when the price of land was run up to a fictitious value, one can easily see how great the disaster would have been. Let me point out to the honourable gentleman what occurred in France in connection with the *Crédit Foncier*. A gentleman named Wolowski, who occupied, I suppose, a position analogous to that which will be occupied by the Superintendent under this measure, had the guidance of that scheme at its initiation. M. Wolowski was exceedingly careful and cautious in his management of the scheme, and the result was that nearly all the loans were a success, and most of them were paid off; but a demand came from the outside, and very strong pressure was brought to bear against the manner in which he conducted the institution. They said that under his administration it was altogether too conservative finance, and he was deposed from that position. Two others were put in his place: they were to conduct a more advanced and radical finance. They did so, and the result was that the *Crédit Foncier* under these two men went ahead at such a pace, and lent money so recklessly, that the institution got into very great difficulties, and was almost bankrupt. Then other and more cautious men were put in their place, and the institution was restored to a condition of prosperity and soundness. That is the risk we run here through the introduction of such a scheme as this. If the Lending Board—and the honourable gentleman will be a member of it—adopts a policy of proper caution and carefulness as to how it lends its money, then this Bill can

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be made one of very great value indeed; but I should like to ask the Colonial Treasurer a question upon one or two matters. Upon the second reading, or somewhere in Committee, the Colonial Treasurer said this Bill would not increase our national debt. That seemed to me an extraordinary position to assume. The honourable gentleman is going to have three kinds of stock. He is going to have debentures; he is also going to have inscribed stock; and he is going to have land-bonds that can at any moment be converted. We have twenty-nine millions in what is called inscribed stock, which becomes due in 1929. If he raises the money by inscribed stock, that inscribed stock will become a part of the other inscribed stock, and will become part of the national debt of this colony. If he issues a large number of land-bonds in this colony I cannot quite see how he will be able to get them taken up; and, if he raises a million in London by means of inscribed stock, how can he prevent people at the other end from declaring that this is part of the national debt? I think he has no escape from the position that it will increase the national debt of the colony. I can quite understand that the two millions guaranteed to the bank will not be added to our debt; but unquestionably, when the money borrowed under this Bill is inscribed, it will be part of the national debt, and I think he should, if possible, try to avert that. I think that in floating these land-bonds at $3\frac{1}{2}$ per cent. he is making a great mistake. I think he will be unable practically to float any of these land-bonds in this colony. Had he taken a higher rate of interest he might get rid of them. In other countries where the scheme has been introduced they floated their bonds at a higher rate of interest, something like a par value, and these bonds were parted with from hand to hand, and the money was profitably employed. The honourable gentleman has given us no idea as to how many of these land-bonds he is going to put on the market. Though we have at various times asked him for information upon that subject, the honourable gentleman has vouchsafed us none, and we are still in the dark concerning it. I think this Bill will require modification in various ways. In my opinion, the rate of interest has been fixed too low to pay working-expenses. Of course, if he gets money at $3\frac{1}{2}$ per cent., with $1\frac{1}{2}$ margin to play on, he may be able to pay his way; but if he has to borrow at 4 or 4 $\frac{1}{2}$, and lends at 5, I cannot see how it is possible for him to pay his way, or prevent the colony from incurring a very serious loss. I think the scheme should be safeguarded in this way: that, if the honourable gentleman finds it will not pay to lend the money at 5 per cent., then power should be given to increase the future rate of interest upon these loans. I cannot help thinking that the honourable gentleman would have done a wiser thing if, instead of frightening the English money-lender, he had proceeded on a more tentative scale. In Victoria they propose to borrow only £500,000 a year, whereas the honour-

able gentleman, under this measure, proposes to borrow three times that amount a year.

11.30. And there is this difference: that they borrow their money within the colony and out of their own savings-banks, and the interest is repayable at home; but the honourable gentleman is going to borrow the money in the English market, which, I take it, is very unsatisfactory. It is greatly to be regretted he did not take up the amendment which was divided upon this evening, and which was proposed by the honourable member for Ellesmere. It seems to me that we should now utterly abandon any such thing as a sinking fund. The old idea of a sinking fund is a thoroughly exploded doctrine. Though Priestley and Hamilton and others thought they had only to set aside money in order that it might accrue at compound interest, and so pay off the debt, yet all modern financiers agree with the honourable member for Ellesmere that if you want to get out of debt there is only one way, and that is by paying the debt. In other words, if you have £20,000 or £50,000 in hand, you should pay off £20,000 or £50,000 of the debt. That is the plan, and not to put it into a sinking fund. You, Sir, sitting in that chair for so many years, must have recognised that in the case of a sinking fund, whether for the colony or for a local body, the consequence is that, after the sinking fund has been accumulated by some thrifty Treasurer, an unthrifty Treasurer comes along and takes it up and uses it. At one time the sinking fund in this colony accumulated to three and a half millions; and to-day how much is there left? £850,000. Various improvident Treasurers came in and took all there was; and, if we start with a sinking fund attached to this loan, some Treasurer will come in and borrow all that sinking fund. If the amendment of the honourable member for Ellesmere had been carried it would have meant that, as money came in, so much of the debt would have been exchanged, and then there would have been no money for an improvident Treasurer to lay his hand upon. We have had several local bodies which have accumulated sinking funds, and then they have voted for having them taken up and used. There is another very unsatisfactory thing, and it is that the honourable gentleman has gone in for borrowing all this amount of money at one fell swoop; because, looking over the return of the Lands and Deeds Registration Office, I find the growth each year is about £1,500,000 or £1,600,000. On the 31st March, 1892, the total of mortgages registered was £26,333,000, and it grew to £27,900,000 in 1893. Again, on the 31st March, 1898, it was £27,900,000, and it grew at the end of the year to £29,600,000. That is a little more than a million and a half a year; and yet the honourable gentleman proposes calmly to borrow a million and a half a year. I cannot think a million and a half a year will be absolutely got by him. The pity seems to me that he should have come in with such a large amount, because that is the total growth of all the mortgages, and that includes all above £5,000, and a

large variety of mortgages which the honourable gentleman would not accept under the Bill, and which he has no right to accept under the Bill. This is a fact he stated himself: that he would need only £500,000 this year. It seems to me, then, a pity that he should have put in for £1,500,000 in order to frighten the English bondholder. At the same time, I do admit that this Bill has been improved in Committee, and, if the honourable gentleman had only allowed his followers to improve the Bill as they desired, it would have been made very much better still. I think the limitation of the amount, and making the term two years instead of three, are decided improvements. I shall vote for the third reading, in the hope that the Bill will be further improved in another Chamber, and that next year, if it is found unworkable, the honourable gentleman will bring down an amending Bill, which will make it more satisfactory than it now is.

Major STEWARD.—I do not propose to speak at any length on the policy of this Bill. I spoke previously on the second reading of the Bill; and, with members of the House generally, I am earnestly in favour of the object which it seeks to gain—that is, that the settlers of the country shall be enabled to pursue their industries under a lighter handicap than they have at present. Therefore, Sir, with the general policy of the Bill I agree, and I shall be very glad when it is passed into law. But my special object in rising to-night is to say that I feel very much disappointed with the action of the senior member for Wellington City. It became my duty, in Committee, as a member for South Canterbury, in which district three or four village settlements have been established, and from the settlers of which I have received numerous letters asking that they may be enabled to take advantage of this measure, and pointing out the difficulty in their way—it became my duty, I say, to ask that the minimum of advances that might be given upon improvements should be reduced from £50 to a lesser sum. A number of those holdings are of ten, fifteen, or twenty acres, and the value of the improvements that have been put upon them is, in many cases, not more than £50, £60, £70, or £80 within the last year, and it has been a severe struggle for them to do that in view of the small yield of grain and the abnormally low price for the grain in the English market. The fact is this: that the quotation in England lately—within the last three or four days—is £1 4s. 3d. per quarter for grain, which means 8s. 0½d., and the cost of delivering in London of that grain is 1s. 8½d., which leaves 1s. 4d. to the grower—a price which cannot pay. The men who have taken up these allotments of ten, fifteen, or twenty acres have necessarily done so with the view of putting them down in grass, and in the meantime they have raised grain-crops. They have lost heavily, and have not been able to pay their rentals. My honourable friend the Minister of Lands has been very merciful during the last year or eighteen months, and has not pressed

them for their rent. A number of them have written to me, almost piteously, asking me to do all I can in their behalf, and they have told me that if they are able to get advances of anything like 50 per cent. on what they have already spent on permanent improvements of their sections they will be able to pay their rent and carry on. Now, in some of these cases the permanent improvements do not amount to more than 50 per cent. of £100, therefore it follows that the minimum of £50 will not relieve them at all; and acting at their instance, and in their behalf, I have succeeded up to a certain stage in carrying to-night in this House that the possible amount that may be advanced under certain circumstances, if the Minister is satisfied, shall be £25. Sir, when the amendment of the clause which was committed—clause 42—was moved by me, and was carried, I was surprised to find my honourable friend—I may say my literary friend, who knows thoroughly what ought to be the construction of language—the senior member for Wellington City opposed me on the technical ground that, because clause 42 was committed simply for the reduction of £50 to £25, therefore it was not competent for me to move a further amendment to make the clause consistent with itself. Sir, I simply wish to refer to your own decision, which will be found at page 29 of the "Decisions of Speakers" of New Zealand, which lies on the table of the House, and which says, "It is not in order to recommit a portion of a clause; the whole clause must be recommitted." Therefore, Sir, clause 42 being recommitted, I was clearly within your own ruling, and entirely in order, in moving the addition of the words that were proposed. I do not propose to challenge the decision of the Chairman of Committees, but I simply desire to place this on record. This being a money Bill, it will not, I think—I speak with due deference—be possible for another place to amend the Bill, and therefore it will have to be amended by Governor's message to bring it within the compass of the Queen's English. The section originally read as follows—I refer to subsection (3) of clause 42: "No advance shall be granted for a sum less than fifty pounds or more than five thousand pounds, and every advance shall be for fifty pounds or a multiple of fifty pounds." The Committee has struck out the words "fifty pounds or," and we have inserted the words "twenty-five pounds nor." The subsection therefore now reads, "No advance shall be granted for a sum of less than twenty-five pounds nor for more than five thousand pounds, and every advance shall be for fifty pounds or a multiple of fifty pounds." Therefore the subsection is in conflict with itself. Beginning by saying that no advance shall be less than £25, it ends by saying it shall not be less than £50 or a multiple of £50. It is therefore perfectly evident that the further amendment proposed in Committee was absolutely necessary to make the clause carry the intention of the Committee. It could not be amended, I believe, in another place,

Dr. Newman

and will have to be amended by Governor's message. It is possible it may be amended on the third reading, in accordance with what is done in the House of Commons; but that is the only course that can be pursued.

Sir R. STOUT.—I should like to make a personal explanation. The honourable member has apparently led the House to assume that I was opposed to the reduction to £25.

Major STEWARD.—No.

Sir R. STOUT.—I was in favour of a reduction to £10; and all I said was this. When it was ruled that other sections could not be amended in any other way than by the amendments specially referred to the Committee, I raised the question whether this section of the Bill could be otherwise amended. I was not opposed to the amendment, but I wished the rule to be uniform.

Major STEWARD.—I wish to say I did not challenge the honourable member. What I wanted to point out was that a consequential amendment necessary to the amendment that had been carried had not been admitted in Committee, and that if not put in there it will have to be moved on the third reading of the Bill, or otherwise come down by Governor's message.

Mr. T. MACKENZIE.—I think the House ought to understand perfectly clearly what the honourable member for Waimate did. As far as I was able to gather, the honourable member's speech was an excellent speech to his constituents.

Major STEWARD.—What do you say?

Mr. T. MACKENZIE.—I said it was a most excellent speech, and would be appreciated by his constituents. Sir, the honourable gentleman states that he was very much pleased to have carried the amendment, which would enable his new settlers to take advantage of the Bill. I have not the slightest doubt but that some of these settlers will take advantage of the Bill to the fullest limit, and that in the course of a year or two they will approach this House with a petition and ask to be freed from the interest on these advances. These new settlers have already been before this House. They petitioned to have areas of agricultural country in that vicinity opened for settlement at Waimate. They were clamouring for the land, and said they would improve it, and pay rent and interest upon the cost, and become good and genuine settlers; but they have not had the land two years before they petition for reduction of rent, and the honourable gentleman himself pleads that a whole year's rent should be remitted. That is where the weakness of the Government administration comes in. They buy land with an excessive valuation put on, like Pomahaka, and the people are handicapped for all time. The honourable member groans; and no wonder. Extend this principle sufficiently and you will find a political influence created that will be quite strong enough to come to this House and insist that remissions of rent and of interest shall be made. This Bill is one which I am sorry to think I did not succeed in amending. I should have

liked to have begun by amending the preamble of the Bill, which reads as follows: "Whereas, by reason of the high rates of interest charged on mortgage of land," to add "consequent on the unjust and heavy taxation imposed on the mortgagee, and consequently on the unfortunate borrower." That is what I wished to insert, as it would have made it clear to farmers—that is, the borrowers—that the reason why the rate of interest was so heavy was that people who advanced that money on land had certain taxation placed upon it which was not placed upon other securities. If that amendment had been inserted, they—the borrowing farmers—would have understood the reason why money was dear to them to-day. The preamble goes on to say, "and the heavy incidental expenses connected therewith, settlers are heavily burdened, and the progress of the colony is much retarded." Sir, I did hope that the honourable gentleman in charge of the Bill would bring down a measure of genuine relief to the farmers. Has he done so? He has not. The Bill is largely a deception. Let us take an example. You first of all advance to the settler his £100, and you give him to understand that by paying 5 per cent. on the principal and 1 per cent. by way of sinking fund it will be finally wiped out in thirty-six years; and you give him to understand that with 1 per cent. sinking fund he may by his toil have a free estate to hand over to his grandchildren. Let us inquire into it. A man borrows his £100, and for the first half-year he has only 5 per cent. interest to pay, and 1 per cent. goes towards the final extinguishing of the debt; but take the eighth year, and he is paying 7 per cent.; and in twenty years how much is he paying? Why, 10 per cent.—5 per cent. interest and 5 per cent. principal; and, as the principal sum upon which he has to work diminishes, his yearly payments of principal largely increase—that is, as his ability to pay decreases his calls become heavier. I venture to say, when it is understood in this colony that that is the mode in which this Bill is to be applied—

Mr. J. MCKENZIE.—Does the *Otago Daily Times* say that?

Mr. T. MACKENZIE.—No, the *Otago Daily Times* is different; but I wonder the honourable gentleman reads the *Otago Daily Times*, because he has frequently said that you cannot rely upon the *Otago Daily Times*, and I wonder the honourable gentleman reads anything he cannot rely upon. His time is much too valuable. Let us take this £100 without the aid of the *Otago Daily Times*. I want to show that the annual instalment required from the borrower is too heavy, and that he is not getting that relief that is necessary. I think it would be far better if you charged them the 5 per cent., and let them understand that they can continue at that rate as long as they keep their farms sound. But the amount you require them now to pay off is too much, as there are few farmers making sufficient to enable them to pay off such a large amount. When a farmer borrows his £100, no doubt he imagines he is

getting that sum for the whole period of thirty-six years, but he is doing nothing of the sort. Why, in twelve years' time before expiry it is down to £50, and he has only £50 to work on; and if you take it for a longer period, fifteen half-yearly payments before it is due, it is down to £30; and yet he is paying on that £30 the sum of £6 per annum, which is almost 30 per cent. on the total advance. I venture to say that is not the kind of relief which the honourable gentleman gives them to understand he is extending. I wish also to refer to the mode of borrowing this money. The honourable gentleman has taken authority to borrow it by two methods—first in the colony, and secondly at Home. I say he has no right to borrow in the colony for this purpose at the present time, for every penny is required in the colony for carrying on the work of trade and manufacture and production; and, if the Government induce money-lenders to place their funds in the colonial stocks, they are absorbing the money which is required for the development of the country. But this is not the only thing; there is the Consols Bill, under which the honourable gentleman proposes to borrow £1,000,000. What does that mean? Why, if the money is raised here at 4 per cent. he will be paying £90,000 more on his £1,000,000 than he ought to pay. The honourable gentleman told us that money is over-plentiful here, and seeking investment at $8\frac{1}{2}$ per cent.; and, on the other hand, he quoted a case, giving particulars, showing that there are excellent securities going begging upon which 9 per cent. is now being paid. These securities, the Colonial Treasurer says, are only half the land-tax assessment: and the honourable gentleman ought to realise how illogical his contention is. On the one hand he asserts there are ample funds awaiting investment at $8\frac{1}{2}$ per cent., and on the other that there is excellent security going begging at 9 per cent. He also tells us that all this money is to be advanced on new mortgages; and we know perfectly well it is not to be advanced on any such new security.

Mr. WARD.—I did not say that.

Mr. T. MACKENZIE.—I understood you did say it—that you expected that the money was going to be taken up on new mortgages.

Mr. WARD.—No, I did not.

Mr. T. MACKENZIE.—I accept the honourable gentleman's statement. I must have misunderstood what he said, because there are no such mortgages to absorb the amount he states. Now I come to a very important point—namely, that part regarding the taxation of mortgages. The honourable gentleman has refused to-night to place private persons advancing money in this colony on the same footing as the Government are placed. If a private person is foolish enough to come to New Zealand with £10,000 and to settle here, and to bring his wife and family with him, he is told at once that if he advances money on mortgage he is not to be permitted any exemption, but is to be subjected to $\frac{1}{2}$ per cent. taxation, and will have

to pay 8s. 4d. for every £100 he advances. That is what he is told. The Government can borrow from the money-lenders at Home; the money-lender may remain in England, and this Bill empowers the Treasurer to borrow from him at 4 per cent., and that money is not to be subjected to taxation in this colony at all. That is a matter the House and the country ought to understand. The Colonial Treasurer is giving a distinct premium to people to stay in other countries and draw all their income from this colony through the Government, and the money is not to be taxed; but if they come here to settle, and bring their wives and families, and spend their income and live in the place, for doing that they are to be subjected to special taxation. I say that the Colonial Treasurer will never carry out a policy of that sort if he gives it that consideration which he ought to give it. He will perhaps tell us that this money is not to be subject to taxation. He, however, has not yet made the discovery that it is, and he has twice voted against its being placed on the same footing as money advanced by private persons and companies. The Bill shows that, if there is any deficiency in connection with the administration of these funds, the honourable gentleman can fall back upon the consolidated revenue of the country, and make up any deficiency that might arise from advancing money to borrowers or farmers in the colony. And what does that mean? That, if this scheme is not a success, every borrower is to be assisted by persons who do not borrow, but who are consuming dutiable goods in the colony, and that the consolidated revenue is to bear any loss in regard to any advances made under this measure. Speaking generally upon this question of money, I believe myself that, had the Government not interfered as much as they have in this colony with the ordinary trade the ordinary law of supply and demand would have brought down money at the present time to the rate indicated by the late Mr. Ballance. He pointed out in several speeches that money was only worth $5\frac{1}{2}$ per cent., and that Government could not get $5\frac{1}{2}$ per cent. for their insurance money. That was three years ago, and he illustrated in the Financial Statement year by year that charges were coming down in consequence of previous sound administration. And in this House he quoted one case in which one money-lending firm was prepared to take up these advances at a lower rate of interest. The reason money was high in this colony was not far to seek. Firstly, money was scared away a few years ago by the dreadful threats uttered against all who had any money in the colony; secondly, the money which would naturally have taken the place of the withdrawn capital was all absorbed by the Government, as I will presently show; and, thirdly, severe exceptional taxation was placed on all money advanced on mortgage, which was not placed on money going into other investment. If the Government had not absorbed so much of the funds in the Public Trust Office, Insurance, and Post Office there would have been

Mr. T. Mackenzie

ample money available without going to the London market. Its own funds are very large, and they ought not to have to go to London. The Government Insurance lent something like £1,694,000 in stock, deficiency bills, and Treasury bills, and only some £400,000 odd advanced on mortgage; and if we look at the business last year in connection with the Government Insurance we find that £114,000 of Treasury bills were renewed, and only £3,000 of mortgages were renewed. The Public Trust Office renewed £212,000 of Treasury bills, and not one penny of mortgages was renewed; and if we go still further we find that the money has been absorbed by the Government at a low rate of interest—moneys that ought to have gone in the natural course of affairs to the settlers of the colony in order to give them assistance. In addition to that, we have taxed once, and sometimes twice, every penny advanced on mortgage, and we have put taxation upon money coming here for investment on mortgage. Again referring to this Bill, let us look at the position a man occupies who borrows £100 under this scheme from the Government. First of all he refunds £100; then there is the interest, £117—and we should suppose that for that £217 he was enjoying advantages on the whole £100 for the whole period, but he is not. Twelve and a half years before his final payment is due his advance is down to £50, and he is not enjoying the full benefit of the £100. There are something like fifteen payments, and before the final amount is due it is down to £30. That is the position. After paying no less than £217 for the loan, he does not enjoy the full advantages of the £100 for the whole period. The Colonial Treasurer told us to-night, in reference to exemptions on mortgages, that five in every six were exempt. I find that the money advanced on mortgage, speaking roughly, when Mr. Ballance was preparing his financial proposals three years ago, was about twenty-five millions, and the taxation derived from that was £100,000, and if we work that out we find that it includes almost every penny of that twenty-five millions of money; and, if the Colonial Treasurer's contention is correct, that five-sixths of these advances on mortgage are exempt, surely the vast proportion of that £100,000 would never be levied at all. The honourable gentleman made that statement, I regret to say, without considering the matter in its fullest sense. I say that the intention of this Bill was primarily to aid the farmers of the colony. That intention has

120. been entirely departed from. You are embracing within the scope of the Bill your town buildings and suburban residences. You may advance a lot of money on the security of some mushroom town, the prosperity of which is contingent upon the mines in its neighbourhood. But a lot of the mines may be shut down, or may run out, and the buildings in that vicinity will, of course, depreciate in consequence. We know how the values of town property rise and fall, and I say, in a measure of this sort, the Go-

vernment ought not to embrace within its scope securities of that description. Then, Sir, the amount of the advance shows that the intention of the Bill is to secure the large business of the country. There can be no small farmers aided if we are going to advance on properties worth £7,000 and £8,000. This Bill provides that you can advance money on properties worth £8,000 and £10,000 in the towns. Now, an average of £20,000 comes to each constituency, so the money will not go far. The advancing up to two-thirds of the value is also too high, and for these and other reasons I consider that, instead of having a good and useful measure submitted to us, we have a crude and ill-thought-out proposal, such as the settlers would not be justified in accepting. Now, if the Government had brought down a Bill proposing to charge a reasonable rate of interest, and letting the person who borrowed continue to pay interest so long as his security continued good and he was prepared to pay, they might have done some good; but they do not propose that. They are willing to advance money on security, making the borrowers believe that the 1 per cent. sinking fund will in time liquidate the principal of the debt; whereas in reality they will as time goes on call up up to 15 and 20 per cent., which it must be apparent is beyond the means of settlers to pay, and all the time the principal is being gradually diminished. I am sorry they have not brought in a more workable measure. I should like to explain that I gave a pair the other night to a member who was unwell, and I am made to support Mr. Earnshaw's amendment to extend the principle of lending on all classes of property: this, of course, I strongly object to.

Mr. LANG.—I do not intend to take up the time of the House for more than a couple of minutes, but I want to give my reasons for voting against this Bill. In the first place, it is a very different measure from that which was placed before the country at the time of the elections. It was always spoken of then as a measure for providing cheap money for farmers, and the Premier himself, in this House, spoke about it as a measure for providing cheap money for farmers. Then, again, I object to the two-thirds valuation. This, I believe, is the extreme limit to which money is generally lent by private people and commercial firms, and we know that in a great many cases they have failed in consequence. We have no reason to believe that the Government will be more careful than private people or commercial firms are with their money. Then, again, the proposal is to lend money up to £5,000: this sum I consider to be a great deal too high, and altogether it is at variance with the principle laid down by the Government, to do the greatest amount of good to the greatest number. Surely it is better to divide £5,000 among twenty-five people than to give it all to one individual. The smaller borrowers would reap a greater benefit in proportion than the larger ones. The larger one, who wants an advance of £5,000,

does not get so much advantage as the man who requires to borrow £50 or £100, because the interest on small amounts is much higher, and the cost of obtaining the mortgage is much larger in proportion. The amount of relief which the measure is intended to afford will be a mere drop in the bucket. What is one and a half millions when compared with the twenty-nine millions which is the amount lent on mortgage in the colony? It seems to me that only a favoured few will get the advantage. The Government, in their system of co-operative works, are stated to be doing good to the poorer people, and it is said to be of greater advantage to let the work direct to them than to let it to contractors. Surely, then, they ought to adopt the same plan in regard to this scheme, and allow the advantage to be obtained by the smaller people, as in the first case. The honourable member for Riccarton, in moving his amendment, excused himself for not supporting the amendment to strike out the £5,000 in order to replace it with £1,000 on the ground that very few would require the larger amount; but the Minister said it was necessary to have the larger amount left in, for, if not, it would not pay. Now, I think it goes without saying that the Minister will naturally prefer the large sums, so as to make it a paying concern. This Bill was not altogether popular in the country, and I feel sure that when it becomes known in its present shape it will be still more unpopular than before.

Mr. MASSEY.—I do not think it necessary to detain the House at any length at this stage of the debate, because when I spoke on the second reading I stated my objections very fully. But there are one or two points which at that time I failed to bring out clearly, and which I propose now to refer to very briefly indeed. The first is that the Bill in its present form has never been before the country. I am willing to admit that one or two members of the Government at the time of the late election mentioned that it was intended to do something in the way of providing cheap money for the settlers; but outside the capital it was never understood that this Bill was to apply to merchants, manufacturers, publicans, and other people in the cities. It was always spoken of and referred to as a Bill to provide cheap money for farmers. Even now, in many parts of the country it is referred to as a farmer's loan Bill. The opposition to it at the present time in the country is very strong, but when the electors realise that we are going in for borrowing to such an extent the opposition to it will be much stronger than it is now. I have received a telegram from a gentleman in Auckland on this subject, and this is what he says—

Mr. E. M. SMITH.—Is he a member of the National Association?

Mr. MASSEY.—I believe he is. All these people are members of the National Association.

An Hon. MEMBER.—The National "Asses."

Mr. MASSEY.—There are no asses in the

Mr. Lang

National Association, but there are plenty of two-legged donkeys in this House.

Mr. SPEAKER.—That, sir, is a very improper remark to make in reference to members of the House. I call upon you to withdraw it at once.

Mr. MASSEY.—I withdraw the remark. This is the telegram:—

"Feeling here very strong against borrowing proposals. Petition against Cheap Money Bill and Consols being numerously signed. First petition, 740 signatures, posted. More to follow."

This is an indication of what is going on at the present time, and a very strong indication too. Turning to the Bill itself, there is the clause—subsection (8) of clause 44—which refers to cases where the mortgagors pay sums, additional to the 1 per cent., in reduction of the principal of the mortgage debt: "All such last-mentioned payments shall be credited with interest at the rate of four pounds per centum per annum." Now, let us suppose a man has borrowed £1,000 under the provisions of the Bill. We will imagine he has paid off £500 of that money. For that £500 he is only credited with interest at the rate of 4 per cent. per annum, but he is still charged 5 per cent. per annum on £1,000, which would mean £50 per annum. He is credited with £20 per annum for the £500 he has paid off, leaving £30 per annum which he still owes: that is interest at the rate really of 6 per cent., which, with the 1 per cent. sinking fund, means an annual charge of 7 per cent. per annum. We have heard the property-tax spoken of as a tax upon industry, but, Sir, this is even worse in that respect. This I consider to be a most objectionable clause. I do not think the Treasurer can explain it away. However, it is quite useless to urge objections against the Bill. When the division is taken a large majority will follow the Government into one lobby, and we shall have a small minority in the other lobby. We can only protest against the Bill becoming law, and against another three millions being added to the already heavy burdens of the colony.

Mr. EARNSHAW.—There is an old saying about the Bourbons that they learned nothing and that they forgot nothing. So it is with the Government: though they have had the research and views of others before them, yet they have learned nothing new, nor improved on the scheme before this House in 1885. In that year, upon the motion of Mr. Macandrew, a Committee was set up. Looking through the names I find they were not all of them Liberals; in fact, the Liberal party of to-day would regard them as very Conservative. The purpose for which that Committee was set up was,—

"To consider and report as to how far it is expedient that the credit of the colony should be applied towards making advances at a low rate of interest to settlers on the security of their land, and also as to the best mode in which such credit may be so applied, the Committee to have power to call for persons and

papers, and to confer with any Committee of the Legislative Council that may be appointed with a similar object; five to form a quorum; and to report in three weeks."

That Committee consisted of Mr. Bevan, Mr. Bruce, Mr. Cowan, Mr. Dargaville, Mr. Holmes, Mr. Smith, Mr. J. W. Thomson, Mr. J. B. Whyte, Sir J. Vogel, and Mr. Macandrew. And yet, Conservative as this Committee might be considered, they proposed a measure for advancing money to settlers which was far better for the country in general, and for the settlers particularly, than this measure which the Government has brought before us. I will just read a few extracts from the Committee's report, so that members may realise how far they meant to come to the assistance of the struggling settlers of New Zealand:—

"Your Committee is of opinion that the public credit of New Zealand might with advantage be applied towards enabling settlers, on the security of their land, to acquire advances at a comparatively low rate of interest. Such advances might be made through the Land Transfer Department, in sums not exceeding £2,000 to any one individual, for any period not exceeding ten years; rate of interest, $4\frac{1}{2}$ per cent. per annum; amount of such advance not to exceed one-half of the value as fixed under the Property Assessment Act. Mortgagor to be entitled to cancel mortgage at any time on payment of the principal and interest to date of cancellation."

"The sole instrument of mortgage should be the indorsement thereof on the certificate of title, and its registration in the Land Transfer Office books."

"The amount advanced should be paid in New Zealand Government debentures of not less than £100 each, bearing interest at the rate of 4 per cent. per annum, with a currency of fifteen years. Principal and interest to be payable either at the Colonial Treasury or the Bank of England."

"Mortgages outstanding 31st March, 1885.—£100 and under £500: Number, 24,922; amount, £5,421,793. £500 and under £1,000: Number, 7,886; amount, £5,027,883. £1,000 and under £3,000: Number, 6,634. Above £100 and under £1,000: Number, 32,788. Total amount, £10,449,676."

That, I think, is a far better scheme for a Government that meant to come to the assistance of the struggling settler—by advancing him a reasonable amount of money on assured security, and under conditions that were safe to the colony, and it would not have involved the colony in the amount which the present Government choose to do. When I was speaking on the Financial Statement, I asked a question which has since been asked of the Colonial Treasurer, and during this debate he has again and again been challenged by many members on the same point, and to-night he has also been challenged by several members, but he always refused to squarely meet the issue—Who will pay the mortgage-tax? He has at last said that the mortgagor will not pay it; but he has not said that the mortgagee will

pay it. He is shuffling on this question, if that is a permissible word to use, and he has not answered it in a way the House had a right to expect from the Colonial Treasurer. The House can only come to one conclusion: that the State is going to forego the mortgage-tax. I contend that the only logical conclusion must be, if the Government foregoes this mortgage-tax, they must forego all mortgage-taxes, because you cannot tax one class of the community and let others go free. And it is not to be forgotten that the manufacturers in towns are not going to get any relief. The Colonial Treasurer has given a distinct assurance that manufacturers are going to get no relief; yet they will be compelled to make good a portion of this mortgage-tax. I think this is very unfair, and if taxation is going to be imposed in this way every one in the community has a right to share in the borrowed money. As I have said before, this Bill is a very specious one, and it is one that country members will have great difficulty in withstanding. Town members can stand very firmly against it, but it must be a great tax on the country members to resist it, because every country settler will believe at the first glance that he will get money very cheaply from the Government, and for the moment members may be in a very uncomfortable position if they do not support it, although I believe in the end the settlers will come to see that it will not be of that great advantage the Government would lead them to believe. I have always been in favour of the Government coming to the assistance of these leaseholders that the Government are creating, seeing that they cannot borrow money in the open market like those who hold in fee-simple, and if the Government had been desirous to feel their way with this scheme and meet this class of settlers to the value of half their improvements, and to a reasonable amount, say £500 or £1,000—I think, myself, £500 would be quite ample at first—the whole of the country would have gone with them. But the scheme they have brought before the House is of such magnitude that the country should pronounce on it before it becomes law, and I trust the Legislative Council will in their wisdom refuse to pass the measure until it has received the sanction of the country. As the measure is now before us no constituency in New Zealand has pronounced in its favour. The general question of advances to settlers has been before them, as I have shown, from 1885; but I say distinctly that, as the scheme now is, it has not received the sanction of the country. It goes without saying that it will pass this House by an overwhelming majority, if not carried on the voices; yet I say the Upper House should exercise its privilege and see that a measure should not be passed by them until they realise that the country has pronounced in its favour. Another thing I should like to point out is that, from the time they spoke on the platforms of the country at the initial stage of the scheme, the Government have shifted their ground. They were at first to borrow money at $3\frac{1}{2}$ per cent. and lend it at

5 per cent., and all costs were to be paid out of that $1\frac{1}{2}$ per cent. But since then they have demanded that the House should give them power to borrow at 4 per cent., and that they shall lend it at 5 per cent., *plus* the cost of the mortgage, although we shall be *minus* the mortgage-tax. That is widely different from the scheme as first before the country. But, no matter how the Government has changed, it is quite evident that the party as a party is prepared to carry it simply because it is a Government proposal. And this shows how lax members of the party have been with regard to discussing this measure on its second reading, and on committal; and there is also a very small quorum in the House even on its third reading. The course of this measure has been unprecedented, with regard to any of its magnitude, in the history of New Zealand in connection with proposals to borrow money. I am sure, if a ballot could be taken of members on this question, the proposal would be thrown out by an overwhelming majority; and I have good grounds for this opinion in the lax manner in which the members have dealt with the measure while it has been before the House. I altogether oppose the Bill, because I think two-thirds is an extreme rate to lend at. It is all very well to say that land has come down to bed-rock, but we do not know whether that is so. Take, for instance, the best land in New Zealand—in Taranaki: though it may be going up at present, how long can we say that the price of produce will keep up? It will fluctuate in the future as frozen mutton and as wheat have fluctuated in the past. We have seen the time in New Zealand when wheatlands would bring double or treble what they will bring now. You cannot say that prices are at bed-rock with regard to produce. They will always be of a fluctuating character, and if the Government are to lend money for thirty six years and a half I say they cannot afford to do it above a one-half valuation. They should at any rate, in the first few years, feel certain of the ground they are going on, and not extend it beyond the half value. They have had the experience in their own departments of Insurance and Public Trust, and companies, with regard to lending on half valuation; and I say there is no need to go beyond that, at any rate for the first year or two. And I oppose the five-thousand-pound limit, because, if it is true there is such an overwhelming number of people suffering under the payment of high interest for advances, that is all the more reason why they should disperse the money over the widest area and cut down the advances to a nominal sum. This return in 1885 shows that in the first two years, if they had made it £100, they would have had more than they could do with three millions to meet the demands on them. I also object to the clause dealing with bankruptcy. I think that if the Government enters into finance, whether as money-lenders or anything else, it should conform to common usage, and it has no right to have precedence in this case; more especially seeing that there is demanded as an insurance against

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these risks the putting-by of one-sixth of the payments received, there is no need to have this clause, that if any one goes through the Court the Government shall have a lien upon him as long as he lives. I think it is improper, and not what one would expect from a Liberal Government. I have opposed this measure consistently, as I have opposed all the financial policy measures, because, as far as my lights lead me, the country has not pronounced on them as a whole. There are no parts of the colony, since we have been here, that have declared with any certain sound at all that they approved of these financial policy proposals. In times past, when large money-lending proposals have been brought forward, it has always been that there has been a vitality throughout the country either opposing or supporting them; but I say in no province in New Zealand, while we have had these large financial policy measures before us, has there been any indication that they approve of them. I do not believe a single constituency have declared by any large public meeting that they approve of these financial proposals, but there are many places where they have distinctly pronounced against them. I say on these grounds the hand of the Government should be stayed, and I do trust the Upper House will see its way not to pass the Advances and Consols Bills till the country has pronounced an opinion upon them. I do not believe the Government think they are going to get them through. I am inclined to think that they hope the Upper House will throw them out, for two reasons. In the first place, they will have money enough to go on with. They will have one million for public works and the purchase of Native lands without this, and that is enough for this year. But if the Upper House does throw them out they will be able, on the platforms throughout the colony, to say, "Look at what we should have done for you if it had not been for the Legislative Council." And I am strongly of opinion that, when the Government threw the whole of these financial measures on the floor of the House, it was so done with the sincere hope that the Legislative Council would throw some of the larger ones out. In spite of this, I trust they will not become law this session, and that the country will have time to consider as to whether it will be to its advantage to have them gone on with. I certainly oppose this Bill, and shall continue to do so; and I do not believe it will be of any real advantage to the country as a whole. That part which refers to advances to bush-settlers I can thoroughly understand, and I could cordially support it, because I am of opinion that the people whom we are putting on the lands, and more especially the bush-lands, with hardly any funds at all, have a claim on the colony in this respect: not that this country must assist them with money, but that it would be to the advantage of the State to stand by them and see that they are not driven back into the towns.

12.30. And in this respect it will be a wise thing for the Government to advance

moneys in small sums to bush-settlers—for instance, to those who take up land under the lease-in-perpetuity system; but that would not require more than half a million of money. Half a million would be ample to meet all these cases to a reasonable amount; and I have no doubt, if the Government would refrain from absorbing the moneys of the Public Trust Office and the Government Insurance Department for Treasury bills, and allowed those moneys to be used for this purpose, it would meet the case, or, if not, only a small sum more would be required. If that was found to be a success, we could increase the margin of advances. That would have been a policy of self-reliance. As it is, it is a policy of plunge. We are trying to do the whole thing at once. I trust that this measure, in spite of the preliminary support which it has received in this House, will be thrown out in another place, in order that the country may be able to pronounce clearly upon it.

Mr. O'REGAN.—I rise to oppose the measure, but from principles apparently very different from those of the honourable member who has just sat down. In this connection I am willing to give the Ministry credit for every good intention; I am willing to accept their assurance that they are actuated by a laudable desire to assist struggling settlers; but it seems to me that the good intentions of these honourable gentlemen are in excess of their comprehension of the true principles of democracy. In the first place, the fact seems to be overlooked that not only are struggling settlers to be assisted under the provisions of this Bill, but also those who certainly cannot be included in that category, because you cannot call a man who has security to offer for £5,000 a struggling settler. He may, of course, be a *bonâ fide* settler; but I venture to say that you cannot place a man who has twenty-five pounds' or fifty pounds' worth of security in the same category as a man who has security to the value of five thousand pounds. A man in the latter position is generally able to make his own terms, and to meet the money-lender on something like terms of equality. Therefore it seems to me that it is quite erroneous to consider this as a Bill to assist only the struggling settler. It is equally as absurd to say that this Bill has met with the approval of the country. In discussing all the policy Bills of the Ministry during the present session we have been repeatedly met with the cry that because the Ministry were returned by a large majority the country has approved of their measures. How can that be said, when so many issues are put before the electors? Under these circumstances the country, having had so many issues involved in one election, cannot be described as having declared in favour of any particular measure. The honourable member for Dunedin City (Mr. Earnshaw) has also committed an error in saying that, if there had been an appeal to the country after this Bill was proposed, then, in the event of a majority coming back to support the Government, we could have taken that as being a declaration of

the country in favour of the measure. I think the honourable gentleman, when he reflects, will agree with me in saying that the only way by which we can find if the country is in favour of a Bill is by putting the question to the direct vote of the people. Therefore I hope when the Referendum Bill comes on again honourable gentlemen will recognise that the true way to test the feelings of the country is by such a measure as that. It is a fundamental principle of political economy that if you depress the rates of interest or wages you raise rent—that is, the value of land. The whole of the producers of the colony are divided into landowners, labourers, and capitalists; or, in other words, the sum-total of the wealth of the community is divided into rent, wages, and interest. It is a characteristic of material progress that, as a country becomes more populous, as industries become more intricate, and as civilisation advances in every respect, wages and interest decline. What we have suffered from in the past is not high rates of interest, because high interest is a very good thing. High interest is to capital what high wages are to labour. The true index to the prosperity of a nation is the rate of wages and the rate of interest. It is a popular error to suppose that wages and interest rise and fall inversely. They both rise and fall together. What does rise as material progress advances is the value of land. If we succeed in lowering the rate of interest by this Bill—and I do not admit that we shall—we certainly cannot raise the rate of wages. Where does the increased increment go? It goes to raise the value of the land. An honourable gentleman says that the cry is that wages are too high already. If the honourable gentleman wishes to get a seat in the House at the next election he will certainly have to keep that statement in the background. And I, for one, shall feel enlightened if he will explain how any community can prosper with low wages. How can trade flourish if the people are not able to buy? How can there be purchasing power but when the people are earning? However, I have not risen to give a dissertation on the theory of wages, but I simply wish to point out that, if the rate of interest is reduced in consequence of this Bill—I do not say that will be the inevitable effect—it will not raise wages, but the increased increment must go to the value of the land. This Bill must have a stimulating effect. I think that the prospect of obtaining cheap money must inevitably have the effect of inducing a large number to go upon the land. It will have the same stimulating effect with regard to the settlement of the land as protective duties have upon the development of industries. But it by no means follows that such stimulation is healthy. Stimulation by such artificial means is never healthy, and it must in the end be disastrous. A large number of people will be induced by the prospect of obtaining cheap money to take up land and embark in the pursuit of farming; they will find that there are no adequate markets for their produce;

and in the end they will be unable to pay off the interest or principal of these loans. This scheme will have an enlivening effect for a time; it may cause a moderate land-boom, but it will not promote healthy settlement or find employment for the people. It must have the ultimate effect of strengthening the position of those who are already very well able to take care of themselves, by adding to the increment of their land. Again, if cheap money is such a good thing, why tax mortgages and incomes? It must be clear to every one that if you tax capital it is not the owner who is taxed, but the user, the borrower. Those who borrow have to pay the taxation by increased interest, just as the masses have to pay the Customs duties in the increased prices. If the Government wish to give the people cheap money let them repeal the income-tax and the mortgage-tax. If they would do that they would find no stronger supporter than I should be. Another objection to the Bill is that it creates costly and elaborate administering machinery. It will find comfortable billets, no doubt, for a number of people, and it will, I think, open the avenues to political corruption and favouritism. I do not say that will be the case, but I say most emphatically that when the Bill becomes law there will be innumerable opportunities for such corruption. For these reasons, I cannot see my way to support the Bill. I may be told by the Minister of Lands that this is not true Liberalism; but, at the risk of obtaining another dressing-down from that honourable gentleman as to what is true Liberalism, I must adhere to my decision in regard to this Bill. It must not be understood for a moment that I am in any way antagonistic to the interests of the farmers. I know the farmers are in a very undesirable condition, and I know they are a very deserving class. They are in a true sense struggling colonists, and if I thought this Bill would give any genuine assistance to them I should very gladly support it. The Bill cannot in reality assist *bona fide* or deserving settlers, and will only give substantial assistance to those who are well able to take care of themselves. I cannot support the Bill; but if my views on it are not borne out by experience hereafter, I shall not only be surprised, but well pleased.

Mr. J. W. KELLY.—I wish to explain a vote which I gave when the Bill was in Committee. A division was taken over one clause, which provides that the Bill should apply to both town and country. On Tuesday night I gave a general pair against the Bill, and during the evening I was paired against the motion mentioned, of which I was entirely in favour. I merely wish to explain this, to get it into *Hansard*.

Mr. WARD.—There have, I think, been a few peculiar positions in the debate which has taken place this evening. In the first place, let me point out briefly to my honourable friend the senior member for Wellington City the position in regard to several of the questions raised by him. The honourable

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gentleman urged that the provision as regards the Bankruptcy Act should not be kept in this Bill, and he therefore advocated that the security to the State should be reduced. Practically, that is what he did. If his proposal were carried out, the security of the State for moneys held in this way would certainly be weakened. Then the honourable gentleman urged that the margin should be increased.

Sir R. STOUT.—Hear, hear. Margin increased; made half, instead of two-thirds.

Mr. WARD.—From the arguments of the honourable member, it appeared to me that he was underrating the security the State was to hold under these proposals. That appeared to me, at any rate, to be the trend of his argument, and I think I listened to him attentively. Surely the honourable member cannot understand the proposals. Now let me deal with one or two of his contentions. He said that no amendments were allowed to be made in the Bill when in Committee this evening. I would remind the honourable gentleman that he had the same opportunities as other honourable members to move amendments. There was no attempt to prevent reasonable amendments being made, but I objected to the amendments proposed in the House to-night without notice. In Committee no fewer than five important amendments were made in clause 25, however, and honourable members had opportunities of moving further amendments in Committee, which they could have availed themselves of. The honourable member states that the tendency of this Bill is in the direction of class legislation, and one of his arguments was that it did not enable manufacturers to obtain money. Now, I merely desire to repeat the arguments that I used on a former occasion, to the effect that, if an amount of money were going to be lent by this process to the country settlers, clearly you would set free a large sum of money which must benefit the towns. I do not think you can get away from that position; and it seems to me that to have every class of the community included in the measure would only cause the system to break down, and I say the original object of the Bill was never intended to cover that. By obtaining a large sum of money for the use of the country you must at the same time benefit the towns very considerably. Now, Sir, the honourable the senior member for Wellington City and the honourable member who sits beside him—the honourable member for Dunedin City (Mr. Earnshaw)—both referred to the proposal made by the late Mr. Macandrew in 1885, and favoured it as against the one put forward by the Government.

Sir R. STOUT.—Only on the two things, the £2,000 and the half-margin.

Mr. WARD.—While Mr. Macandrew proposed to borrow money at 4 per cent. and to lend it at 4½ per cent., we propose to borrow at 3½ per cent., and to lend at 5 per cent. His proposal was ½ per cent. margin, ours is 1½ per cent. margin. I am referring now to the interest, of course. I think our system is, there-

fore, undeniably the better and the sounder of the two. This being so, and if those honourable members favoured the Macandrew proposal, their arguments against this Bill will, I think, scarcely bear looking into. Let me now, Sir, deal with the proposal to issue debentures in London and land-bonds in the colony. My honourable friend said that no explanation had been made as to why it was proposed to raise money in London up to 4 per cent. and in the colony at $3\frac{1}{2}$ per cent. I did explain that the 4 per cent. was put into the Bill for the simple reason that at odd times we may not be able to obtain money at $3\frac{1}{2}$ per cent. for short-dated debentures. I have, however, said in the House, and also when in Committee, that it is not intended to raise this money at over $3\frac{1}{2}$ per cent. Let me refer again to the Macandrew system. Under it the money was proposed to be raised at 4 per cent., but they had absolutely the power to obtain it at much below par. This being so, the present system is much to be preferred to that, whichever way you look at it. I will now deal with the bankruptcy proposal. The honourable the senior member for Wellington City commented adversely upon the proposal to exclude debtors under this Bill from the operation of the Bankruptcy Act. Simply stated, the position is, that we are asking that the Crown debtors under this Bill shall be placed in the same position as they were in before the passing of the Bankruptcy Act of 1892. I say that every member in this House, and every person in the country, whatever his attitude towards the Government of the day may be, must admit that this is only a reasonable provision. So far as the unfortunate bankrupt is concerned, if his bankruptcy is brought about by misfortune, then, undoubtedly, no one representing the Government or the Lending Board would be harsh with him under those circumstances.

Sir R. STOUT.—They would have priority.

Mr. WARD.—They would have priority, and rightly so. I say that in a case where the State is lending money all over the country, and where the money is in the position of being an investment by the State, it is only right that the State should have the first claim to be secured against ordinary creditors. I do not think any practicable man need have anything to fear under the proposal contained in this Bill, whatever Government may happen to be in office. I would now, Sir, like to say a word or two with regard to the mortgage-tax. The honourable gentleman said that the three millions to be lent under this Bill would cost the State £12,500 a year, and he wanted to know who was going to pay this. There has been a great deal said on the mortgage-tax, and an amendment was moved in the House with regard to it. I opposed that amendment, for the simple reason that under the Bill the mortgage-tax is not paid by the mortgagor at all.

Sir R. STOUT.—It never was.

Mr. WARD.—Very well; that being so, there is no necessity to have an amendment to prevent its being charged to the mortgagor.

Sir R. STOUT.—That was not the amend-

ment. It was that it was to be charged to the mortgagees.

Mr. WARD.—Well, it was to be paid by the mortgagees, and, of course, that is the Superintendent.

Sir R. STOUT.—You objected to that.

Mr. WARD.—I objected to it under the circumstances; because what is the use of putting an amendment in the Bill which is already provided for? I say that under this Bill the mortgagor is relieved from the mortgage-tax, and, because he is relieved from the mortgage-tax *per se*, the mortgagees pay the mortgage-tax. That is quite clear. I think, when, as the honourable gentleman says, the mortgagor is not called upon to pay the mortgage-tax, then, as a matter of ordinary business, the Superintendent will require to provide for the mortgage-tax. Then, again, let me deal with this argument of the honourable gentleman about the indebtedness of England and the comparison which he has made between England and this country. The honourable gentleman was quoting the year 1889 from Whitaker. I have taken the year 1891, and when I quoted from Whitaker the other evening I said the private debt of England for railway-construction alone was nearly a thousand millions. It was really £919,425,121 in 1891: that is two years ago; and if the honourable gentleman takes the trouble to look he will find that at the present time the debt of England is over a thousand millions; so that the figures I used upon that occasion were quite correct. For two docks alone England has spent £11,000,000; none of which is included in the public debt. Who will say what this country will be fifty years hence? This is still a young country. Yet, look at what has been done here in little over half a century? We have constructed all our railways and many of our harbour-works out of loan; we have opened up the country by roads; we have established postal and telegraph services all over the country, and promoted public works in every conceivable direction. Notwithstanding this, we find the honourable gentleman saying that if the debt of England was proportioned to that of this country it would be £2,248,000,000. I ask any honourable member to say whether, with our limited population, we have not very well provided for our public works for many years to come. We cannot duplicate our railways, our harbours, and our telegraphs. I say that, taking a reasonable view of it, we have provided for ourselves many years ahead of our present population. And, in order to have a true comparison of both countries' indebtedness, you must compare the age of each, the population of each, and the increase that has taken place. With a population fifty-seven times greater than ours, England ought of course to be improving her position at a greater rate than we are. One hundred and fifty years hence will be the time to make a reasonable comparison between our position to-day and that of England to-day. But to compare a young country like this with a huge empire like Great Britain is, in my opinion, absurd. The honour-

able gentleman's argument will not stand looking into. Then, as to the honourable gentleman's counter-proposition, with reference to the Insurance and Trust Office funds. He says that half a million a year should be contributed by way of advances to settlers by these two departments. But, I would ask, have those departments not done all they could in this direction?—and are they not doing so now? Have they, however, been able to meet the reasonable demands of the people of this country for loan-moneys? Certainly not. And why? Because they have not had the money to do it. The honourable member for Clutha was mistaken in some of the figures he used, and these figures were, of course, misleading. I do not say the honourable gentleman was purposely misleading; but in making a comparison between the renewals of Treasury bills and the renewals of ordinary mortgages he talked about he forgot that they were the ordinary renewals of the Government Insurance and renewals of the Public Trust Office. The honourable gentleman entirely overlooks the fact that as Treasury bills mature they must be either paid off or be renewed in the ordinary course, and when the honourable gentleman used the term "renewal" he confused two distinct systems; and, as a matter of fact, he cannot in a case of this sort make any comparison between the advances of ordinary mortgages and the renewals of Treasury bills. But let the honourable member take the gross amount of loans advanced by these two institutions on mortgage. That is the right way to do it. As a matter of fact, during the last twelve months the Government has had comparatively little for public purposes from either of the departments; they have been allowed to invest the funds with private people; and I have said this before, and I repeat it: Our desire is to allow those institutions to lend a much larger proportion of their money to private individuals, and a less amount to the State. So that clearly cuts against the argument of the honourable gentleman. Now, Sir, just a word or two in connection with the arguments of my honourable friend the senior member for Wellington City about the French system. The honourable gentleman quoted, in connection with the *Crédit Foncier* system, that, while £120,000,000 had been advanced, the same writer stated that it had done no good as far as the mortgagors were concerned—that it had been of little or no use to agriculturists. Now, as a matter of fact, I venture to say no one will deny the statement that if a book were written by the honourable member himself upon the proposed system of advances to settlers in this country we should find—and it would only be natural to find—that, in accordance with his views, he would use every conceivable argument he could against these proposals; and, on the other hand, you would find that those who favoured the system would produce counter-arguments just as sound and just as strong; and, of course, it would be easy, fifty years hence, when we are all dead and gone, for some one to quote from a work, say, by the

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senior member for Wellington, and say, Here are strong reasons why a scheme such as this should not be carried. It generally happens that, when one authority can be quoted to show that a particular system is not good, equally good authorities can be quoted to show that it is excellent. But to show that the honourable gentleman did not go quite far enough in order to give the real cause of the £120,000,000 not having resulted in the relief of agriculturists, here is what was said by the writer he referred to: "In spite of these ingenious combinations, the *Crédit Foncier* has not been able to render very great services to agriculture; the sum-total of the capital lent by it rises, indeed, to the imposing figure of nearly £120,000,000 sterling; but the greater part of this has been employed in building, and hardly a quarter has gone to country property." Very well, the primary object of this system is to allow money to go to country property; and, as a matter of fact, the Lending Board is created for the purpose of making advances chiefly on land. The same system exists in connection with Government Insurance and Trust Office advances, which have hitherto been largely lent on that class of security. How many loans have been made on buildings? Comparatively few; and I say that under the system we have here you will find the Lending Board will make comparatively few loans upon properties in town. Then, again, the honourable gentleman quoted the United States, and held them up as an example which should be followed.

Sir R. STOUT.—No, I did not; not in borrowing at all. I quoted the same author as saying that the homestead system should be adopted, and borrowing discouraged. I did not say the United States were an example we should follow, especially not the Western States. They are dreadfully mortgaged.

Mr. WARD.—The honourable member said we should rather be inclined to adopt certain measures, such as the homestead law in the United States, which prevented the owner from borrowing. Very well; I hold in my hands the *Investors' Review* for November, 1893, and in it I find the farm mortgages in the United States amount to £187,240,600. That being so, how can the honourable gentlemen advocate the system referred to in this work from which he quoted, and from which I have just quoted? I find in the same work the following statement: "Four States have a

total indebtedness upon 'acres' of £114,000,000 odd, and this debt had all been created within a period of ten years—from 1890 to 1890." Now, the honourable member advocates that that system should be adopted.

Sir R. STOUT.—No; the homestead system. They cannot mortgage a homestead.

Mr. WARD.—Now, just let me for a moment deal with the remark made by the honourable member for Waitemata. The honourable member said that he represents the views of a certain section in the northern portion of the colony, who, I may say, are opposed to every part of the policy of the Government; and then he read a letter in connection with the matter.

I will, however, read a letter that was sent to me from Cambridge, Waikato, dated the 24th September, 1894. This statement is made in this letter:—

"I take the liberty of writing you in reference to your 'cheap-money scheme.' Notwithstanding petitions to the contrary, there is a very general feeling of favour to the measure about here; but, to be candid, I must state that, on account of your being personally unknown in this part, many people are under the impression that the whole of the money will be advanced to the southern farmers, thus leaving the North Island out in the cold. Hence the antagonism. Personally, I think that, with proper safeguards, no Bill yet before the House has promised such beneficial results to the colony as this one, which reduces the burdens of the 'root of the colony's prosperity'—viz., 'the producer.'"

The friends of the honourable member for Waitemata have evidently given expression to the opinion that the whole of this money is to be lent in the South; but I can assure the House that it is to be fairly distributed by the Lending Board from one end of the colony to the other.

Mr. T. MACKENZIE.—What is the name of the writer of the letter?

Mr. WARD.—I do not think it is necessary to give the name.

Mr. T. MACKENZIE.—I think that letter should be laid on the table.

Mr. WARD.—Probably the honourable member does not understand the rules of the House. Here is another letter from the same district:—

"I must congratulate you on the very statesmanlike measure you have brought forward, and I am sure if honourable members knew what a great boon it will be to a large number of settlers, who at present suffer under a heavy burden of interest paid to foreign capitalists, they would not offer the opposition they are doing to its safe passage."

Here is another letter, still from the same district: "Your cheap-money proposals meet with the general support of those who have usually been favourable to the Government; but they are bitterly opposed by those who have been usually opposed to the Government." In my opinion those three letters give a very fair index of what is going on in the northern portion of the colony. I have other letters from the same place almost to the same effect, but I do not propose to read them, as I have not time. Let me tell honourable members what the position is in the seven colonies in connection with the borrowing of money from 1871 to 1892, and then they will be able to judge what it is the Government are aiming at. The seven colonies borrowed no less than three hundred and forty millions during the period I have named. Half of that amount is represented by local and State loans—that is, £170,000,000. They paid away £106,250,000 in interest on public loans, and they sent away forty-seven and a quarter millions for invest-

ment elsewhere; therefore ninety-nine and a quarter millions of the earnings of the people were sent away to non-residents in twenty-two years. They imported three hundred and forty millions, and exported two hundred and fifty-three millions for interest and reinvestment. That is an indication of what has gone on in the seven colonies. I could point out to honourable members to what extent the diminished rates of interest proposed under this Bill would have reduced the total amount of interest sent out of the colonies, and by how much the colonies would have been richer in consequence if those rates had obtained in the past, but time does not permit me to do so. Let me now quote a Conservative authority, one which, I think, will reassure some honourable members who have shown great hostility to the proposals of the Government in this Bill. I am about to quote from the London *Times*, which is, I think, an authority that has a good deal of weight with some honourable members, and it may make the honourable member for Clutha seriously consider his position, and perhaps the honourable gentleman representing Waitemata will change his views after hearing this authority. I need hardly say that the Government are not in any way responsible for, nor have they inspired, articles appearing in the London *Times*. What does it say? It says,—

"Mr. Ward's cheap-money scheme will remove the chief obstacle to extreme settlement—the lack of capital. The Government, in venturing to borrow in the English market for the purpose, is leading the way more boldly than the other colonies. If the movement proves successful it will be of an importance which can hardly be exaggerated, not only to the colonies concerned but also to the rising generation of Great Britain. It seems, indeed, to carry with it something not far removed from the settlement of our most pressing social question. But, precisely because it is so important, it is necessary that it should be conducted with the utmost caution."

Now, Sir, I think the honourable member ought to be satisfied with that.

Mr. MASSEY.—Quite so.

Mr. WARD.—The honourable gentleman says, "Quite so." Yet does he assist us? Why upon every amendment that was moved in Committee the honourable gentleman voted against us.

Mr. MASSEY.—No.

Mr. WARD.—It was the same with some other country members. The honourable member for Clutha, for instance, opposed the Bill. Yet just now he referred to the fact that it was because it was intended to benefit the cities as well as the country settlers. What did my honourable friend do when various amendments were proposed for the benefit of the settlers? Why, Sir, the honourable member voted against the Government. Does that show the desire on his part, which he professes to have, to promote the interests of the country settlers? Those honourable members who have already opposed the Government in this important matter think that they may

place themselves in a position of security wholly and solely because they profess to believe that it should be for the country alone. We found them, however, when it was a question of extending the assistance that was proposed for the country settlers with a view of promoting the producing interests of the country, voting against the amendments proposed in that direction. What did my honourable friend the member for Wellington Suburbs say just now? He said, "I am going to support the third reading of the Bill." What a lot we have to thank him for! Notwithstanding this, he opposed almost every amendment in Committee; on almost every division he voted against us. And after opposing it in all those divisions we find him now actually coming forward at the last moment and telling us he is going to support the third reading. It is most magnanimous on his part, and I hope the honourable gentleman does not usually support a Bill in this way. He votes against it at a critical time, and afterwards he supports the third reading. It is really "too much joy" altogether. I would here add that the Government have made the Bill as safe as possible. We have provided for an Assurance Fund, and for a Sinking Fund, and we have provided for a Board to be kept clear of political control for the purpose of administering this important matter in a right and proper manner. We have provided for a Board similar to that which has carried on so successfully the lending operations of the Government Insurance Department, and those of the Public Trust Offices. In the ordinary sense this is an entirely different system of borrowing from that usually carried on in the country. If any one tells me that the obtaining of cheap money for the settlers to increase their spending-power, and thereby to promote the productiveness of the country, is a thing that is going to prove damaging to the colony, and is merely increasing the amount of our borrowed money, I must say that that is not a right position to take up. How can the honourable member for Inangahua say that reducing the rate of interest in the country will not tend to increase wages? Will not the opportunity afforded the settlers of obtaining money at a cheap rate enable them to go in for improvements that they are now debarred from undertaking, and will not that be the means of giving employment to people who are now out of work? It is absolutely contrary to the experience of people who know anything of business to imagine that if a man is paying high interest for his money he can afford also to pay high wages. How can those engaged in industrial enterprises, or how can the settler in the country, if he has to pay exorbitant rates for his money, afford to give wages to his employes at a rate as high as he could afford to give if he had only to pay 5 per cent. for his money? While an attempt has been made to make a certain amount of political capital against the Government in connection with this matter, I repeat my firm conviction that no measure has ever been introduced in this

Mr. Ward

House which has been likely to do as much good for the colony as a whole as this scheme, if properly administered, for obtaining money at a cheap rate of interest for the people of the country. We depend to a large extent for our prosperity upon the success of our producers. The wealth of our cities to a large extent depends upon successful production in the country, and if we are going to do anything to aid the producing-power of the country we shall undeniably enable every one to do better. I would, in conclusion, express my surprise at finding some very intelligent members of this House, from whom I expected better things, giving expression to views utterly hostile to a proposal which, in my opinion, is calculated to be of considerable benefit to the whole colony.

Mr. T. MACKENZIE.—I wish to make a personal explanation. The Colonial Treasurer stated that I had made the assertion that some £1,690,000 was all invested in Government stocks. I made no such statement. The statement I made on that occasion was that some £498,000 of the Government Insurance Fund was invested on mortgage, and the balance was invested in securities of various characters; but I did not say the whole funds were invested in Government stocks, but that they were chiefly in Government stock. The honourable gentleman was also wrong in saying that I voted against the Government on all measures referring to small settlers obtaining benefits. My votes were distinctly in the other direction. I voted for genuine but opposed spurious assistance.

Mr. WARD.—The honourable gentleman misrepresents me. I did not say that. I said that on every amendment favourable to settlers the honourable gentleman voted against them.

The House divided on the question, "That the Bill be now read a third time."

AYES, 36.

Buddo	Mackintosh	Seddon
Carncross	McGowan	Smith, E. M.
Carnell	McGuire	Smith, G. J.
Carroll	McKenzie, J.	Stevens
Collins	McKenzie, R.	Steward
Duncan	McNab	Tanner
Flatman	Meredith	Ward
Guinness	Mills	Willis
Hall	Morrison	Wilson.
Hall-Jones	Parata	<i>Tellers.</i>
Harris	Pirani	Hogg
Houston	Reeves	Pinkerton.
Kelly, W.		

NOES, 11.

Earnshaw	Maasey	Stout.
Graham	Mitchelson	<i>Tellers.</i>
Heke	Montgomery	Kelly, J. W.
Lang	Saunders	O'Regan.

PAIRS.

<i>For.</i>	<i>Against.</i>
Cadman	Duthie
Joyce	Button
Larnach	Bell
Lawry	Allan
McLachlan	Green

Newman	Buchanan
Pere	Te Ao
Russell, G. W.	Russell, W. R.

Majority for, 25.*

Bill read a third time.

The House adjourned at twenty minutes past one o'clock a.m.

LEGISLATIVE COUNCIL.

Tuesday, 2nd October, 1894.

First Readings—Third Reading—New Zealand Consols Bill.

The Hon. the SPEAKER took the chair at half-past two o'clock.

PRAYERS.

FIRST READINGS.

Government Advances to Settlers Bill, New Zealand Consols Bill.

THIRD READING.

Land for Settlements Bill.

NEW ZEALAND CONSOLS BILL.

The Hon. Sir P. A. BUCKLEY.—Sir, the object of this Bill is to encourage thrift, and to enable persons of small means to invest their moneys in safe securities. As honourable members are aware, there is in the Post-Office Savings-Bank an institution in which small amounts of this character can be safely invested, but, as honourable members also know, the amount on which interest can be paid cannot exceed £500, so that persons depositing money in the Post-Office Savings-Bank are confined to a sum not beyond £500, for beyond that amount interest is not paid, and therefore it is useless to deposit it. It may be said that probably it would be as well to extend the operation of the Post-Office Savings-Bank, with a view to enabling it to pay interest on larger sums than £500; but, Sir, the sums which are placed on deposit in that institution are deposited at call, and it would be impossible for any Government or institution, no matter how strong its finances might be, to bear the strain supposing there was a rush upon an establishment of that character. It has therefore been considered desirable to adopt something in the nature of what are known as British Consols for the purpose of enabling persons to deposit small or large sums, as the case may be, for the currency of the period limited in the Act, and on which interest at a price not exceeding 4 per cent. may be allowed. The object of the Bill is to enable the Treasurer to receive sums of money not exceeding in the whole £1,000,000, to be invested in the manner to be prescribed by this Act, and to be subject to the control not only of Parliament, but of the Controller-General, and to be placed to a separate account. Sir, I know there will be some difference of opinion upon a matter of this importance, which is new to the

country; but I need scarcely point out that in doing this we are following the example of a country whose finances, probably, are not to be surpassed so far as soundness is concerned—we are following the example of the Mother-country in taking this step. Sir, the amount of Consols in that country exceeds, I think, £760,000,000 at the present day, and I undertake to say that no member of the Council, no matter how much he may disapprove of this Bill, will say for a single moment that the existence of Consols in Great Britain has disturbed the finances of that country; on the contrary, it has helped the finances of the country, and helped the finances in more ways than one. I need only refer to another example, and that is, what took place after the Franco-Prussian war, when the thrifty people of France found—what Prussia never expected they would find—the two milliards of francs that were wrung from France at the point of the bayonet. The people found the money because they were thrifty, and placed their money in the hands of the Government, for which they received a small rate of interest. Now, as I said, the object of this Bill is to enable the Treasurer to receive small sums or large sums, not exceeding one million in all, from the people of the colony. That is expressly provided for, to enable the people to place this money on safe investment, bearing interest on sums beyond the limit on which the Post-Office Savings-Bank would give them interest. The mode of inscription is very simple, as honourable members will see upon reading the Bill. There is a Registrar appointed, and the Registrar is to inscribe stock, if I may so call it. Any person wishing to inscribe his name, say, for £1,000 goes to this officer, pays his money, and gets his receipt; and if at any time afterwards he wishes to obtain a portion of that money for the purpose of converting it to some other use he also gets what is called a Consols certificate, and that bears interest also; and upon that being granted to him the original amount is reduced by the amount of the certificate; and any person holding that certificate can either retain it or get it also inscribed. The rest of the Bill is a piece of machinery for the purpose of carrying out the object referred to. I do not think further explanation is necessary, and move, *That the Bill be now read the second time.*

The Hon. Mr. BOWEN.—Sir, I hope my honourable friend who brought down this Bill will not think I want to lecture the Council or himself if I oppose the Bill. I am not given to lecturing, and I should be very sorry to add the labour of listening to a lecture to the hard work my honourable friend says is his special heritage. However, I think this Bill is too important and serious a one not to be considered carefully. It is one concerning which every honourable member in this Council should ask himself whether it is required by the country, and whether it would be beneficial or injurious to the country. Now, it appears to me that in the very inception—in the naming of the Bill—there is a confusion of ideas. I do

not understand why this particular loan should be called Consols any more than any other loan that is raised by the colony. I take it, Sir, that all our loans are secured upon the Consolidated Fund of the colony. The word "Consol" originated in the consolidation of the liabilities of the Crown, and of the securities which were offered to the lender in Pitt's time—a consolidation which was effected *pari passu* with the consolidation of the Customs revenue. Up to that time it had been the custom to pledge special items of revenue for special loans—a practice which was very inconvenient and led to great confusion. Why this million which is to be borrowed now should be specially called New Zealand Consols I cannot understand, and, as I said before, I am afraid it shows a certain amount of confusion of idea in the matter. My honourable friend spoke, on introducing the Bill, of its being the means of encouraging thrift among the people; and I find this extraordinary preamble to the Bill: "Whereas it is expedient to encourage thrift by affording the people of New Zealand facilities for the safe investment of their savings." Well, Sir, I never heard of a loan being proposed for the purpose of enabling the people to exercise thrift by lending money to the Government. My honourable friend says it is on the same footing as the great consolidated debt of the British Empire. Sir, it does not require any great consideration to remember how that debt accumulated, painfully, step by step, through the great necessity and the danger of the time when most of it was incurred. Certainly it was not incurred in order to encourage thrift among the people and to find an investment for them. I think his other illustration of the subject, when he spoke of the millions which the unfortunate French people had to pay after the Franco-Prussian war is quite as inappropriate, for I do not think the Prussians, when they levied upon France the two millions which had to be raised, had much idea of promoting thrift among the people of France. My honourable friend also spoke of the savings-banks, and pointed out that we had this machinery for encouraging thrift; and it is certain that State savings-banks are most beneficial institutions if kept within reasonable bounds. But he said that our State Savings-Bank did not go far enough, and that we required further means of encouraging thrift among the people. As it is at present, people can invest up to £500 in the Savings-Bank; and is it advisable to permit investments beyond £500 in the Savings-Bank? In the first place, I do not believe it would be a good thing for the people themselves, or for the country, that so much money that is wanted for legitimate enterprise should be locked up under Government control. I do not believe it is a proper thing for the State to have large sums locked up in such a way that there would not be any liquid money available to meet a run on the bank at any time. At this moment there are three millions deposited in the Post-Office Savings-Bank, the chief part of which is invested in Government securities. In England they limit the

Hon. Mr. Bowen

deposits in savings-banks to £150, while we limit them to £500. In France, where the limit of deposit is considerably less than in England, there has been a great deal of discussion on this matter, and M. Jules Simon, one of the most enlightened statesmen of France, has very forcibly pointed out the great danger that arises in France from allowing too large sums to be kept on deposit in the State savings-bank; and he has shown that if any great public calamity took place at any time, when it would be most necessary for the people to fall back on their deposits in the savings-bank, it might be most difficult for the State to meet the demands made upon it suddenly, and he strongly urged that there should be a smaller limit than at present. Well, I do not think depositors can complain of the limit in New Zealand, and I should like to point out that the State is in a far worse position for meeting any sudden run than the English Post Office would be, because there the Consols are a comparatively liquid security, and one upon which money can be always raised, whereas I very much doubt whether, if any great calamity suddenly befel this country and a great run took place here on the Savings-Bank, that institution, with all its resources, and with the State behind it, could meet at a moment's notice all demands. The mention by my honourable friend of the Savings-Bank led me to say this, because I think it is a very mistaken idea that it is for the benefit of the State that a very large sum of money should be locked up in deposits which can be operated on at the pleasure of the Government. That idea is founded on the belief that the State can spend the people's money better than people can do it themselves. That is a very great fallacy. It has always been held hitherto that the less dragged out of the pockets of the people, by taxation or otherwise, the better it is for the State; that it is better for the people to spend their money than to give it to the State to spend it for them. But now it appears we are to legislate with a view of finding investments for the people. I think that in itself is a great fallacy; and, further, I do not believe that this Bill will find investments for the people, for there is no provision in the Bill to prevent outsiders from coming in and investing in this colony. You offer 4 per cent., whereas you can raise the money in England at 3½ per cent.

The Hon. Sir P. A. BUCKLEY.—Look at clause 3.

The Hon. Mr. BOWEN.—I know clause 3. It reads as follows:—

"The Governor may from time to time, by Order in Council, authorise the Colonial Treasurer to receive, by way of deposit, from persons in the colony, such sum or sums as may be mentioned in such order, not exceeding in the whole one million pounds sterling, bearing interest at a rate not exceeding four pounds per centum per annum."

There is such a thing, however, as dealing through an agent, and I do not see any machinery in the Bill for preventing people outside, who wish to invest at 4 per cent. when

they can only get 3½ per cent. in England on our bonds, from investing in this colony. If the money was really all found by people *bona fide* living in the colony, and who were settled here, it would be greatly to the detriment of the colony, especially at this time, that a million of money should be locked up in the hands of the Government which would otherwise have been devoted to improving the country and settling the people on the land—a process that is so much talked about at the present time. It is one of the complaints nowadays that the banks are reeking with money and refusing deposits. And why? Because the people have lost their confidence in what is going on. They are hampered in trade, in manufactures, in farming by harassing legislation; they are losing faith in wholesome enterprises and locking their money up in the banks. And now we are to ask them to lock up more money in deposits which are to be held by the colony. I cannot see any reason whatever for asking them to lend this money to the Government. Again, the Consols in England can be converted at any time; and if there is a change in the value of money, and the public credit grows stronger, the Government can convert or pay off Consols that are at too high a rate of interest, just as was done not long ago by Mr. Goschen, when the rate of 3 per cent. was reduced to 2½ and 2¼ per cent., decreasing automatically. Under this Bill, in a country where there are great fluctuations in the value of money, we are to borrow at a fixed rate for the long period of forty years; we shall have to pledge ourselves to pay 4 per cent. during that period. There is a great difference between Consols in England and what are called Consols here. It is said that this Bill is not borrowing. Well, it is not borrowing in the ordinary sense of the word. If it were stated straightforwardly that money was wanted for a certain purpose we could openly proclaim our object and borrow the money in the cheapest market. But this is indirect borrowing. It is accumulating funds which can be borrowed and used by Government without attracting public attention immediately. The money will be swallowed up in what has been termed the maelstrom of colonial finance, and we shall have to pay the highest price, because the lender will not know exactly where we have borrowed, how we have borrowed, or what we have borrowed before. It may be thought that this will not influence our credit in London, because it is not borrowing by a loan in the open London market. But does any one seriously suppose that London—that is, the London that lends money to the colonies—will not know what we are doing? Those who are going to invest their money will know all about it, and we shall hear a great deal about it very quickly if these so-called Consols are not put upon the market like any ordinary loan. It is also said that this money may be used for Treasury bills and deficiency bills in the same manner as Savings-Bank money is used; but, if it is, will not these facilities for getting money lead to further borrowing?

Surely it is always the case that the greater the facilities you give for borrowing, and for borrowing easily, the greater will be the extravagance in expenditure. That is always the case, both in private and public affairs. If this money is withdrawn from local enterprise, and employees in town and country are not to spend it, the “unemployed” difficulty will be largely increased, while the taxation of the country grows more burdensome every day. We are asked to sanction this Bill for the purpose of borrowing a large sum of money which is to be taken, possibly, out of the pockets of the people here, but more probably, I believe, out of the pockets of other people elsewhere—from whom we could have got the money at a less rate of interest by borrowing in the ordinary way—in order to spend it nobody knows how. And the only reason given for the measure by the Government is that it is to provide investments for the people. Sir, I think this is such a very novel procedure, and one so little expected or even dreamt of in any circle, social, financial, or political, that the colony ought to pause before plunging into such a career as suggested in this Bill without any reason given. I therefore move, *That the Bill be read the second time this day six months.*

The Hon. Mr. RIGG.—Sir, I should not like to see the amendment carried without a few words being said in favour of the Bill, although I am hardly prepared to deal with the question, as the Bill was only circulated last night, and I have not had time to study it. There are, however, one or two remarks that have fallen from the honourable member who has just sat down I must refer to. We are told that this is a Bill to borrow a million of money. Supposing that were so, which I do not admit, I say that under some circumstances it might be advisable that we should borrow a million of money. I do not know why we should be afraid to borrow money if it is required; but the point is, in what manner the money is to be invested or applied, and that is where the difficulty lies. If we are going to invest money through the Government so as to obtain a percentage over and above what we pay for it, then, I say, it is to our interest to borrow as much as we possibly can, because in so far as we succeed in making a profit on these investments we shall become the more prosperous. This is done every day in the mercantile world, and it is just exactly what promotes private enterprise and industry, and spurs a man on, and brings forth all his energy, and it is why many are enabled—by obtaining money at such a rate as will yield them a profitable return—to earn a competence for themselves, and in many instances a fortune. But is the borrowing of this million of money, supposing it to be borrowing, any more a borrowing transaction than borrowing the money that is deposited in the Government Savings-Bank? When money is deposited in that institution, it is never asked how that money is intended or is going to be invested; for when people place the money in the Savings-Bank they invest it because they have confidence in the Govern-

ment, and they invest it because they get a percentage on their investment, and, so far as the person depositing the money is concerned, all matters affecting him end there. He takes little or no risk; the interest is guaranteed by the Government; and at the same time he gets a return for his money, and is satisfied that he has a good and safe investment. If, then, it is desirable that people should invest their money in the Post-Office Savings-Bank and get a percentage on that investment, what is the difference between so doing and investing money in Government Consols? The only difference is one of degree, and lies in the amount of deposits bearing interest, because in the Savings-Bank the amount is limited on which interest is paid, and in the other it is not so. There is little or no difference between the two classes of investments, and to call one borrowing and the other non-borrowing is what I really cannot understand. Then, we are told of the difficulty the State would experience in the event of a run taking place on a Savings-Bank, owing to the fact that it might not have sufficient liquid assets to meet the demands made upon it; but I would point out that the bank which is least likely to have a run upon it is a bank which is a Government institution, because, as I said on a previous occasion, the backbone of credit is confidence, and as long as people have confidence in the State—which is really having confidence in themselves—there is no likelihood of any run taking place upon any banking institution which is supported by the State. If it is wrong that money should be invested in these institutions because a run might take place upon them, what shall we say when the money is deposited in private institutions, which are not backed by Government? How are they going to meet a run? Can any one suppose for a moment that there is any bank here that could meet a run if it took place to-morrow—that is, a run upon the whole of its deposits at call and also its note-issue? Therefore in that respect the people are better off in having their money invested in Government Consols than in any private institution. The Hon. Mr. Bowen referred to the fact that under this Bill foreign capitalists might invest their money in the Consols. I agree with him there. I have looked through the Bill, and I find it would be possible through an agent for them to do so. But do we not frequently hear complaints that capital is being driven away from the colony by the Government?—and yet here we find the honourable gentleman complaining that capital is going to be attracted to the colony.

The Hon. Mr. BOWEN.—At 4 per cent., when you can get it at 3½.

The Hon. Mr. RIGG.—Yes. Even supposing that is the case, we know that there is something like sixteen millions of money—I speak from memory—on deposit in the banking institutions of the colony, and, that being so, it is fair to assume that a proportion of these deposits will be transferred to the Consols, and, if a proportion of those deposits should be so

transferred, I do not think we need trouble ourselves about a matter of ½ per cent. In course of time it may be that investors in the Consols will be solely confined to New Zealand, but I do not see, at the present time, how we can prevent foreign capital from coming into the country under this scheme, even at 4 per cent. Then, we are told that the banks in the colony are overflowing with money, and that this is because the people in the colony have lost confidence in it. I would ask the honourable gentleman, when I state the fact that gold is accumulating in the Bank of England at the present time to a greater extent than at any time during the present century, if that is a sign that the people of England have lost confidence in that country. Then, we are again told that it is our legislation that is causing a want of confidence in the country, and that such legislation is the cause of the depression that exists; but the honourable gentleman does not seem to see that the depression is world-wide, and that the want of confidence is world-wide, and that consequently it is unfair to put down to any matter of local legislation a state of affairs that is almost universal. I have on a previous occasion explained what I believe to be the cause of this depression, so that I need not again refer to it; but we cannot believe for a moment that a depression which is universal is on account of anything we may do in New Zealand. This is all I wish to say. I should have liked to have a little more time to properly study the Bill; but I trust, at any rate, that the amendment will not be carried, but that we shall have an opportunity of going through the Bill in Committee: and probably the debate that will take place in Committee may cause some honourable members to alter the opinions they at present hold in regard to it, and we shall find it placed on the statute-book.

The Hon. Mr. PHARAZYN.—The honourable gentleman who has just sat down has told us that this is really borrowing a million of money, and he also said that if it was advisable to borrow money for some purpose—possibly a very much larger sum—that should be done. I quite agree with him; but in all cases, whether of public or private borrowing, the first thing to be considered is as to the manner in which the money is to be invested. No private or public body ever borrowed money unless they were certain beforehand as to how they were going to expend it; and nothing can be more reckless than this kind of borrowing. If any private person were to borrow money in this fashion he would very soon find himself landed in the Bankruptcy Court, and no person would think of borrowing money unless he had decided what return he was likely to get for the investment he had made. We all like to make advantageous investments, but under this Bill we are simply borrowing in a very indirect and expensive manner a million of money, which is to be placed in the hands of the Government apparently to play with. I will not use that word, because that was the case when the Bill originally was brought

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down. The expenditure of the money is now confined to a certain extent by clause 7; the money to be borrowed is to be paid into the Public Account, and is deposited under "The Public Revenues Act, 1891," which provides that no public money can be expended without being voted by Parliament or on a warrant of the Governor. It is, of course, a considerable check upon this money being used recklessly, but at the same time the fact remains that money is to be borrowed without our knowing how it is to be disposed of; and that appears to me to be a very dangerous kind of finance. To borrow money without saying how that money is to be expended, or why it is being borrowed, is, as I said before, borrowing in a very unbusinesslike fashion. Instead of going to the cheapest market and borrowing the necessary million at the cheapest possible rate—at, possibly, 3 per cent. or less—we go to borrow at 4 per cent.; and we know perfectly well that the money will really be raised in London, because a considerable amount of profit will accrue to those who have speculated in the matter, of course at the cost of the colony. Well, this seems to me an unbusinesslike proceeding. I can quite understand that it may be possible or advisable to borrow money, but to borrow in this extremely foolish manner does seem to be altogether unwise. The indirect effects of borrowing in this way are very difficult to arrive at. If the money is actually deposited in considerable sums by the people of this colony, it will possibly be to the injury of all kinds of enterprise, for all the money will be absorbed by the Government, and the expenditure will not ultimately be distributed in public works, and so on. Under this system of investment a considerable amount of financial difficulty will arise, and, if the money is to be borrowed, it will be borrowed at an extravagant rate, and practically in London, and we shall have to pay a higher rate of interest than we should have to pay if we went straight to the London market. I object altogether to this kind of borrowing as being very unbusinesslike in every way, both as regards the amount of interest and as regards the method. I think that to determine upon borrowing before the purpose for which the money is required has been defined is untenable. In all previous cases we have always said that the money is to be raised for some particular purpose—for the making of railways, *et cetera*—and appropriations are made in various forms for the money proposed to be borrowed; but for money to be borrowed without any specific appropriation being proposed is wrong. It seems to me to be a most important point, and chiefly on that ground I shall support the amendment of the Hon. Mr. Bowen. My own experience of Governments is that, whenever you have to put money in their hands, if you do not tie them up, they are pretty certain to waste it; and the experience of all legislation is that to keep a Government economical and thrifty you must keep them poor. The Bill is intended, according to the preamble, no doubt to encourage thrift amongst the people; but I should like

to see a Bill which would encourage thrift in the Parliament and Government. What we want is, practically, a Bill to encourage thrift on the part of the Government rather than the people. I do not say this Government, but any Government. The people will be thrifty enough if only left alone. If left alone they will make their investments in the best possible way to obtain the best value or interest for it. We shall then soon have plenty of thrift; but if we constantly interfere, and allow the State to interfere, with the desires of the individual, and place this power in the hands of the Government, although, no doubt, it is with the best possible intentions, we shall diminish the thrift, the savings of the people, and we shall increase the extravagance of the Government.

The Hon. Sir G. S. WHITMORE.—I wish merely to say one word. I conceive that these Consols will be a very convenient form of investment for trustees, executors, and people of that kind. These are obliged to carry out the principle of investing in Consols in England, and it has proved a very great protection to minors and persons holding trusts in the past. If it is intended, if there is any surplus from this expedient, to apply it to the repurchase of Treasury bills I think it would be a very good Bill indeed, except for one thing—that it would take an enormous quantity of money out of the industries of the colony. I very much doubt if there is a very great quantity of money belonging to New-Zealanders not invested. People may have some money in those teapots and stockings in the country. That may be so to some extent; but the probability is there is very much less there than people fancy. It was undoubtedly proved that the French people had put away money in that way, and when the French nation had to find money for the indemnity after the Franco-Prussian war it was quite wonderful how much money was found in the country. But there had been very many years through which the French nation had been accustomed to hoard up money, and they hid it because they had very little confidence in the joint-stock banks or anything else. In fact, the success of the first Imperial loans was entirely due to this: that the people trusted the Government and would not trust the banks. That feeling of insecurity existed all over France, and money was put away. I have seen exactly the same thing happen in the eastern part of Europe, where people would produce money that had been put away several hundred years before. But as far as the Consols here are concerned, assuming the Colonial Secretary has informed the House correctly, I think it is not a bad thing. I think it will be a good thing to allow persons who have money available an opportunity of investing it for a short time in an easily exchangeable form of Government security that may go from hand to hand. I have sufficient faith in the present Colonial Treasurer to believe that he does understand the matter. If this money is applied to the repurchase and withdrawal of a certain amount of Treasury bills—which, I am sorry to say, have come to

an enormous amount at the present time; a sum which has a tendency year by year to increase, no matter what Government may be in power—I think the Bill is, in the main, a good Bill, or, at any rate, a measure quite worth trying. Another year we shall have an opportunity of seeing whether it is successful, or has had the effect, which I rather fear it will have, of withdrawing a great deal of the working money, which belongs to private individuals, from industrial use. Honourable gentlemen have not far to go to see how that operates. There is the Manawatu Railway: there is a very small portion of that railway capital which has been paid, or, at least, has been taken out of the pockets of the people, for most of the money is in debentures. Ever since that was started to the present day there has been the greatest desire on the part of the people to take their money out of it, although they are getting regular dividends, and the railway is said to be paying well. I think it will prove to be a little that way with the Consols. We shall find that no very great surplus exists in the pockets of the people or in teapots. I shall be glad to hear that it is otherwise, but I think it is not. However, I am quite willing to give the Bill a trial.

The Hon. W. DOWNIE STEWART.—This Bill, the last honourable gentleman said, was brought forward as an experiment. Now, the real essence of the Bill is borrowing, and the honourable gentleman who introduced the Bill has not shown us that borrowing is necessary. He has not indicated in any way that the Government require money, and until that is done it seems to me it is the duty of this Council not to pass legislation which is unnecessary, and which may lead to complications. Does the honourable gentleman say the Government require money?

The Hon. Sir P. A. BUCKLEY.—If the honourable gentleman is addressing me, I would ask him to give notice of the question.

The Hon. W. DOWNIE STEWART.—The Government apparently admit that they do not require money, and yet they want to borrow money now. I want to know why it is this money is required. I do not wish to use any offensive expression, but it seems to me this Bill is simply a subterfuge—that, under cover of giving facilities to the people to put their savings in Consols, the Government are really endeavouring to obtain power to raise a loan of a million. I say it is a mere subterfuge for borrowing, and nothing but borrowing. If there is one thing more than another which the working-classes in this colony have declared for some years past it is that the colony shall not borrow. That has been the universal cry; and at a meeting in Dunedin, at which I spoke, some time ago, there was a very emphatic protest entered by the people there against the idea of borrowing being entertained. There was a feeler put forward in certain quarters there that the Government should be asked to borrow, I think, either £2,000,000 or £3,000,000; but almost nine-tenths of those who were present—and it

was a very full meeting—declared against borrowing, and would not have anything to do with it. And why? The persons who suffer from this borrowing in the end are the working-classes. The taxation ultimately goes, like water, to the lowest level. They are the persons who are suffering now; and if we had not so much money to pay for the money we have borrowed people who now have to pay taxation would be able to employ their surplus earnings in the development of the colony in a way that they cannot do at the present time. I do not understand this insatiable thirst which every Government indicates to get money by begging, borrowing, or stealing. It is simply, "Let us have money under any circumstances whatever, and let the future look after itself." I maintain there is a very healthy public opinion in the colony at the present time against borrowing, and I think it is a pity to impair or interfere with that public opinion. This Bill, as has been pointed out already, is professedly a Bill to raise money from persons in the colony; but I think honourable members will admit—in fact, every honourable member who has spoken so far has, I think, admitted—that this Bill does not accomplish that object. There is nothing whatever to prevent an English millionaire's coming here and taking up the whole of the loan if he can get it—this million of money—absolutely nothing; and the various attempts here are more assumed than real—the attempts to confine the loan to the colony. I perfectly admit, as the honourable and gallant gentleman who last spoke stated, that there are difficulties at times on the part of trustees and others who have trust moneys to secure a ready and safe mode of investment. But this Bill is apparently not brought forward in their interest, it is promoted practically in the interests of those with small savings, and there are other facilities at present for investing money of that kind in the hands of trustees. An Act was passed in 1891 the scope of which was that the power of investment on the part of trustees was very largely extended, and some of the difficulties which had been experienced in reference to investments by trustees were removed. For instance, formerly if a trustee paid money into a bank on deposit, and the bank came to grief, the trustee was personally liable for the loss. Now, in regard to any bank carrying on business under a statute of this colony—and I think all the banks have been either incorporated or sanctioned by Parliament—trustees can deposit money in them, and have there as high a rate of interest as, if not a higher rate than, is given by this Bill; so that the evil which existed some years ago was removed by legislation in 1891. My objection to this Bill is that it is borrowing and nothing but borrowing; and until the public has had an opportunity of pronouncing in favour of a borrowing policy I do not feel justified in supporting the Bill. I perfectly admit that at the present some of the banks have a plethora of money, arising from the absolute want of enterprise of a large number of the inhabitants of the colony. Instead of taking their money and entering into

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investments—that is to say, into enterprises in land, or manufactures, or business of various kinds—they prefer, rather than run the risk which the outlook seems to indicate, to deposit their money in the bank, so that, at all events, they will be sure to have the principal, though the income may not be so great. They wish to make certain of the principal when the time arrives. That, probably, is a temporary evil; I hope it is. But there is no question that enterprise is absolutely paralysed in this colony. At the present moment we are practically at a standstill, and it may be that a similar state of things exists in the other colonies—I dare say it does to a certain extent—but that is no reason whatever for it in this colony: at all events, there should be none. There is a want of confidence, no doubt, and that is the cause, to a great extent. But this Bill is bad in its conception; it is bad in its execution, for it in no way accomplishes the purpose which the Government have in view, and I shall therefore feel compelled to support the amendment of the honourable gentleman.

The Hon. Mr. McCULLOUGH.—Sir, there seems no inclination to continue the debate. I do not know if that is because the honourable gentleman who proposed the amendment and those who think with him wish to force a vote on the amendment. I do not think that would be the wisest course. I think that this measure brought down by the Government deserves a greater amount of consideration at the hands of the Council. Therefore I propose saying a few words upon the matter. The last speaker's sole objection to the Bill was that it was a borrowing Bill, and he is opposed to borrowing.

The Hon. W. DOWNIE STEWART.—They do not require money.

The Hon. Mr. McCULLOUGH.—That is not so. The honourable gentleman made a good attempt to draw the Colonial Secretary by asking him to reply to a question; but the Colonial Secretary is of the same profession as the honourable gentleman who asked the question, and probably is as clever in refusing to answer a question when it does not suit him to answer it as the honourable gentleman is clever in asking it. I think that the Bill, as far as I can see, is a fair and reasonable measure—that is, if the position as stated by the Colonial Secretary and by other members of the Government in another place is correct—namely, that they find there is a great deal of money in the Colony of New Zealand waiting for investment. They find, from their experience of the Post-Office Savings-Bank, that a great deal of money is placed there, even though they can give no interest upon it. I think that fact is admitted.

The Hon. Mr. BOWEN.—Am I to understand the honourable gentleman to say that more money is put into the Savings-Bank than the Government can pay interest upon?

The Hon. Mr. McCULLOUGH.—Than the Government are allowed to pay interest upon.

The Hon. Mr. BOWEN.—I think you will find you are mistaken.

The Hon. Mr. McCULLOUGH.—I am perfectly sure I am correct in making that statement. The Government pay interest only on sums up to £500, and frequently there are larger sums of money deposited, though the depositors can only receive interest upon sums up to £500. That is a fact. If that is so, the Government themselves are proposing, by this Bill, to offer facilities to persons with plenty of money and who are desirous of a safe investment for their surplus money. That is the object of the Bill so far as I can read it. It is a permissive measure, for it is not compulsory on any person to buy the Consols or to take them up. From the tenor of the remarks made by several honourable gentlemen who have spoken, it appears that they have the impression that the money will be found, and the anticipations of the Government realised.

An Hon. MEMBER.—From outside.

The Hon. Mr. McCULLOUGH.—It does not follow that it will be from outside at all. An honourable member has reminded me just now that it is intended by this Bill to encourage thrift. Manifestly the intention of the Government is to afford facilities to thrifty persons who have money to buy these Consols. The Hon. Mr. Pharazyn remarked that we are going to give 4 per cent. for the money, and that the money could be obtained in London probably for 3½ per cent. I do not think there is anything in this Bill which justifies the honourable member's saying that. The clause says, "an amount of interest at a rate not exceeding four per centum." It does not follow at all that the Treasurer is going to give 4 per cent. He is going to give the market value of the money, and it may be 3½ per cent.

An Hon. MEMBER.—In New Zealand?

The Hon. Mr. McCULLOUGH.—In New Zealand. He will probably get his money for 3½ per cent., and he could not get the money anywhere else cheaper than 3½ per cent. Therefore I say the assumption that the Treasurer is going to give 4 per cent. is not a fair one. The Bill contains nothing to justify that. It says "not exceeding four per centum." There is another thing regarding these investments. The Bill says that the Treasurer may issue them for any number of years not exceeding forty years. There is nothing to prevent the Treasurer from issuing the Consols for five, seven, or twenty-one years, or any number of years less than forty years. Will any honourable member say that persons who have money, and who care to invest it for a term of twenty-one years at 4 per cent. are not acting wisely in doing so? It will be a good means for investing the money in trust estates. I believe the Government will find they will have a great deal of these Consols taken up by trustees. I do not anticipate that they will have a million subscribed, but I anticipate that they will have a large sum of money offered upon the terms mentioned in the Bill. Now as to the objection as to borrowing, and not so much to borrowing, as I understand the Hon. Mr. Stewart, as to the fact that there is nothing stated as to what the Government are

going to do with the money when they get it. That seems to be a great objection. The Hon. Mr. Pharazyn raised that objection. He says it is customary, when money is borrowed by the colony, that the purport for which the money is borrowed should be stated. That is so, under ordinary circumstances. Now, I ask the honourable gentleman if, when money is placed in the Post-Office Savings-Bank, the depositors turn to the Government and ask, "What are you going to do with it?" Of course they do not ask such a question. And yet the Post-Office Savings-Bank investments and the Consols are exactly alike. This Bill provides that the money shall be invested in the same way as provided by the Public Revenues Act of 1891; and the Public Revenues Act of 1891, in clause 77, deals with the way in which deposits in the Savings-Bank shall be treated. The Government, I believe, will be quite justified in using some of the money that they get under this measure for advances to the local bodies. There is nothing to prevent their doing that, and it would be a very good way of using the money. They would have security for the money advanced to local bodies, and I believe it would be wise if the Government would spend money in that way. The Hon. Mr. Bowen feared that if the Government got this money so easily they would spend it easily—that money easily got is very frequently easily spent. I do not think that is a question affecting this Bill at all. That is a matter of opinion—the opinion entertained by the honourable member concerning the Government, the question of whether the Government is a bad or a good one.

An Hon. MEMBER.—No; all Governments.

The Hon. Mr. McCULLOUGH.—All Governments? If you think that, then the honourable member would equally oppose the lending of money to any Government, and as money must be lent to Governments, as Governments must get money to carry on the work of the country, then I do not see why this Government should be singled out as likely to be more extravagant than any Government which has preceded it or is likely to succeed it. No doubt honourable members will admit that money must be had for the government of the country,—for administration and other services. Do honourable gentlemen think that from the surplus revenue, we will say, the Government of this colony are in a position to carry out the demands of the colonists in the direction, say, of settlement—in roading and bridging, and in other directions, all adding to the capital of the country?

An Hon. MEMBER.—That is another Act.

The Hon. Mr. McCULLOUGH.—That is quite true; there is another Bill dealing with land improvements: but I am speaking of the main question of borrowing, to which the Hon. Mr. Stewart and others have referred this afternoon. In their eyes this is borrowing. I admit that this Bill means borrowing, or having money lent upon special terms, and for use in special directions: these directions I have already referred to. I do not see any reason why,

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in a general sense, borrowing should not take place. The colony cannot carry on public works without borrowing, and I think all the objections that have been raised against the Bill because of borrowing do not carry weight. In my opinion, the money is safeguarded. The Government cannot deal with it in an arbitrary manner; they cannot spend it foolishly; they can only use it in certain directions, and those directions are laid down in the Public Revenues Act of 1891; and, if there is surplus money in the colony, I think the Government are justified in bringing in a measure which will offer facilities to persons having the money to invest to do so on what may be considered good security; therefore I propose supporting this measure.

The Hon. Mr. STEVENS.—I understand this is a Bill to encourage thrift, and we are informed that the Government are under the impression that there are vast stores of money somewhere or other in the colony—in stockings or other receptacles, possibly in dens and caves of the earth. Sir, I am not aware of the existence of these large funds. I believe that their existence is a fiction—that is to say, their existence in the hands of these persons who are intended to be covered by the Bill. That there are large funds in banks which are held there temporarily waiting a chance of more profitable investment than can be got at the present time is highly probable; but to suppose that there is any large sum of money in the hands of the settlers of this country is, I am perfectly convinced, an utter delusion. Sir, let me say that I wish it were the case that money was so held. That is precisely the sort of thing which, above all others, is the best for any nation, and the one which, I regret to say, does not exist, and under probable conditions is a state of things which we on this side of the globe are about as far from as is possible. Sir, it appears to me one of the most important points has been missed in this discussion, and that is: Supposing the stores of money were there, would they be invested at the rate of interest offered? Certainly they would not. I cannot understand how any one—I heard my honourable friend who has just spoken deliver his speech—how any one can possibly be possessed of the amount of faith my honourable friend enjoys. Sir, I would give many years to be blessed with such an amount of faith as my honourable friend. He believes not only in the existence of the money, but that the people are going to lend it to the Government at $3\frac{1}{2}$ per cent., subject to deductions by way of income-tax—a point which my honourable friend did not appear to see, but which I think the lender of the money would very soon discover. We are told also it has been suggested that the trustees are likely to make use of this. Well, if the money were at short dates—if the money were in bonds, not issued for more than a year, or some other short period—I could quite understand some of it would be taken up by individuals who might be trustees or otherwise. But I am not at all sure that the people who

represent foreign insurance companies may not, to some extent, avail themselves of the Consols, as proposed, because it appears that they are to be taken by the throat and made to stand and deliver to a considerable extent. They must invest their funds to a large amount in the colony, and it is quite possible they may avail themselves of this as a means of getting a certain amount of interest on the sums they must deposit; but the idea that it is going to be made use of by others and by trustees appears to me to be an entire delusion. Look, for instance, at the position of a trustee who would invest money for forty years in New Zealand Government Consols at $3\frac{1}{2}$ or even 4 per cent. I should think the beneficiary, when he attained his majority, would immediately set in motion against the trustee an institution known as the Supreme Court, for having made an exceedingly bad use of the money during the term of his minority. I know that is exactly what I should attempt to do were I the beneficiary. But the most extraordinary proposition in the Bill is this: that it is to be taken in conjunction with another measure before the Legislature which we had the honour of receiving from the other Chamber this afternoon—I mean the cheap-money scheme. Let us read the two together, as to their titles, and we actually find that it is proposed to borrow money from the people of this country and then to go and lend it to some other people in this country. Does it not strike every one that it would be much simpler to let them keep their money and lend it to the others, instead of turning the Government into a collecting institution, getting all the funds that may be available, and then lending it to people who could just as well borrow it from the owners themselves? Yet that is exactly the proposition placed before the country in the form of these Bills, and it is mainly in consequence of the utter absurdity of the proposal that I feel constrained to vote for the amendment of my honourable friend; because, otherwise, the Bill appears to me to be of so singularly inefficient a character that I believe it would have no effect whatever, except for the purpose of enabling the insurance companies to make some use of it. Sir, I trust there will be a time when some change may take place in the views which are held about this sort of thing, and when experience may possibly prevail; but this is a new finance, and when you have such a grotesque transaction as the one now before us, all I can say is that I am afraid, instead of the people in London, as suggested, taking alarm at our proceedings, they will be filled with what is known as inextinguishable laughter. With these few remarks, I shall, under the circumstances, vote against the second reading of the Bill.

The Hon. Mr. MACGREGOR.—Sir, what has struck me in listening to this discussion is that if the arguments of the Attorney-General, who introduced the Bill, and the arguments adduced by the other honourable members who have supported it, are the strongest arguments that can be used in support of the measure, then

it must be a very peculiar measure indeed. Now as to the arguments that the Attorney-General used. If we refer to the preamble of the Bill we learn that it is an imitation of the English system of Consols, which, as has been pointed out, is no argument in favour of it at all, because the two systems are so entirely different that there is no similarity between them; not even is there analogy. The preamble of this Bill describes its object as being the investment of savings by the creation of New-Zealand-inscribed Consols, or rather this is the short title. The preamble describes the object to be the encouraging of thrift by affording to the people of New Zealand facilities for the safe investment of their savings. That, Sir, is another name for simply a proposal to borrow. It is neither more nor less than borrowing under false pretences; and it seems to me that the Bill is in no sense a Bill for the purpose of encouraging thrift, and I am quite sure it will not have that effect. From the arguments that have been used, a more appropriate title, it seems to me, would have been "An Act to provide Investments for Well-to-do People." One of the strongest arguments used in favour of the Bill was advanced by Sir George Whitmore, who stated that it will afford a more convenient investment for trustees and others. Now, that is certainly not the professed object of the Bill: in fact, it is entirely inconsistent with the object of it. The object, we were told, is to encourage people in thrift, and it cannot be said that to provide a safe investment for trustees has anything whatever to do with the encouragement of thrift. If the real object of the Bill is what it professes to be, the answer to that is simply that the Post-Office Savings-Bank affords all necessary facilities for the encouragement of thrift, and provides a safe investment for small savings. There is, no doubt, a great difference between the provisions under the Post-Office Savings-Bank Act and this Bill, and there is probably, as explained by the Attorney-General, sufficient to account for the difference. In reference to this proposal, moneys deposited in the Post-Office Savings-Bank are, as we know, held at call; and there is this difference also: that on money deposited in the Savings-Bank the interest may be varied, but under this scheme of Consols it cannot be varied. It would seem a very peculiar way of encouraging thrift. Supposing Consols were issued for, say, twenty, or thirty, or even forty years at 4 per cent., the rate of interest cannot be reduced; and that strikes me as most peculiar, and an unlikely way of encouraging thrift. Supposing a trustee wants to find a safe investment, and he is receiving interest at 4 per cent., his investment is secured for forty years, while thrifty people who are anxious to make small savings, and who can only make small deposits, would not receive perhaps more than $2\frac{1}{2}$ or $3\frac{1}{2}$ per cent. A remarkable feature in the money-market at the present time is the extraordinarily low rate of interest prevailing, or to which interest is tending. We have heard lately, on the most authentic authority, that

the amount of money in London seeking investment is something altogether unprecedented, and that the rate of interest there at the present time is lower than it has ever been. It is also almost certain that before many years have passed, under the circumstances in which New Zealand is placed, if the Consols under this Bill were issued for forty years, before those forty years were up the rate of interest would be very much lower. It has been pointed out that the rate of interest proposed to be offered under this Bill would not necessarily be 4 per cent., but I am quite certain that at present in New Zealand the Colonial Treasurer would not receive very much money under this scheme except for special purposes, such as that suggested by the Hon. Mr. Stevens. There are a few insurance companies that will probably be compelled to deposit money, but at the present moment in New Zealand they could not deposit it at a less rate than 4 per cent., and the result would be that we should be raising money at a higher rate than it could be obtained at in England. The Hon. Mr. McCullough has told us quite correctly that the rate of interest under this Bill would not necessarily be 4 per cent.; but the Bill professes in its preamble to be one for the benefit of the people of New Zealand by affording them facilities for the investment of money. If the Bill is to have any effect at all, then it is quite certain that the rate of 4 per cent. is the very lowest rate of interest which could be fixed at present, and the result would be that we should then be borrowing money at a higher rate than we could get it at if we were borrowing in the open market. It is admitted even by those honourable members who have supported the Bill that it is a borrowing Bill. No one can deny that, and if we have to borrow money it is the duty of the Government to say so, and to obtain it at the cheapest price. Therefore the proper statesmanlike course for the Government to have adopted would have been simply to have said, "The Colony requires to borrow a million of money, and the proper way to raise it is to raise it in the London market, where we can get it cheapest." But to raise the money under this Bill in the colony at present would be simply making a present of at least $\frac{1}{2}$ per cent. to the English creditor. That is what it would come to, because, no doubt, although the Bill professes that it is intended to be limited to New Zealand, it cannot be so limited, for it contains at present no provision by which its operation can be restricted to the colony, and I cannot conceive any provision that would have the effect of absolutely restricting the lending to the people of New Zealand. That being so, it comes to neither more nor less than a proposal simply to borrow money, and so borrow it needlessly at the high rate of 4 per cent.; and, in practice, although it is intended for the people of New Zealand, in point of fact we shall be giving away the greater portion of it to the English investor, and we shall pay $\frac{1}{2}$ per cent. more than we should pay if we had given it to him direct. As to the arguments that have been used in

favour of the Bill, it has been said that it is a right and proper thing for the Government to enter upon this line of business; but, if it is the proper thing for a Government to borrow money from the people of New Zealand, in order to make a profit by lending it out to other people in New Zealand, that strikes me as a very peculiar proposition. There are many capitalists borrowing money in New Zealand, and lending it out at a profit; and, if the present owners of the money can lend it to the same advantage, it would be in every way better that the transaction should be carried on between the private lenders and borrowers than that it should be carried out by the Government. The Bill, however, does not profess to be one for the purpose of making a profit out of the investing of money, but it professes to be a Bill for the encouragement of thrift. I do not think that it is a wise thing for the Government to enter upon a money-lending business merely for the sake of making a profit, in the first place, and I do not conceive it to be possible that the Government can invest money and make a profit. That would not be a proper thing for the Government to do, and it is not the object of the Bill, which is really something entirely different. It is simply to raise money; and here I must say that there is another very bad point about the Bill which distinguishes it from former borrowing Bills—a point referred to by previous speakers. There is no indication and no appropriation as to how the money is to be applied. The Bill is admittedly a borrowing Bill, and yet, if it becomes law, it does not say how this money is to be applied. Either of these objections should be sufficient to condemn it, and, to my mind, either is sufficient. As to the argument used by the Hon. the Attorney-General in introducing the Bill, with regard to the Post-Office Savings-Bank, the honourable gentleman said the Bill was necessary because of the restrictions as to the terms on which money could be received on deposit in the Savings-Bank, and also because the moneys deposited there are held at call. These are, no doubt, two very important points. But the Hon. Mr. Bowen pointed out that it is a very risky thing for any Government to hold even such large sums as £500 at call, and therefore the argument of the Attorney-General as to the Savings-Bank is entirely futile. The Post-Office Savings-Bank is a perfectly legitimate thing, and occupies a necessary place in the community. It is an institution which is intended to enable people to invest small savings, and which is designed to encourage thrift; but this proposal is nothing of the kind, and it has not really the object it professes to have. Another great fault I have to find with the Bill is that it is entirely different from what it professes to be. What its real object is I am not going to say. We know that on a former occasion a former Colonial Treasurer introduced a New Zealand Consols Bill, or a New-Zealand-inscribed Stock Bill. I refer to the Consols Bill introduced by the late Sir Harry Atkinson in 1882. Now, that Bill was described as a New-Zealand-inscribed

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Stock Bill, and it was what it professed to be. It was simply a borrowing Bill, and the purpose for which that money was borrowed was declared—namely, the prosecution of public works. It would be infinitely better, if this money is intended to be used for the purchase of land for settlements, for the improvement of lands for settlement, or for the acquisition of Native lands, that it should be stated; and, if it is necessary to borrow money in addition to the millions to be borrowed under the provisions of the Bills introduced for those purposes, it would have been very much better if it had been stated. It is not a Bill in any sense for the encouragement of thrift, but it is one simply for the raising of money. It would not have the effect of encouraging thrift, but it would be used as a means for English speculators and English investors to rob the colony of $\frac{1}{2}$ per cent. That is the difference between the rate at which the money is proposed to be borrowed, and the rate at which it could be legitimately borrowed. For these reasons, I consider that the Bill is not called for, and that it would be pernicious in its operation; and therefore I intend to vote for the amendment.

Debate adjourned.

The Council adjourned at ten minutes to five o'clock p.m.

HOUSE OF REPRESENTATIVES.

Tuesday, 2nd October, 1894.

Third Reading—Insurance Companies—North Island Main Trunk Railway Loan—Mines Statement—Shops and Shop-assistants Bill—New Plymouth Harbour—Bank of New Zealand—Waitekauri Telephone—Te Aute College—Bank of New Zealand—New Zealand Loan and Mercantile Agency Company—Local Rating—Local Bodies—“Thirds” and “Fourths”—Old-age Pensions—Bush-burning—Cheviot Schools—Otara Block—Acetic Acid—Duke and Duchess of York’s Visit—“Arab” and “Shah” Teas—Flax—North Island Trunk Railway—Old Soldiers’ Pensions—Wanganui Prisoners—Syrian Hawkers—Caversham Telephone—Colonial Bank—Bank of New Zealand—E. S. W. Butler—Bank of New Zealand Globo Assets—Guaranteed Banks Amalgamation Prohibition—Adjournment—Native Land Court Bill.

Mr. SPEAKER took the chair at half-past two o'clock.

PRAYERS.

THIRD READING.

Foreign Insurance Companies’ Deposits Bill.

INSURANCE COMPANIES.

On the motion of Mr. MILLAR, it was ordered, That a return be laid before this House showing—(1) The number of insurance companies trading in the colony, and their names; (2) the date upon which they commenced business; (3) the amount of money invested by each company in this colony in (a) Government securities, (b) freehold and leasehold lands, and (c) mortgages.

NORTH ISLAND MAIN TRUNK RAILWAY LOAN.

On the motion of Mr. MITCHELSON, it was ordered, That a return be laid before this House showing the amounts that have been taken from the North Island Main Trunk Railway Loan for the following purposes—namely: (1) Purchase of Native land, (2) construction of roads and bridges, (3) surveys, (4) snagging and clearing the Wanganui River, and (5) postal subsidies.

MINES STATEMENT.

(For tables referred to in the Statement, see Appendix C.-2.)

The following Statement by the Minister of Mines (Mr. Cadman) was laid on the table:—

Mr. Speaker, — In preparing a Statement on the mining industry of the colony I find myself limited to localities and matter trodden over and dealt with by other Ministers during the past ten years, thus affording one very little latitude for original remarks. The industry may be said to be confined to gold and coal, for, although there are a variety of other metalliferous and mineral ores in the colony, very little attention has as yet been directed towards their development, and, in all probability, so long as gold and coal continue to be worked remuneratively, we need not look for rapid strides in other branches of mining. The reason for this is obvious. Gold is found in the ore in a metallic state, and, although it occurs in many instances in combination with other metals—making its extraction of a somewhat complex nature—yet those persons at present engaged in mining pursuits in the colony are better acquainted with the methods of extracting gold and silver from ores than they are with the mode of dealing with any other metals. Hence the difficulty in getting people to devote either their labour or capital to the opening-up of other mines.

The improvements in machinery and appliances for the reduction and treatment of auriferous and argentiferous ores have done a great deal towards making lower-grade ores pay for working. The introduction of the Cassel process, by which the gold and silver in the pulverised ore is leached out, and a far larger percentage of the assay-value obtained than hitherto got by any other method, was last year the means of making some of the mining companies in the North Island remunerative ventures; whereas without this process the operations would have been carried on at a loss. The Cassel process is, however, far from perfect, as it will give only an average result of about 85 per cent. of the assay-value of the gold in the ore, and about 50 per cent. of the silver. The loss therefore of the precious metals is still very considerable. This loss varies in proportion to the character of the ore: when it contains argillaceous material forming a great deal of slimes no method has yet been adopted whereby the cyanide of gold and silver can be completely washed out. The slimes absorb the cyanide, but after being for some time in the vats it seems to set closely together and form

impervious bands, through which the solution cannot be filtered. For the reason stated, the process has not as yet proved a success in treating the tailings in the Middle Island, but it is expected that the difficulty will soon be overcome.

As showing the value of the Cassel process, I would mention that the Cassel Company purchased the tailings belonging to the Waihi Company, which had been stacked from the time that crushing operations were commenced up to November last, for £5,000; and, from the beginning of the present year up to the 23rd of August, bullion to the value of £11,369 has been recovered.

I may also be permitted to remark that the improvements in hydraulic and dredging appliances enable ground to be worked remuneratively that a few years ago could not be operated upon except at a loss. There is still plenty of scope for the extension of hydraulic sluicing; but, in order that a much larger number of men could be employed in this branch of mining, it would require a conservation of the water in numerous available streams and rivers, which can readily be brought to command localities where auriferous drifts are known to exist. The whole of the water-rights, however—the streams which are easily brought to command the ground—are held by private parties, who in many instances do not utilise one-half of the water for which they hold rights. Some of the water-races are not of sufficient capacity to convey the number of sluice-heads for which the rights are granted, and in most cases the water is used only from eight to twelve hours a day, it being allowed to run to waste for the remainder of the time. In many instances this waste could not be prevented, as the topographical character of the country is not suitable for the construction of storage reservoirs; but there are many places where these could be constructed, and the spare water conserved.

The utilisation of water as a motive-power to work mining and other plants also deserves consideration. There are a number of rapid rivers which could not be diverted at a reasonable cost to command the auriferous drifts, but which, in many instances, especially on the west coast of the Middle Island and in Otago, could be easily utilised to generate electricity, which can now be transmitted for long distances with very little loss. In some places even large pumping-plants might be used with success to raise water for hydraulic sluicing, where the motive-power would cost nothing beyond the necessary expenditure on machinery and appliances for lifting the water. There are large areas of country, which could be made remunerative for working by hydraulic sluicing were water available, which are not suitable for either agricultural or pastoral purposes, but nevertheless could be utilised so as to afford employment to a large number of men for many years.

Assistance to the gold-mining industry has always been subject to the whim of the Minister or Ministers of the day, the result being

that help has been rendered spasmodically in accordance with the political pressure generally from goldfield members. What is required is the establishment of a definite fund whereby reasonable amounts will be periodically raised, and to which may be added any sum Parliament may consider advisable. In very few instances will any company venture to test deep levels without assistance, with the certainty that such assistance will be given on some definite basis to be agreed on before the work proceeds, and that any balance of an unexpended vote at the end of any financial year will be again revoted.

MINERAL PRODUCTION.

On reference to Table No. 1, annexed, it will be found that the quantity and value of gold and silver produced for the year ending the 31st December, 1893, was 239,887oz., of the value of £922,881; while 700,603 tons of other minerals (including 8,317 tons of kauri-gum), of the total value of £899,793, were also produced for the same period; as against 280,132oz. of gold and silver, of the value of £958,740, and 687,295 tons of other minerals (including kauri-gum), of a value of £907,566 produced for the previous year.

The details of the quantities and values of the different minerals exported for the year are as follow: Gold—226,811oz., value £913,138; silver—63,076oz., value £9,743; antimony-ore—331 tons, value £3,467; manganese-ore—319 tons, value £943; mixed minerals—37 tons, value £650; coal—69,136 tons, value £72,699; coke—51 tons, value £53; kauri-gum—8,317 tons, value £510,775; while the coal produced and consumed in the colony amounted to 622,412 tons, valued at £311,206: making a total value of all minerals of £1,822,674.

The value of gold and silver produced up to the end of 1893 was £49,454,886; and the values of other minerals and metalliferous ores, including kauri-gum, are as follow: Copper, £17,866; chrome, £37,367; antimony, £49,507; manganese, £56,107; hæmatite, £226; mixed minerals, £70,322; kauri-gum, £6,860,196; coal exported, £659,882; coke exported, £23,643; the value of coal raised and consumed in the colony being £3,842,408: making a total value of £61,072,410.

I may here mention that the quantity of foreign coal imported for the year ending the 31st December, 1893, was 117,444 tons, of the value of £111,956: of this, 6,026 tons, of the value of £6,460, was, however, again sent out of the colony.

GOLD-MINING.

The gold-mining industry has done more than any other towards the settlement of the colony. When we look back at the small number of inhabitants in New Zealand before the discovery of gold, we must admit that the present population is due to the great influx of people in the early days of the goldfields. Although the number of persons now employed in gold-mining is small compared with what it was when the Dunstan, Shotover, and West

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Coast diggings broke out, there are still about sixty thousand people supported by this industry, which even at the present time forms an important factor in the prosperity of the colony. Thousands of acres of land have been put into cultivation which, but for the large population the discovery of gold brought to our shores,—giving the *bonâ fide* agriculturist a local market for his produce,—would in all probability still be in its natural state; either covered with bush and fern, or devoted only to the pasturage of a few sheep and cattle.

Gold-mining, like all other industries, is rapidly being brought to a science. The happy-go-lucky method of working hitherto pursued, by sinking here, there, and everywhere without a defined plan, is fast dying away. Men are getting a better knowledge of mineral and metalliferous ores, and the formations in which to look for them. The improvements in machinery and appliances admit of ground being worked far more cheaply than formerly; but, notwithstanding this, gold-mining is becoming more difficult as year after year passes by.

The auriferous lodes, where rich patches of gold were found in the past, are getting worked out on the upper levels; and deep-sinking in many places, with a large influx of water to contend with, has to be undertaken in order to follow the lodes down. This, together with requiring men of skill and ability to carry on the operations to a successful issue, adds considerably to the cost of working.

In alluvial mining the greatest labour-saving appliance that can be used is a large supply of water at a high elevation above the ground proposed to be worked; but this requires a considerable outlay in the construction of water-races, tail-races, and hydraulic plant. The working miner of to-day is very differently situated from the miner of former years. He now requires not only to give a large amount of labour, but he must have a considerable sum of money at command, to enable him to go into the undertaking. The wages of the miner are much less than formerly, and now many of them, having large families to support, cannot afford to lay by sufficient money to enable them to undertake operations on a large scale. To bring a mining venture to a payable stage, capital and labour require to go hand in hand, and every encouragement and facility should be afforded the miner to get our mineral wealth developed. The field for gold-mining operations to be carried on should be extended to the utmost possible limit, as this industry will afford employment to the working-classes, and have a much greater tendency towards solving the question of the "unemployed" than any other. Even on the old-established goldfields men can always earn a livelihood, though they may not be able to make the ordinary rates of wages. It is intended to give better facilities by granting a good tenure to land on goldfields, so that the miners can build comfortable homes and have a sufficient area on which they can grow their own vegetables and keep a cow or

two, thus enabling them to maintain their families and reduce the cost of living to a minimum.

The yield of gold for the year ending the 31st March last (Table No. 2) shows an increase over the previous year of 12,043oz., representing a value of £52,753. The total yield last year, according to the Customs returns of the quantity entered for exportation—not including the gold manufactured into jewellery, &c., in the colony—was 247,702oz., representing a value of £970,220; while the yield for the former year amounted to 228,659oz., having a value of £917,467. The increased yield last year came from the Auckland and Otago Districts, being 11,374oz. and 4,781oz. respectively; while the Marlborough District showed a decrease in the yield over the former year of 793oz., Nelson 613oz., and the West Coast 2,706oz.: making the total increase in the North Island and Otago 16,155oz., and the total decrease in the other districts 4,112oz. Of the gold produced last year, the Auckland District contributed 52,426oz., or 21·78 per cent. of the total yield; Marlborough and Nelson, 4,441oz., or 1·84 per cent.; the West Coast, 98,930oz., or 41·10 per cent.; and Otago, 84,905oz., or 35·28 per cent.

Earnings of the Gold-miners.

The only way this can be arrived at is by taking the returns furnished to the department by the various Wardens of gold-mining districts of the number of miners actually employed in claims on the goldfields, and the quantity of gold entered for exportation, according to the Customs returns. This does not, however, represent the whole of the gold, as there is a certain quantity manufactured in the colony each year, and parcels are, no doubt, taken away by Chinese and others leaving the colony which do not go through the Customs. On the other hand, there are a number of men employed by the miners in getting blocks and sawn timber for mining, who are not included in the return of miners employed in claims. These may, I think, be fairly taken into account, as against the extra amount of gold obtained over the quantity shown for exportation in the Customs returns.

The total number of miners employed last year was 11,553, as against 12,197 for the previous year, showing a decrease in the number last year of 544. This decrease is principally in the Otago District. Taking the number last year, and the value of gold obtained—namely, £970,220—the average earnings of the miners are equal to about £83 19s. 7d. per annum, while their average earnings for the former year amounted to £75 4s. 5d. This shows an increase of £8 15s. 2d. over the average earnings for the former year. Taking the different districts, with the number of miners employed in each, and the value of the gold obtained, the average earnings in each locality would be as follow: Auckland, £161 13s. 7d.; Marlborough, £36 5s. 10d.; Nelson, £38 8s.; West Coast, £75 7s. 3d.; and Otago, £75 18s. 11d. a man per annum.

The average earnings in some districts are—

small, but many of the miners employ a portion of their time in other pursuits.

QUARTZ-WORKINGS.

The returns furnished by the proprietors of crushing-mills, which will be found in detail in pages 33 to 85 of the Inspecting Engineer's Report on the Goldfields, will show honourable members that this branch of gold-mining is steadily progressing, and the yield increasing. As the quartz-workings may be termed "the permanent gold-producing mines" of the colony, it is gratifying to find the yield of gold increasing from this source. The returns referred to show that in the Auckland District 89,916 tons of quartz were crushed, and 18,900 tons of tailings treated, which gave 54,385oz. of gold and 61,389oz. of bullion, representing an estimated value of £219,651. This would be equivalent to about 85,202oz. of gold, as the average value of the gold found in the North Island is about £2 11s. 6d. per ounce, whereas the value of the gold found in the Middle Island is about £3 19s. per ounce. In the Nelson District 4,551 tons of quartz yielded 914oz. of gold, having an estimated value of £3,610; on the West Coast 45,090 tons of quartz yielded 28,553oz. of gold, having approximately a value of £114,214; and in Otago 9,723 tons of quartz yielded 5,573oz. of gold, representing an estimated value of £22,015: making a total of 168,190 tons of quartz and tailings crushed, which yielded 120,253oz. of an approximate value of £359,490, as against £320,282 for the previous year. This shows that about 37½ per cent. of the value of the gold obtained last year came from auriferous lodes.

In connection with quartz-workings I may observe that the improvements in the appliances for recovering the gold from the crushed pulp have had a great deal to do with the increased yield from the North Island last year. In some cases nearly as much gold has been recovered from the tailings as from the crushed ore, after passing through the ordinary process of gold-saving. This is entirely due to the introduction of the cyanide process. Wherever this process has been adopted in the North Island it has proved a success. At the same time it is only on ore having a certain value that it can be used, as the expense of treatment, together with the royalty to the Cassel Company, would in very few cases be less than 12s. per ton, exclusive of the cost of fine crushing. The cost of treatment, however, varies with the class of the ore to be dealt with. This necessarily requires men having a metallurgical knowledge to treat the different ores successfully.

I shall now briefly refer to the different localities where quartz-mining is carried on.

Coromandel.

The yield of gold from Coromandel, including Kuaotunu, last year was 10,019oz. This was obtained from 10,242 tons of quartz and 2,388 tons of tailings; while for the former year 12,403 tons of quartz and 2,760 tons of tailings gave a yield of 12,954oz.: showing a decrease in the yield of gold of 2,935oz. for the last year.

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The English company referred to in last year's Statement has not met with much success, but recently it has got gold-bearing stone in the deep levels of the Kapanga Mine; and rich stone has also been discovered in the ground forming portion of the Coromandel Company's property. This will, no doubt, give an impetus to further prospecting in the locality.

At Kuaotunu about the same number of claims have been worked as during the former year, but some of them have been giving very poor returns. The introduction of the cyanide process, however, added considerably to the yield of gold from that field last year. Both the Try Fluke and Great Mercury Companies have erected Cassel plants in connection with their crushing-batteries, and last year 3,420oz. of gold was obtained by this process. The total yield of gold from the Kuaotunu field last year was 8,044oz. This came from 9,660 tons of quartz and 2,240 tons of tailings, but the tailings may be said to form a portion of the quartz crushed.

Thames.

Notwithstanding the cry of depression in this district there were 1,068oz. more gold obtained—according to the quantity entered for exportation for the year ending the 31st March last—last year than for the previous year: *vide* Table No. 2. The mines are, however, getting deeper as every year passes by, and a feeling is entertained that, unless something is done to test the deep levels, in a few years many of the properties will be valueless, as the holders have not sufficient means to undertake prospecting operations below the level that can be drained by the Big Pump; and, although there are a number of companies affected by the drainage system, the areas of their separate holdings are, however, comparatively small. A combination of the whole of the companies interested in the deep levels is required before any extensive prospecting operations in this direction can be proceeded with. The holdings below the 500ft. level are at present utterly useless, but nevertheless the value placed on the ground in many instances is such that it will be a difficult matter to find outside capital to come to the assistance of the companies. Before any practical results will ensue, the present holders of mining property in this locality will have to modify their views in regard to the value of their claims, or else offer sufficient inducements for capitalists to assist them; otherwise mining in the district is bound to dwindle down, and in time many of the properties will be forced into liquidation. Every year the payable stone in the upper levels is gradually getting less, and the time will come when, unless money is forthcoming to test the lodes at deeper levels, the mines will have to be abandoned. It is a difficult matter to find persons philanthropic enough, even with Government assistance, to embark their capital for the benefit of others unless they receive a corresponding advantage.

During the last year there were 34,637 tons of quartz and 14,970 tons of mullock crushed, also 13,220 tons of tailings treated, on this field,

yielding 84,637oz. of gold, representing an estimated value of £92,650; while 650 men were employed in the mines.

The principal gold-producing mines have been: The Moanataiari, 4,586oz.; New Alburnia, 5,992oz.; Hazelbank, 2,669oz.; Waiotahi, 2,719oz.; May Queen, 4,369oz.; and the Cambria, 1,470oz.

Ohinemuri.

This is a district which is likely to become a very large gold-producing one, as it contains a large area in which auriferous lodes have been already discovered and are known to exist. In many places no prospecting has been done, and portions of the field are yet unexplored. The yield from the Waihi Company's mine last year proves that, by using improved machinery for saving the bullion, the property is a valuable one. Nevertheless, the same property from which this company is obtaining such large returns was worked for over eight years by the Martha Company, the yield being only sufficient to pay working-expenses. The lode was previously worked by the Martha Company, which took out only what was considered the best portion of the stone, and from this only about 4dwt. of gold per ton was obtained by the process adopted by that company. Last year 19,343 tons of quartz were crushed from this mine, yielding bullion to the extent of 84,661oz., having a value of £54,000. As the company has erected a Cassel plant to treat the ore by the cyanide process, they expect this year to have much larger returns. By this means they get about 90 per cent. of the assay-value of the gold, and not more than 50 per cent. of the silver, in the ore. Previous to this only 66 per cent. of the gold and 40 per cent. of the silver was obtained.

At Waitekauri good returns have been obtained from the Komata Mine, and from Lowrie's New Find. Another discovery has been made by Birnie and party, who have recently erected a crushing-battery, but the results of the crushing have not been so far satisfactory. At Karangahake the Crown Company has been working successfully, and getting good returns. No doubt there are other lodes in this locality which, by judicious working, with proper appliances for saving the bullion, would give payable results. All through the Ohinemuri district the gold is found in combination with a large percentage of silver, and the system of treatment requires to be quite different from that for ore containing free gold only.

The battery returns from Waitekauri last year were: Komata Mine, 14,606oz. bullion, from 1,708 tons of stone and 1,705 tons of tailings; Lowrie's New Find, 1,682oz., from 600 tons of quartz; and the Crown Company, at Karangahake, crushed 4,644 tons of ore, yielding 11,131oz. of bullion.

The Crown Company was the first to introduce the cyanide process into the colony; and, as they have made considerable improvements in the method of treatment, a much larger percentage of the bullion is now recovered.

The total yield from the Ohinemuri district last year was 68,608oz. of bullion, representing a value of about £107,000; while 454 men were employed in the mines.

Waiorongomai.

There are very few men now working at Waiorongomai. There appears to be a considerable amount of bullion in the ore, but so far it has not been treated successfully. A fair percentage of the value cannot be recovered by the ordinary battery process, and the ore contains too large a percentage of copper to treat it economically with cyanide of potassium. There are a large number of lodes in the district known to contain gold, but most of the miners originally in this locality have left the field, and very little prospecting is done. The total yield from this field last year was 2,515oz. bullion, representing a value of about £2,500, while only twenty-nine men were employed in connection with the mine.

Lyell.

This was never a large quartz-reefing district, the principal gold-producing claim being the Alpine. In this claim the lode has been stoped out from the surface to a depth of 800ft., and it still gives payable returns. Adjoining this claim the Larnach Company have constructed an adit-level for a distance of about 3,300ft., and have succeeded in cutting the north block of the Alpine lode, which is said to show gold freely. This company has been about twelve years constructing this adit-level, and it is to be hoped it will yet be rewarded for its labour and perseverance. During the past year there were 9,876 tons of quartz crushed in this locality, yielding 9,186oz. of gold, valued at £36,744; while seventy-four men were employed in the mines.

Inangahua.

This is by far the largest quartz-reefing district in the Middle Island. It extends for a distance of forty miles, but the claims are greatly scattered, Reef-ton being in the centre; but there are only a few claims working within a radius of three miles of the town. The workings are gradually extending from Devil's Creek to the Big River. At the latter place some very good auriferous stone was obtained last year in the Big River Company's claim. At Merryjigs, the Cumberland Company has been doing fairly well; but the adjacent companies—namely, the Golden Lead and Sir Francis Drake—were not successful in their operations last year. The Progress and Globe Companies, at Devil's Creek, both have a large number of men employed, and the former company has been successful in paying dividends, but the other company has only been paying expenses.

The Keep It Dark and Wealth of Nations Mines, at Crushington, have been worked steadily during the year. The latter company has been fairly successful, but the former has had to make calls to carry on prospecting operations. The Keep It Dark is the deepest

mine below sea-level in this district, being about 150ft. below that datum.

At the Sir Charles Russell Mine, at Painkiller, some good stone has been struck, and a crushing-battery is now being erected near the mine. Prospecting operations at the deep levels are being carried on at Boatman's by the Welcome Company, but no payable stone has yet been struck.

During the past year 35,214 tons of stone were crushed and tailings treated in the Inangahua district, yielding 19,367½oz. gold, representing a value of about £77,470. The total quantity of quartz crushed in this district since it was opened amounts to 594,461 tons, which yielded 449,486oz. of gold, having a value of £1,696,997, out of which dividends have been paid to the extent of £529,429; while the whole of the calls made by the mining companies amount to £305,379. This shows that there has been £224,050 returned to the shareholders more than has been paid in calls. The value of the dividends paid last year was £18,832, while 312 men were employed in the mines.

Otago.

The principal quartz-mining districts in Otago are Skipper's, Macetown, Old Man Range, Nenthorn, and Barewood; but the two principal claims where operations were carried on last year were the Phoenix and the Premier, both of which are now held by English companies. It is to be hoped that both these companies have been floated on the London market in such a manner that those investing their capital will receive a fair percentage for their money. We require capital in our mining ventures to assist in the development of our lodes, and I wish to see all persons who invest their money in undertakings of this nature receive adequate returns.

The Phoenix Mine has recently been purchased by the Achilles Company, but no extensive operations have yet been commenced. The Premier Mine yielded a fair quantity of gold last year, owing to its operations having been extended.

The Tipperary Mine, at Macetown, is now the property of an English company; but, so far, no payable returns have been obtained. The Cromwell Mine, at New Bendigo, is also the property of an English company, which has expended a considerable amount of money in prospecting the lode to a greater depth, and in sinking a new shaft, but, so far, without finding any stone of a payable character. Some very rich stone was obtained from this mine in the early days, and it is expected that another rich gold-bearing ledge will be found at a deeper level.

At the Old Man Range, and also at Barewood, some of the mines have been worked at a considerable profit, but at neither of these places are extensive operations carried on. A few parties are still working some of the Nenthorn lodes, and getting a fair quantity of gold.

The total quantity of gold obtained last year from quartz-mining in Otago was 5,573½oz., representing a value of about £22,015.

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Very little more is known this year respecting the Wilson River reefs than there was last year. The Golden Site Company, the owners of the prospectors' claim, have opened out on both sides of Wilson's River, and a portion of the lode on the north side is said to be very rich. A crushing-battery has recently been erected, and the result of crushing the first 130 tons of lode-stuff was 204oz. retorted gold. It is stated, however, that, during the eight days occupied in crushing, six days were spent in putting mullock through the battery.

Concluding Remarks on Quartz-mining.

In concluding my remarks on quartz-mining, I may be allowed to point out that the system hitherto adopted in working the mines is neither advantageous to the shareholder nor to the colony. Every mining company should have a fund to draw on to carry on prospecting operations when the day of adversity comes. Instead of paying away every shilling of the profits in dividends, a certain percentage should be placed to a reserve fund, which should be allowed to accumulate until required to open up fresh workings. This is exemplified in the case of the Welcome and Keep It Dark Companies, at Reefton; and also in some of the companies at the Thames, which have paid away large sums in dividends without retaining any reserve fund; and applications are now being made to the Government to come to the assistance of these companies to help in the development of their properties. Had a reserve fund been created, and left to accumulate, many of the shareholders would not have been so eager to dispose of their shares, so as to get clear of calls. The effect of having a reserve fund would be that the shares would be better held, and money would be available for prospecting and opening out the mines afresh without having to make calls.

ALLUVIAL MINING.

I now come to alluvial mining, which is confined to the Middle Island and Stewart Island, but at the latter place there is scarcely any one working. About 62½ per cent. of the gold produced last year came from the auriferous gravel drifts of the West Coast and Otago. Very little alluvial mining is carried on, however, in the strict sense of the term, the principal workings being hydraulic sluicing and dredging. The ground, as it becomes poorer, requires to be worked on different methods from that adopted in former years, when only a pick, shovel, and tin dish were required to enable the miner to earn his livelihood. Water must now be made to do the work, instead of manual labour. By having a good supply of water, and plenty of dump for tailings, a grain and a half of gold to the cubic yard of material can now be made remunerative, and when the material can all be sent away without having to handle any boulders even less than that can be made to pay.

Seeing, therefore, that water is so necessary an adjunct to working the auriferous gravel drifts, more attention should be given to its conservation. Every site for a dam or reservoir

should be set aside for this purpose. At the present time the whole of the streams that can be diverted are utilised by the miners for a certain portion of the day; but sufficient provision is not made for storing up the night-water, and also the flood-water. If this were attended to, both the West Coast and Otago fields would afford profitable employment to a far larger mining population than at present.

The number of miners employed in alluvial mining is almost entirely limited to the quantity of water available. Very little of the ground contains sufficient gold to pay for driving the best portions of it out, and water is the only factor that can be used to make such ground remunerative.

There are also many places where the rivers could be utilised as a motive-power to generate electricity, and where this could be done at a reasonable cost pumping appliances might, in some instances, be used to lift the water into reservoirs at sites where it would be scarcely possible to get a stream of water by gravitation. I shall now refer to the principal fields where alluvial mining is carried on.

Mahakipawa.

The early workings in the upper portion of the field are now nearly exhausted, but there is still a considerable extent of ground left in the lower part of the creek-bed which would afford employment to a limited number of men were it not for the frequency of floods, which in every case fill the underground workings with water. The gold has been traced for a short distance into Mr. Cullen's freehold, and very good washdrift is being obtained in the King Solomon Mine. Several shafts have been sunk lower down the flat, but none of them has got on to the same run of gold. It is expected, however, that this gold will yet be traced under the township, and near the terrace on the north-east side of the flat. About 125 men were employed in this locality last year.

West Coast.

This embraces a large field, which may be said to extend from Collingwood to Jackson's Bay, a distance of about 350 miles. At Collingwood extensive preparations are being made by the Parapara Sluicing Company to work the alluvial flats in the vicinity of Appo's Creek and the Parapara Flat, but it will be a considerable time yet before operations can be commenced.

During my recent visit to the West Coast I was greatly surprised to find such extensive areas containing auriferous drifts, which can be made remunerative by hydraulic-sluicing operations. The whole of the West Coast abounds with rivers and streams which can be utilised for mining, a great portion of the country in this locality being suitable for no other purpose. The quantity of gold produced on the West Coast last year was about 98,980oz., having a value of £395,728, and there were about 3,860 men employed in working alluvial claims, of whom 990 were Chinese.

Matakaitaki.

There is an extensive field for sluicing operations in the upper portions of the Matakaitaki Valley and Glenroy Terraces, where a large supply of water can be brought to command the ground at a comparatively small outlay; and, from the information afforded me in the district, there is a large area of ground likely to pay for working, with a good supply of water. A company has recently taken up a special claim in this locality, and is now engaged in bringing in water from the Matakaitaki River to work it. From the prospects shown me—said to have been taken from shafts sunk in this ground, giving an average of 3gr. to the cubic yard of material—it should make a valuable mining property.

Westport, Addison's, and Charleston.

In the Westport district a considerable number of men are engaged in working the auriferous black-sand leads at Addison's, Croninville, Charleston, and between Westport and Ngakawau. Many persons also find profitable employment in washing the auriferous black sand found on the ocean-beach along the West Coast, from Karamea to Jackson's Bay. A prospecting association has been formed in Westport, with a view of cutting a tunnel tail-race through the Pakihis, from the ocean-beach to Fairdown, so as to cut the black-sand leads which are supposed to run through this flat. At Addison's Flat a large number of men are employed. Some of them have been working there since it was first opened, and are said to be making fair wages. At Charleston rich patches of gold-bearing sand have been worked, and a number of men are still finding profitable employment in this locality.

Grey Valley.

In the Grey Valley, at Granville, Orwell Creek, Callaghan's, Nelson Creek, Red Jack's Creek, No Town, Moonlight, and Blackball, there are a considerable number of miners making a fair livelihood. There are large areas of auriferous ground in these localities, which will yet be worked by hydraulic sluicing. Provision will have to be made for proclaiming several streams in this valley watercourses into which tailings and mining *débris* may be discharged.

Greenstone, Kumara, and Waimea.

At Maori Gully, Maori Creek, Greenstone, Westbrook, Kumara, and Waimea there are a considerable number of miners employed, especially at Kumara, which is the principal field for sluicing on the West Coast. When one sees the extensive hydraulic-sluicing operations which are carried on in a part of the country valuable only for mining and the timber it contains, every facility and encouragement should be given to men who are ready and willing to expend their capital and labour in extending the field of operations. When it is considered that the Kumara field has yielded gold to the value of about £1,250,000 from an area of not more than 600 acres, and then only on a false

bottom, it fills one with wonder and admiration at the resources and wealth which have lain hidden for such a period from the eyes of man.

At Callaghan's, between Kumara and Waimea, a party of miners have constructed a tunnel tail-race for drainage purposes of about 3,000ft. in length, and are now getting sufficient gold to pay them fair wages. There is also a considerable area of ground in the Upper Waimea Valley which has scarcely yet been prospected, and is likely to afford employment for a large number of miners when the branch of the Waimea Water-race is completed.

Humphrey's Gully.

At Humphrey's Gully, near Arahura, large sluicing operations are being carried on, but the quantity of water yet brought on to the ground is not sufficient to work the claim—which is over 200 acres in extent—on such an extended scale as the holders of the property deem advantageous. From what I could learn, steps are being taken to get more capital to extend the head-water race to the Arahura River, when a never-failing supply of water will be obtained.

Kanieri and Woodstock.

Coming to Kanieri, Woodstock, and Rimu, we find a considerable mining population, some working the ground by shafts and tunnels, and some by hydraulic sluicing, where water and fall for tailings can be got. The Rimu field is, however, at so high an elevation that the expense of getting a large supply of water would be so great that few individuals with sufficient capital could be found to undertake the construction of a water-race sufficiently large to work the ground on the hydraulic principle. Recently a new discovery of gold has been made between the branches of the Kanieri River, which seems to be a continuation of the Gentle Annie Diggings. This discovery was made by the Rimu Prospecting Association, who have been doing very useful work in this locality. A few shafts were bottomed at the time of my visit, and a little gold was being found in each of them—about 2½dwt. to the load; but further work will have to be done before much is known respecting it.

Ross.

At Ross there is now only a small mining population compared with what there was in the days when mining operations were carried on in the deep ground. Most of the Ross Flat is now held by the Ross United Company, who are working the upper levels by the aid of a tail-race on the ocean-beach. The water used in sluicing the ground is discharged into this tail-race, and the tailings are lifted by a bucket-elevator for a certain distance, and afterwards in trucks up an incline tramway. The large quantity of stones and tailings which cover the flat mark the extensive workings which were carried on in the early days of the field.

There are said to be eight different layers of

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gold-bearing wash-drift, one above the other, in this flat. The lowest one, worked in the early days, proved to be far the richest. This is about 240ft. under the sea-level, and yet no main bottom has been reached. The pumping-plant formerly used by the company was insufficient to contend with the water, and as all the available capital was expended the lower workings had to be abandoned. Several efforts have been made to get extra capital to place a larger plant on the ground, but so far without success.

A little to the south of Ross is the Mont d'Or Sluicing Claim, with a face about 200ft. high. A large quantity of gold has been obtained from this, and steady dividends paid to the shareholders. From the appearance of the country, and the information afforded me when visiting the West Coast fields, I believe this is a part of the colony where profitable employment will be found for willing and energetic men for a long period.

Otago.

The discovery of gold in Otago was the means of the first rapid influx of population to our shores; and from this district 5,054,592oz. of gold, representing a value of £19,975,412, have been obtained. This goldfield is a portion of the colony where there is comparatively no dense bush, and consequently the difficulties met with in prospecting are not very great: at the same time some of the land is at such an elevation that mining operations can only be carried on for about six months of the year. I have not been able to visit this important mining district yet, but hope to do so during the recess.

There is a large area of land in Otago having a very old quartz-schist formation, and where this exists the overlying drifts are in most cases auriferous. The elevation in many places, however, prevents an adequate supply of water being obtained. This is the case, for instance, at Mount Criffel, Mount Buster, and the Old Man Range, where the supply of water is dependent on the melting of the snow. Last year 4,182 miners were employed in the alluvial workings in the Otago District: of these, 1,238 were Chinese.

Maerewhenua.

There is a considerable area of ground covered with auriferous drifts in this locality, but the expense in bringing in a large water-supply to the field is too great for individual miners. The number of miners on the field has varied very little for several years. Last year there were seventy-seven men employed in mining, and the gold obtained was 2,397oz., representing a value of £9,849, which is equal to about £128 11s. per man. This shows that even with a small supply of water on the field the miners here are doing better than on many of the other goldfields.

Mount Ida.

The Mount Ida field includes Taieri, Nenthorn, Hindon, Hamilton, Hyde, Kyeburn, Mount Buster, St. Bathans, and the Upper Manuherikia Valley. In these localities 530

miners were employed in alluvial mining last year, of whom 180 were Chinese, and the quantity of gold obtained was about 13,880oz., representing a value of £55,583. In some parts of the field the miners are making only small wages, but in other parts rich yields are obtained.

In Naseby, where the largest population is situated, the ground is very poor, and it is only by having a good supply of water that the miners can earn even small wages.

Mount Buster.

This was known as Clark's Diggings in the early days, where very rich drifts were found in the beds of the small gullies; but as these shallow workings became exhausted the gold was traced into a large deposit of quartz drift, which has been worked every season since the discovery, yielding handsome returns. It is, however, only for about six months of the year that mining operations can be carried on, owing to the severe frost and the large quantity of snow which falls at this elevation — about 4,000ft. above the sea-level. The discovery was not only an important one to the lucky finder, but it has led to similar deposits being worked in other localities in Otago, with equally good results. From the explorations made by the Mining Geologist, there appear to be many places yet untouched which contain similar formations, and which are likely to prove remunerative for working by systematic methods on the hydraulic principle. Passing on from Mount Buster, at the foot of the range is the Kyeburn diggings, where a limited number of persons are said to be earning small wages. The line of quartz drift can be traced along the foot of the mountains through the Naseby field and into the Upper Manuherikia Valley, and similar drifts occur in almost every goldfield in Otago.

St. Bathans.

The whole of the alluvial workings at St. Bathans are in the same class of quartz drift as found at Mount Buster, and some of the claims in this locality are yielding handsome returns. One of them, belonging to Mr. John Ewing, has been giving a large yield for a number of years. Last season he washed up 800oz. of gold, and he has only eight men employed. The depth of the quartz drift at St. Bathans has never yet been tested. Mr. Ewing is now down nearly 200ft., and no bottom has yet been reached. The gold occurs in bands and layers, and, from the manner in which this deposit lies, it must be one of the oldest auriferous drifts in Otago, being found in some places under 500ft. of "Maori bottom" belonging to the Miocene formation.

As the workings are being extended in this locality, the quartz-drift formation is likely to be found remunerative wherever a good supply of water can be obtained to command the ground at a sufficient elevation to admit of hydraulic elevators being used.

A short distance from St. Bathans are Scandian Hill and Muddy Creek, where rich finds of gold have been obtained in the past,

and payable results are likely to continue for the future.

Vinegar Hill and Welshman's.

Again, at Vinegar Hill rich auriferous gravel drifts were found near the surface, and the gold was traced from these into deep ground, which seems from its formation to have been an ancient fresh-water lake. This is indicated by the large number of the vertebrae of small fish found in the beds of green silt sand-mud, which is now hardened to such an extent that it is difficult to disintegrate even with water under a high pressure. Mr. Ewing, who has been working a claim in this locality for many years, has recently got out of the greensand formation and come on a deposit of quartz drift which, judging from the prospects obtained, is likely to prove a valuable discovery. At Vinegar Hill and Welshman's there are several claims giving good returns.

Tinker's.

This has been for many years the richest alluvial diggings in the colony. There is a comparatively small population, but the average yield of gold for the number of men employed for the last ten years has been considerably more than on any other goldfield in New Zealand. Last year, however, notwithstanding that there was a plentiful supply of water during the whole of the season, the quantity of gold obtained was not so great as formerly. The estimated yield last year was about 2,200oz., representing a value of £8,800, and about forty men were employed on the field.

Tuapeka.

This is the oldest field in Otago. It was discovered in 1861. The news of the discovery of gold in this locality reaching Australia was the means of inducing thousands of people to flock to our shores to try their luck at mining, while others came to follow commercial and other pursuits. The only indications remaining to mark the places where the crowded population was then residing, in Gabriel's, Weatherstone's, Munro's, and Waitahuna Gullies, are large deposits of tailings and old workings. Very few persons are now working in these gullies, but strange to say that after the ground in Gabriel's Gully has been turned over time after time there is still a company getting very good returns from washing the old tailings on the hydraulic elevating principle.

At the head of Gabriel's the famous "Blue Spur," from which a very large quantity of gold has been obtained, is now being worked in a face by an English company, who are blasting the brecciated material, breaking it up with picks and hammers, then lifting it with hydraulic elevators and sluicing it away. The results of this company's operations last year have been very satisfactory.

The auriferous brecciated material follows a fault-line across the country, and is found at Weatherstone's and Waitahuna. Probably other portions of it may pay for working on a similar principle to that adopted at the Blue Spur.

Included in the Tuapeka district is a portion of the Clutha Valley, and also the Waipori and Waitahuna goldfields. The results of the alluvial workings in this district last year were 26,070oz. gold, representing a value of £105,283; while 763 men were employed in the mines.

Clutha Valley.

There is a large area of auriferous drift-gravel in this valley, and also in the bed of the Clutha River. Several mining companies are carrying on hydraulic sluicing and elevation operations in this locality, amongst which may be mentioned the Island Block and Island Block Extended Companies. The results of the workings last year have given very satisfactory returns. The former Island Block Company, which is formed almost entirely of English capital, has entered into an agreement with Mr. Joseph Clark to work his freehold on his receiving a certain royalty. This company obtained last year about 2,000oz. of gold as a result of its operations. There are also three large hydraulic sluicing companies near Roxburgh—namely, the Hercules, the Hercules Extended, and the Roxburgh Amalgamated. The last-named company was fairly successful last year, and paid one dividend to the shareholders.

Every tributary of the Clutha, from the Lindis to the Pomahaka, has in the past carried large quantities of gold into it, and may be said to be still doing so. There is scarcely an acre of ground in the valley of this river that is not auriferous; and, as the bed of the Clutha has been shifted from time to time, wherever any of the ancient beds are found large deposits of gold are obtained. The auriferous drifts in this valley will therefore take a long time to work out.

Old Man Range.

A considerable quantity of gold has been obtained from Campbell's, Potter's, Butchers', and Conroy's Gullies, also from the shallow gullies leading into Bald Hill Flat. The whole of the face of the Old Man Range above the latter place is highly auriferous, and in recent years a rich quartz lode has been discovered and worked by Messrs. Crossan and Gray. There are also two hydraulic elevating plants now working the ground on Bald Hill Flat with payable results.

Cromwell.

There are a number of sluicing claims on the banks and terraces alongside the Clutha and Kawarau Rivers, and also at Bannockburn. In the early days there was very rich ground at the latter place, and a large number of miners were employed for a long time. The shallow workings are now all exhausted, and, although there is still a rich layer of auriferous gravel near the bottom, there is a great depth of material to sluice away containing little or no gold, which makes the general average value of the material low. There are still a good number of miners in the locality, but the greater portion of them are making only small wages.

Cardrona and Criffel.

The number of miners about Cardrona varies
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very little from year to year. As one portion of the field is worked, another is opened up. Last year some new ground was opened in the face of the range, on a line of quartz drift, which is likely to prove a valuable discovery. The same run of ground extends along Criffel face to the foot of Mount Barker. The ground is, however, at a high elevation, and the supply of water that can be got to command it is consequently limited. The drift does not contain sufficient gold to pay for working by any other method than hydraulic sluicing. Several of the miners combined together and brought in a water-race from the Roaring Meg, and constructed dams on the top of the range: these store the water for about sixteen hours. By this means several parties have each a small supply of water for about eight hours a day.

Last year there were about 1,200oz. of gold obtained from Cardrona and 700oz. from Criffel. At the latter place only a few claims are being worked. The whole of the water brought on to the field is in the hands of one party, and sluicing operations can only be carried on for about six months of the year.

Arrow and Shotover.

The rich auriferous drifts obtained at the heads of the Arrow and Shotover Rivers have afforded profitable employment to a large number of miners for many years, and at the present time there are a number of claims which still continue to give good returns. The beds of these rivers have been cut down for some hundreds of feet below where the water originally flowed, causing numerous slides and slips from the sides of the ranges. The atmosphere and the action of the water have disintegrated the material from these slips and allowed the lighter particles to be carried away with the streams, leaving those of greatest density in the beds. No doubt the action of the stones, and the large quantities of shingle travelling down the streams, ground the gold to such an extent that large quantities of it have been carried away in suspension in the water to the ocean; but, notwithstanding this, heavy deposits of gold have been found both in the wash-drift in the beds of the rivers and in the crevices of the bed-rock, which in places formed gigantic ripples for collecting the precious metal. The large undertaking of Miller Brothers at the Arrow Falls and at Londonderry Terrace on the Shotover, as well as the operations of Davis Brothers on Stony Creek Terrace, are all works where a considerable capital had to be expended in opening up the ground. Unless they were men with sufficient means at their command, they could never enter into mining ventures of this description. There are several other claims—such as Aspinall's at Skipper's Point, Smith's, Monk's, and Gemmel's at the Sandhills, and R. Johnston's on Pleasant Creek Terrace—which give excellent returns, year after year, when there is a good season for water. Some of these claims have been worked for thirty years, and it is said that from one of them over 30,000oz. have been obtained. When we have such large areas and great

depths of auriferous drifts as there are in some of the terraces on the Arrow and Shot-over and other rivers, with streams carrying large volumes of water that could be lifted and conveyed along the side of the ranges, it must be admitted that the colony has valuable assets in these drifts. The time will come when more attention will be given to the conservation of water, and this will afford greater employment for the labouring-classes. There are plenty of men who would rather work on a mere pittance on the goldfields, and be their own masters, with the chance of finding payable claims, than work for others. There is no class of men in the colony with more independent spirit and more intelligence than the gold-miner.

Wilson's River.

The number of men employed about Wilson's River is considerably less than last year, but gold is being discovered in other places in this locality, which keeps a fair mining population in the district. Last year there was a new discovery at Crayfish Island, and some rich deposits of gold-bearing drifts were found. This is a new district, very little explored, and one where there is a probability of good yields being yet obtained. On the mainland very few persons have travelled through the country between Wilson's and the Waiau Rivers, where there is likely-looking country for gold to be found, but at present this locality may be termed *terra incognita*, as there is no road or track, and there are large and deep rivers to cross, which greatly militate against the district being prospected.

COAL-MINING.

I will now call the attention of honourable members to the progress of the coal-mining industry. A comparatively few years ago there were only three mines where bituminous coal was raised—namely, the Brunner, the Coal-pit Heath, and the Coalbrookdale; but more recently a mine has been opened up at Blackball, and two mines at Mokihinui—the Cardiff and Mokihinui Mines; while large works are also now in progress to open mines at Granity Creek, near Ngakawau, in the Westport district, and at Coal Creek, in the Grey district. A mine has been in existence at Collingwood for a number of years, but the limited extent of the field, and the difficulty of getting the coal to a market, will always make the output from this mine very small.

The total number of coal-mines on the last last year was 153, but a large number of these are merely pits, or open cuttings, where lignite is worked in a face to supply local demands. Both lignite and brown coal are suitable only for local consumption, or within such a radius of the place where it is raised as will admit of its being sold at a cheap rate. So far as is yet known, the whole of the bituminous coal in the colony is confined to the west coast of the Middle Island, and, as this is the only class of coal we have suitable for ocean-going steamers, it is from the mines in this locality that we

may in future look for a largely-increased output.

So far the coal-mining industry has progressed only in proportion to the growth of commerce and the number of new industries which have been established; and the output from the mines newly opened up and in progress will depend entirely on the trade that can be established with other countries. Foreign markets will have to be found before the coal-mining industry assumes large proportions. A great deal also depends on the further improvement of the harbours of the West Coast.

These works will have to be more advanced before we are able to send away large cargoes of coal to compete with coal from other countries in foreign markets, and even when the harbour-works are completed it will take a considerable time before a large trade can be established with other countries. As regards the price per ton, we cannot compete with the coal-proprietors in China and Japan. It is only from the superiority of our coal that we can hope to succeed. Hence it is gratifying to find that, at the tests made with different coal, at the Woolwich Dockyard, the evaporative power of the Westport coal was placed higher even than that of the coal from the Welsh mines.

During the last year the output from all the mines in the colony was 691,548 tons, as against 679,315 for the year previous, showing an increased output for the year of 18,233 tons. The total quantity imported was: From Victoria, 1,383 tons; from New South Wales, 118,122 tons; and from Queensland, 2,939 tons: making a total of 117,444 tons. This makes the total quantity raised and imported 808,992 tons; but, of this, 24,288 tons were exported to other countries, and 50,888 tons were used in coaling direct steamers for Europe. However, this may be taken as consumption within the colony, as it is owing to the extension of our commerce that these steamers are required. The total consumption of coal in the colony therefore last year was 784,704 tons, as against 770,599 tons for the previous year. This shows the increased consumption for last year to be 14,105 tons.

There has not been a great fluctuation in the import of coal for the last twelve years. During that period the import has ranged from 128,068 tons to 101,341 tons. Last year about 8,000 tons less than the previous year were imported. The import of coal is principally from New South Wales; and, as that colony is an outlet for a considerable quantity of New Zealand produce, kauri timber, &c., coal is carried as return cargo instead of ballast. Thus, if only the cost of loading and unloading be obtained, it pays better to carry coal than to come back in ballast, which has to be bought in the first instance, besides which there must be reckoned the cost of loading and discharging.

Notwithstanding that bituminous coal is the class we have to look to for an increased output, the last year shows a decrease in the quantity raised of 25,927 tons, while there was an increased output of 41,526 tons of

pitch-coal and 6,694 tons of brown coal. The decrease in the output of bituminous coal last year was in a great measure due to the faults which have been met with in the Brunner Mine, and the flooding-out of Coal-pit Heath Mine. The latter mine has now been abandoned, but operations in the Brunner Mine are now being extended by opening up new workings. Operations have also been suspended in the Mokihinui Mine for most of the year. Two new mines have, however, been opened up—namely, the Blackball and the Cardiff—both of which now send coal into the market. The Westport Company are also constructing an incline to open up the Granity Creek Mine, and four sections of the railway from Cobden to Coal Creek are in course of construction; and, when completed, these works will enable coal to be put into the market from the Coal Creek and Hamilton and Smith leases. The output from the Brunner Mine was 40,065 tons less than the year previous.

The Blackball Company have constructed an aerial tramway for three miles to connect their mine with the railway, over which about 400 tons a day can be sent. The same tubs used for bringing the coal out of the mine are hooked on and carried across on a wire rope to the bins which are erected alongside the Greymouth-Reefton Railway at Ngahere. It is a pleasure to see this tramway working; and when people become better acquainted with the working of tramways of this description they will be more extensively used in transporting the coal from the mines to where it can be taken away. The cost of construction of tramways of this description is, in the first instance, not one-half that of a railway; and they can be taken across rough country, where grades for an ordinary railway could not be got.

A new coal lease has been granted to a company at Hikurangi, and the work of opening up the mine is being rapidly proceeded with. There are two other coal-mines in this locality, and another lease has been applied for. The railway between Kamo and Hikurangi has recently been completed, so that coal from this field can now be brought to a port of shipment.

At Kawakawa the Bay of Islands Coal Company have abandoned the mine, but a lease of the area lately held by the Bay of Islands Company, of 640 acres, will shortly be issued to a new company. It is to be regretted that the Kamo Company, at Whangarei, had to abandon their mine in the beginning of the present year. This company carried on operations for several years at a loss, and finally had to succumb to circumstances. The land is freehold, and there is little hope of the mine being opened again. Last year the output from the Kamo Mine was considerably larger than it had been for some years previously.

At Ngunguru a small mine has been opened, having the best class of coal in the North Island, but, at the same time, it is inferior to the bituminous coal on the West Coast. However, the output will never be large, as vessels of more than 8ft. draught cannot come into the port.

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Earnings of the Coal-miners.

It is very difficult to get at the exact earnings of the coal-miners. In previous years it has been arrived at on the basis that it cost the mine-proprietors 6s. per ton to put the coal in the trucks or wagons ready to send it away to market or a port of shipment. If the same basis be taken this year, the earnings of the miners would be £202,464 8s. The average number of men employed in the coal-mines last year being 1,888, this would give an average wage of £107 4s. 8d. a man per annum. The number of men employed in the coal-mines for the previous year being 1,693, the average wage was equal to £119 7s. 1d. a man per annum. The average output per man last year was 366 tons, as against 400 tons for the year previous. The lower output last year is accounted for by the large amount of dead-work in opening up the Cardiff, Granity Creek, the new mine at Brunner, and the Hikurangi mines.

METALLIFEROUS MINING.

Very little has yet been done in metalliferous mining, other than gold and silver, in the colony, owing, in a great measure, to the difficulties there are to contend with, not only in getting machinery and appliances on the ground, but also in getting men with sufficient capital to open out and work the mines. The attention of those persons who put their money into mining is generally directed to gold only.

No doubt several companies have been formed to work metalliferous ores in the colony, but their failures in many instances have been due to want of sufficient capital to prosecute the work. When once the limited capital first available was expended, the small number of men who would invest their money in undertakings of this character rendered it almost impossible for any company that in the first instance proved unsuccessful to get fresh capital to assist them in continuing their operations. The extremely rough and broken nature of the country where ores are found makes the difficulty of access very considerable, which greatly increases the cost of working metalliferous mines. The only ores of this character that are at present worked are antimony and manganese.

Manganese.

There are large quantities of manganese in the colony, but its low value will not admit of costly transit to a port of shipment; and it is only when the ore can be got near the ocean-beach, where vessels can come to load, that it can be made remunerative for working.

Hitherto mining for this ore has been confined principally to the Auckland District—at Whangarei, Bay of Islands, and Waiheke Island. There is some very rich ore in the Otago District, near the mouth of the Taieri River, but it has not been found in sufficient quantity to work remuneratively. During the last year 319 tons were exported, representing a value of £943.

Antimony.

The principal workings of antimony-ore are at Endeavour Inlet, Queen Charlotte Sound,

the present company being the third one to embark in the undertaking. The two former companies failed to make the venture payable, and, after spending a large capital in opening up the mine, and in placing machinery and appliances on the ground, the mine was disposed of to the present company. Considerable sums of money have been expended in the erection of furnaces to produce crude antimony, and failure after failure ensued, until recently, when Mr. Seager, ironfounder, of Wellington, invented a process whereby, it is hoped, crude antimony will be produced at a comparatively small cost. It is stated that by this process one cord of firewood is sufficient to produce one ton of crude antimony. The process has now been working for three months continuously, and, so far, has given every satisfaction. The slimes of the antimony-ore, which were until recently considered a waste product, are now converted into a marketable commodity. If the process is successful, it has overcome one of the greatest difficulties in the way of the production of antimony from its ore that has been experienced in all the countries of the world where this metal is obtained. It is stated that the cost of production is so small that, even at the present low price of star antimony, it can be delivered in the Home-markets at such a rate as to leave a fair margin of profit. This process, when it becomes generally known, may have the effect of reopening other antimony mines, at Waipori and elsewhere. Last year there were 331 tons of antimony and antimony-ores exported, having a value of £3,467.

Cinnabar.

Prospecting operations were carried on last year with a view of finding a lode of cinnabar at Puhipuhi, but, so far, no lode has yet been discovered. The cinnabar is found amongst the gravel wash-drift in the bed of a small creek in small rounded pellets. About 75lb. of cinnabar has been collected by washing the drift, and in all probability this mineral will yet be traced into the solid country, where it will be found *in situ*. A sample of this ore was sent to the Colonial Laboratory for analysis. This proved to contain about 84 per cent. of quicksilver. A syndicate has also been prospecting a lode containing cinnabar at Ohaeawai, but the ore is of a very poor quality. Quicksilver is found in the black mud at the hot pools at Ohaeawai, which has been liberated from a lode containing cinnabar, alongside these pools: the heat of the ground, together with the alkali it contains, being sufficient to distil the quicksilver from the ore.

Scheelite.

In some parts of the Middle Island there are quantities of scheelite, which, at the present price offered,—namely, 10s. per unit, delivered on shipboard at either London or Liverpool,—ought to pay for its production. Scheelite is found at Buckleburn, Waipori, Hendon, and other places in Otago, and at Wakamarina in Marlborough. Inquiries have been made by Messrs. Blackwood and Company, of Liverpool

and London, regarding this mineral, and they offer to take about 200 tons per annum at the price stated.

Kauri-gum.

Notwithstanding the many years that have elapsed since kauri-gum-digging became an industry capable of supporting a large population, the amount raised every year shows that there is still a considerable quantity to be obtained. Last year 8,317 tons were exported, having a market value of £510,775, whereas in the former year there were exported 8,705 tons, valued at £517,678. In addition to this there is a certain quantity used in the colony for making varnish, and also in gasworks. The price of gum as shown by the Customs returns gives, however, but a poor idea of what the gum-digger actually obtains from the store-keeper. The price varies in accordance with the quality of the gum. The local price for low quality of gum, washed nuts, is from £10 to £15 per ton. For unpacked ordinary well-scraped gum, of which there are two qualities—namely, ordinary dark gum, £25 to £30 per ton; and for good, hard black gum, from £35 to £45 per ton. The best gum (rescaped) brings £80 per ton, and in some cases it is said that special samples have realised as much as £140 per ton. What is known as tree-gum—that is, gum lodged in the forks of trees, and exudations—is worth about £20 per ton in its native state, but when rescaped it brings from £45 to £50 per ton. Before shipping to the Home-market all the gum is re-sorted and classified; and, although the prices paid for some samples are very small, when the gum comes to be classified, the average value of the product for last year was £61 8s. 3d. per ton, which includes the price of boxes, freight, and commission.

It is difficult to arrive at the number of men engaged in this industry so as to estimate their average earnings, but from what can be learned in the gum-digging districts the earnings do not exceed those of the gold-miners. The gum-digger has, however, one great advantage over the gold-miner in that he requires no expensive outfit to enable him to carry on his operations, a spade, spear, haversack, and jack-knife being all that he requires.

This industry affords a means of livelihood to a large number, both of the European and Native population. From what is known respecting the earnings of the gum-digger, there must be at least seven thousand people employed in this industry, as it is maintained that their average wage would not amount to £1 10s. per week. Wherever there is land in the North suitable for settlement the settlers can always earn a little money by gum-digging when not engaged in cultivating the soil, thus affording them a means of getting ready money to purchase any necessities they require beyond what they produce. The gum industry, therefore, forms a very important element in the prosperity of the northern portion of the colony.

ROADS AND TRACKS.

I now come to the question of roads and

tracks, which are essential for opening up the lands of the colony, and nowhere more so than in the gold-mining districts. The rugged, broken, and precipitous nature of the country where quartz-mining operations are carried on renders roads and tracks necessary in every direction, for without them it is impossible to get machinery or supplies on to the ground. Already large sums have been expended in the construction of works of this character, but the extension of mining operations demands a further expenditure on roads and tracks to give ordinary facilities for prospecting the country, and supplying the wants of those engaged in the development of our mineral resources; also to enable machinery to be placed on the ground where auriferous deposits of a payable character have been found. In many instances these roads tend not only to open up new mines, but they also give great facilities for people taking up small plots of land to make homes for themselves and to dispose of their produce amongst the mining community. Although the land may not be of very good quality, any small flats are eagerly sought after by the miners, who, in addition to their ordinary avocations, are quite prepared to take them up and do a little cultivation in their spare time, and thus become permanent settlers.

The cost of roads and tracks authorised last year was £23,958, and the actual expenditure £18,275. Of this amount, £15,506 was expended by direct grants, £2,719 by subsidies to local bodies. The liabilities on works of this character on the 31st March last were £18,590. During the last twelve years that the Minister of Mines has had control of this vote the expenditure has amounted to £215,516. Of this amount, £140,502 was in direct grants, and £75,014 by subsidies, the local bodies during the same period having contributed £49,620.

From the nature of the country in which mining is generally carried on, the cost of constructing roads and tracks to enable machinery to be brought on to the ground, and give facility for the mines being opened up, is far beyond the amount that could be raised by local bodies in mining districts by the present system of rating, which has now reached the highest limit allowed by law. Since the Crown and Native Lands Rating Act has been dispensed with, even the present high rates are inadequate to maintain the present roads and tracks. It has, therefore, become absolutely necessary for the Mines Department to come to the assistance of the local bodies.

The following are the rates levied in the pound in the different goldfields counties: Coromandel, 1½d.; Thames, 1½d.; Ohinemuri, 1½d.; Piako, ½d.; Marlborough, no rate levied by the county, but there are six Road Boards in this county which levied different rates; Collingwood, ½d.; Road Boards in Collingwood County, ½d.; Buller, 1½d. general rate and ½d. special rate; Inangahua, 1½d.; Grey, 1½d.; Westland, 1½d.; Tuapeka, ½d.; Vincent, ½d.; Lake, 1d.; Maniototo, ½d.; Southland, ½d. general rate and ½d. special rate. It will thus be seen from the foregoing that the goldfields counties in the North Island and on

the west coast of the Middle Island are rated up to the fullest extent the law permits.

WATER-RACES.

The most essential adjunct to mining, especially in systematically working auriferous drifts, is a good supply of water; and it behoves us in granting water-rights to take care that the whole of the water comprised in these rights is properly utilised, inasmuch as the number of men who can be profitably employed on our goldfields depends in a great measure on the quantity of water that can be brought to command the ground. When one comes to see the extensive areas of auriferous drifts on the West Coast, and also on the goldfields of Otago, the impression is that were there a larger supply of water there would be a considerably increased population earning a competent livelihood.

The returns furnished by the Wardens show the value of the water-races on the goldfields, exclusive of those constructed by the Government, to be £821,020, while the value of tail-races, dams, and reservoirs amounts to £379,634. In addition to this, the value of water-races constructed by the Government in the Middle Island is £346,687. Two of these—namely, the Waimea-Kumara and the Mount Ida Water-races—are controlled by the department. The total expenditure on these two water-races has been £241,290; and the net profit, including the duty on the gold obtained from claims worked with water from water-races controlled by the department before the gold duty was abolished, has been £79,357 9s. 6d. The Waimea-Kumara Water-race cost £171,655; and the total value of the sales of water, since its construction about sixteen years ago, has been £182,820, while the total expenditure during this period has been £80,545. This leaves a net profit, exclusive of the duty on gold before its abolition, of £52,275. The net profit last year was £3,574. The demand for water from the Waimea portion of the race is gradually getting less, but a new branch is being constructed, and when this is completed it will enable the miners to work an extensive area of land on which auriferous drifts are known to exist, but which could not be profitably worked without a large supply of water. The expenditure on this branch up to the 31st March last was £1,908, and another £2,400 will have to be spent before it can be brought to a profitable issue.

The Kumara portion of the water-race has in the past given a large percentage on the cost of construction, but it will require extension to open up fresh ground so that the whole supply of water can be fully utilised. Although the net profits on the working have been large, the other expenditure in connection with subsidising the construction of tail-races to allow the ground to be worked has absorbed a considerable portion of the profits, and this expenditure will have to be continued in the future as the working of the claims is extended. One tail-race is now in course of construction, which has been subsidised to the extent of £1,500, and another will have to be made to allow the

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ground to be worked lower down the flat, which will require to be subsidised to a similar amount. The sales of water last year amounted to £5,582, while the expenditure on maintenance was £1,917, leaving a net profit on the working of £3,665.

The Mount Ida Water-race, which was formerly managed by a Trust, showed up to the beginning of last year a net loss on the working of £3,595. The Trust was abolished at the end of 1892; and since then sales of water have amounted to £1,422, while the expenditure on maintenance has been £1,013, showing a net profit on the working of £409. When the Government took over the race it was in very bad repair, and an expenditure of £2,837 had to be incurred before sufficient revenue to maintain it could be expected. This water-race is a valuable asset to the colony, for if the water could not be sold for mining purposes it could be used for irrigating the Maniototo Plains, and thus convert a large area into good agricultural land.

The water-race which was purchased from the Official Assignee in the estate of R. Johnston at the same time as the Government took over the Mount Ida Race cost £1,000. The net profit on working these two water-races last year was £104. A small expenditure will have to be made on these races next spring for clearing them out, so that a larger supply of water can be sent down to miners working in the vicinity of Blackstone Hill.

The Nelson Creek Water-race was previously leased, but the lease expired in August last, and fresh tenders were called for leasing it for another term. However, after the lease had been accepted, one of the principal bridges came down, and as all the bridges are greatly decayed the lease was given up. It would cost about £25,000 to renew the bridges, and the Government do not consider it advisable to expend any money in this direction. They will, however, be quite prepared to entertain proposals from responsible persons either to renew the bridges and flumes or to reconstruct a portion of the race so as to do away with them, and to supply water to the miners in the district at a rate to be agreed upon.

PROSPECTING.

There are large areas both in the North and Middle Islands where scarcely any prospecting has yet been done. In order to get systematic prospecting operations established it will be necessary for the Government to grant assistance not only towards opening up new fields, but also to test the ground at greater depths than have hitherto been worked. The latter remark applies, of course, to quartz lodes only. It is well known in the colony, and also in other gold-bearing countries, that auriferous quartz found in lodes is in shoots and ledges. These generally occur in certain belts of country having barren places between them. At the same time, when rich auriferous quartz has been worked profitably on the upper levels, and the same formation continues to go down, gold-bearing stone is likely to be again found at a lower

level. None of the lodes in the colony has yet been worked to any great depth. The deepest shaft—that of the Queen of Beauty at the Thames—is only about 748ft., and gold-bearing stone was got in the lowest level from this shaft. The Kapanga Mine, at Coromandel, has been worked for the last sixteen years by an English company, which has been re-formed. This company has expended a large capital in opening up and developing the mine without being rewarded for the outlay. In order to test the deep levels in the mine the main shaft has been continued, and it is now down to a depth of 720ft., a small lode containing auriferous stone having been cut. The workings in the Keep It Dark Mine have also been carried down to a depth of over 700ft., and gold has been found in the lode, although not of a payable character for working. A payable lode has, however, recently been cut in the Larnach Tunnel, at the Lyell, which has been carried into a range at a low level for a distance of about 3,200ft. This indicates that there is a fair probability of gold being struck at much lower levels than have yet been reached. In support of testing auriferous lodes at deep levels, I would call the attention of honourable members to the experience gained on the gold-fields of Victoria, where, in some instances, when the lodes gave out at a depth of 750ft., new lodes were discovered at a depth of 1,500ft., having a blank between those depths at which no lode was found. This occurred in Mr. Landsell's No. 180 Mine at Bendigo, and where payable returns were got at a depth of nearly 2,000ft. If it is found that the lodes in this colony can be proved to be payable for working to great depths it will give a new lease of life to quartz-mines. The large number of men employed in this class of mining, and those depending on them, deserve every encouragement, and some assistance should be granted to test the deep levels. If the test proves successful a new era will be opened up in the history of mining in the colony, and profitable employment will be afforded for a much larger population.

With the view of obtaining all information regarding the likelihood of finding gold-bearing quartz at greater depths than have hitherto been worked, an arrangement was made with the Government of Victoria to send a mining geologist to visit this colony to make an examination of our auriferous lodes in the different mining districts. A report by Mr. R. A. F. Murray, F.G.S., of the Mines Department of Victoria, on this subject has been laid on the table.

Encouragement should also be given to mining associations and local bodies to enable them to prospect the back-country. It is not to be assumed that every party will meet with success, but a great deal of useful work has been done in the past in this direction by prospecting associations. In particular, I may mention the Rimu Prospecting Association on the West Coast, which has carried on operations in a systematic and economical manner for several years, and has recently opened up a

new field between the branches of the Kanieri River. The extent of this is not yet known, but sufficient gold has been got to warrant mining operations being carried on.

It may also be noted that it was with Government assistance that the lode now being worked by the Waihi Gold-mining Company, at Waihi, from which excellent returns are being obtained, was first discovered. There is yet plenty of country comparatively unexplored, or where, at least, no prospecting has been done, which is likely to contain a vast amount of mineral wealth, and the large number of people employed in mining are entitled to some recognition of the benefits the colony has derived from their labours in the past, by granting them some assistance towards developing the industry in the future.

The total amount expended in subsidies for prospecting during the past twelve years has been £15,713, the amount expended last year being £1,592.

GEOLOGICAL EXPLORATION.

During the past year, Mr. A. McKay, the Mining Geologist, was engaged in exploring and tracing the auriferous quartz drifts in Otago, and the result of his explorations is likely to be the opening-up of new ground in this locality. Wherever these old quartz drifts occur they are found to be gold-bearing, and to contain layers or bands which are extremely rich. This has been the case at Mount Buster, St. Bathans, Tinker's, and elsewhere.

It is intended to get the whole of the gold-fields of the colony carefully examined, and a geological map prepared showing the different formations, their sequence and major faults or displacements, as far as can be gathered from an examination of the country, so that in time we may have a reliable map which will be a great guide to those who carry on prospecting operations in search of gold or other minerals. A map of the Otago goldfield east of Lake Wakatipu, explored last year, has been published with departmental reports.

I would also call the attention of honourable members to a geological report and map prepared by Mr. James Park, who has been employed as Instructor and Lecturer at the Thames School of Mines for the last five years. The information was obtained in the prosecution of his duties, and while exploring the field with his students. The lodes with their displacements and breaks are shown on the map, and can be seen by any one at a glance.

MINING MACHINERY.

In order to give all the latest information with regard to mining machinery and appliances for the reduction and treatment of metalliferous ores, I have directed that full publicity be given in the departmental reports to any system brought under the notice of the department which would be likely to prove of interest to persons connected with mining. It is only by new appliances and improvements in mining machinery that we can hope to arrive at a more perfect and economical method for the

recovery of metals so as to make our numerous low-grade ores pay for working. In the Inspecting Engineer's Report on Goldfields, pages 125 to 150, will be found several descriptions and plans of mining machinery and processes for the treatment of auriferous ores.

SCHOOLS OF MINES.

The progress made by the students attending the Schools of Mines has induced the Government to grant a scholarship for a term of three years at the Otago University to one student from each of the schools at the Thames, Reefton, and Dunedin, on their getting the number of marks prescribed by the regulations. The subjects for examination are: Mining, Pumping and Winding, Ventilation of Mines, the Composition and Use of Explosives, Mining and Land-surveying, Geology, and Drawing. To be able to pass in some of these subjects students will require to have a good knowledge of mathematics, and therefore this subject was not made compulsory. These scholarships are offered as an incentive to young men to continue their studies at these schools.

It is gratifying to know that most of the students who have attended the Thames School, and passed through a three-years course, have readily obtained employment—some as assayers to mining companies, others being employed by the Cassel Company in carrying on leaching operations with cyanide of potassium. A number of middle-aged men have also attended the evening classes, which enabled them to pass their examinations and obtain certificates as mine-managers.

The average number of students attending the Thames School during the last year was ninety-one: of this number, forty were regular students, and fifty-one attended Saturday lectures only. Thirteen parcels of ore were treated with the experimental plant, amounting in the aggregate to 21,610lb. All appliances necessary to treat pulverised ore by the cyanide process have been added to the experimental plant, so that any one can now have small parcels of ore tested by the most modern methods at a reasonable cost.

The progress made at the Reefton School during the past year has not been so good as formerly: this is due to the conductor having to give more of his time to outlying schools on the West Coast. It is found that unless continuous teaching is adhered to a good attendance cannot be secured, neither can satisfactory progress be made.

There was a good attendance at the School of Mines at Dunedin last year. The course of lectures at this school occupies a term of six months in the year, during the vacation many of the students going to work in the mines; so that, as far as technical teaching is concerned, the students at the Thames School pursue their studies for a longer space of time in a three-years course than the Dunedin students do in four years.

The total expenditure on Schools of Mines since their inauguration, exclusive of the amounts contributed towards the School of

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Mines connected with the Otago University, has been £12,896: of this amount, £1,604 has been expended on buildings, £948 on chemicals and school requisites, and £10,349 on salaries of instructors. Last year the expenditure amounted to £1,056. The total contribution given towards the School of Mines at the Otago University, including £500 paid last year, amounts to £4,250.

SUMMARY OF EXPENDITURE ON WORKS.

The total value of works authorised since votes were placed under the control of the Minister of Mines has been £499,325. Of this amount, £323,561 was paid by Government, and £94,246 by local bodies, prospecting associations, and mining companies. These works consist of subsidised roads and tracks, £130,220; roads constructed by direct grants, £153,580; water-races, £56,847; drainage-channels, £21,401; prospecting-works, £53,153; wharves, £436; diamond and other drills, assistance given towards the treatment of ores, and artesian-well boring, £6,590; Schools of Mines, inclusive of the amount paid towards the school in connection with Otago University, £17,145: making a total of £499,325. Of this amount, the Government has paid £323,561, and the liabilities on the works in progress on the 31st March last amounted to £21,518. A detailed statement of the cost and expenditure on these works will be found in the tables annexed to the report of the Inspecting Engineer, pages 238 to 246.

MINING LEGISLATION.

I have deemed it desirable to have a consolidation of the Mining Companies Act, and a Bill has been prepared accordingly. The only alteration proposed is in regard to the transfer of shares, it being intended to make more stringent provisions to enforce registration. It is also proposed to enforce the winding-up of mining companies which cease to hold three consecutive meetings of shareholders, and to make the Official Assignee liquidator of such companies. This is found necessary, as there are companies in existence which do not hold any mining property, but are, nevertheless, required to make yearly returns, and some of these companies have held no meetings for years, the directors taking no interest in the matter. The date of publishing returns, from the month of January to the month of March, will also be altered, so as to give time to get the necessary information from companies whose head offices are not in the colony.

It is also proposed to ask Parliament to vote a considerable sum of money this session in order to meet the growing demands which necessarily arise in the mining districts—

- (1.) For aid to further develop the lower levels in quartz-reefing districts;
- (2.) For the construction of water-races and storage reservoirs;
- (3.) For compensation arising from the proclamation of rivers, streams, and creeks as watercourses into which

tailings and other *débris* can be deposited;

- (4.) For the payment of compensation for the resumption of land held under occupation licenses and residence sites.

As a very large amount will be required for some years to come, it is to be hoped that Parliament will see its way to give the necessary assistance by annual appropriations, in order to allay the feeling which seems to be gaining ground in our mining centres that the encouragement Parliament always seems willing to afford the farming, dairying, and other industries of the colony is gradually being withheld from the mining industry.

Provision will also be made for battery superintendents to have full control of and be responsible for all the machinery and appliances for the reduction and treatment of ore where cyanide of potassium and other chemicals are used. Further provision will also be made for carrying on dredging operations on foreshores.

CLAIMS FOR REWARDS.

As a large number of petitions are presented to the House every year claiming rewards for the early discoveries of many of the goldfields, I think it would be desirable for the House to express some general opinion on this question. Rewards for the discoveries of future goldfields are provided for in the existing regulations.

CONCLUSION.

In concluding my remarks, I would point out that the mining industry has formed a large factor in the advancement of the colony. From 1861 to 1866 emigration poured in from all parts of the world, and a large number of people found profitable employment on our goldfields. Many of these made considerable sums of money in following up a digger's life, which they invested in the purchase and cultivation of land. Many people from the Australian Colonies were also attracted here by the discovery of gold, bringing considerable sums of money with them, and making homes for themselves in the colony, which possesses an invigorating climate, a great extent of rich arable and pastoral land, large areas containing auriferous drifts, metalliferous and mineral lodes, and a quality of gold which cannot be surpassed, together with an almost unlimited water-supply, which can be utilised as a motive-power to drive machinery. New Zealand is pre-eminently a country suitable for mining, for the establishment of industries, and for the investment of capital. The mining industry opens up a field for the employment of the working-classes whereby they can earn an independent livelihood; but, in order to give greater facilities for the extension of this industry, a further expenditure is required in opening up the country by roads and tracks, and in granting assistance towards the development of our mineral wealth. By so doing we shall open up new fields, where our surplus labour can be profitably utilised; and, if men

cannot make large wages, they will at least earn a fair livelihood. The proposed legislation to give a good tenure to small plots of land on the goldfields will give the miners an incentive to remain on the land, and to employ their spare labour in the cultivation of the soil.

I trust my lengthened remarks on mining have not wearied honourable members. The importance of the question demands considerable attention; and, as we have a large extent of hilly country which is only suitable for pastoral and mining pursuits, it is our duty to utilise this to the best advantage, and furnish a means of enabling the working-classes to find profitable employment.

SHOPS AND SHOP-ASSISTANTS BILL.

Mr. REEVES brought up the following reasons for dissenting from the amendments made by the Legislative Council in this Bill, and moved, That the reasons be agreed to, and transmitted to the Council:—

“The amendment made by the Legislative Council in clause 2, by which all shops in which hired labour is not employed are exempted from the operation of the Act, is not desirable, for the following reasons:—

“Under the existing law all persons employed in shops, whether paid or simply maintained, are entitled to a weekly half-holiday. But under this Act, as amended by the Council, unpaid assistants will cease to be entitled to any holiday. An unpaid shop-assistant, however, is at least as deserving of a half-holiday as a paid assistant, if anything rather more so.

“It is believed that the amendment will not be just to those shopkeepers who pay their assistants, seeing that to punish a shopkeeper by loss of business because he pays the labour he employs, and to reward with increase of business the shopkeeper who manages to employ labour without paying it, is not in accord with any principle of equity. Again, the amendment would appear to permit a shopkeeper, the father of a family, to refuse to his own children the half-holiday which he would have to grant to a hired labourer.

“If the amendment before mentioned was put in with any intention of preventing interference with shops worked by the co-operation of families, then it must be pointed out that it has far overshot the mark, for one of the largest classes of shopkeepers exempted by it will be the Chinese, amongst whom in New Zealand family life notoriously does not exist.

“Moreover, it is submitted that shopkeepers, who now employ one or more assistants, who are boys or girls, at a small weekly wage, will be able to evade the Act by merely giving these persons board, or board and lodging, in lieu of money payment. It is surely not desirable to put on the statute-book an enactment which thus leaves open an easy way to wholesale evasion. Further, it is submitted that, though it may be just to exempt certain trades wholly from the operation of this Bill, it cannot be just to exempt some of the shopkeepers in a trade while at the same time leaving the rest

of the shopkeepers in that very trade subject to the Act.

“It is submitted that most of the small shopkeepers are willing and anxious to close on a half-holiday, provided all have to close together. For instance, it cannot be irrelevant to this issue to draw attention to the support to general compulsory closing given in the House of Representatives by nearly all the members representing the ten or twelve largest towns and their suburbs. It is in these constituencies that the smaller shopkeepers are most numerous, and where the voting-powers of their families, themselves, and their friends would be most conspicuously shown. It is undoubted that they form there a very powerful class numerically, and one keenly alive to its own interests. Nor can there be any suggestion that this point has not been clearly laid before the smaller shopkeepers. It is a matter of public knowledge that they have been emphatically and repeatedly warned that general closing would injure and ruin them. The question has been debated in Parliament, on the platform, and in the newspapers for years. The verdict of the last general election may therefore be assumed to have been given deliberately, and with a full knowledge of all aspects of the case.

“It is also desirable to draw the Council's attention to the repeated affirmations of the principle of this Bill by the House of Representatives. This is the fourth successive year in which a Government Bill containing a provision for the general compulsory closing of shops on a half-holiday has been passed by the elective branch of the Legislature.

“Between the third and the fourth year a general election intervened, the result of which was not in any way to diminish the large majority in favour of the Bill.

“While the Bill was passing through the Committee of the House of Representatives an amendment was given notice of similar to that subsequently made by the Council. The Minister in charge at once stated that the Government considered such an amendment would affect the Bill so vitally that if it were passed the Bill must be dropped. The importance therefore now attached to the Council's amendment is not in any way an afterthought.

“Finally, it is submitted, as regards this amendment, that the number of small shopkeepers who depend for any considerable portion of their trade upon keeping open on a half-holiday must be exceedingly small. It is true that such a shopkeeper, if questioned, will often say that his or her livelihood depends upon the ability to keep the shop open when larger shops are closed. But in most cases that refers to the question of what is known as ‘early closing’ as distinguished from ‘half-holiday closing.’ It is admitted that very strong objection was taken to the Early Closing Bill of 1891; but that was not this Bill. This Bill only stops the evening trading on one day a week.

“Passing to clause 3, there appears no valid reason why hairdressers should not close on

Mr. Cadman

some afternoon in the week, though possibly not on the general half-holiday. They might be put in the same class with butchers and photographers. But it is submitted that the power to fix a special day for special trades should not be confined to these three trades, but should be left in the hands of the local bodies.

"In new clause 9 the second and third paragraphs do not appear to be so worded as to exactly express the meaning sought to be conveyed by them.

"As to new clause numbered 16A, it is suggested that it was possibly not the intention of the Council to enact by statute that cashiers and bookkeepers must remain in offices after 5 p.m. to balance, but rather to permit them to do so. It is suggested also that further provision should be made for overtime at the half-yearly balances and on mail-days."

Motion agreed to.

NEW PLYMOUTH HARBOUR.

Mr. McGUIRE asked the Colonial Treasurer, Will the Government give a day in order to discuss the New Plymouth Harbour question, with respect to the endowments of the Board, the bondholders, ratepayers, and the financial aspect generally, as a day spent in this way will be to the best interests of New Zealand, particularly at the present time; and will also give an opportunity to new members to make themselves thoroughly acquainted with the question, which is so little understood by the House? The action of the Government in respect of this matter was being closely watched at Home, and if they did not act straightforwardly, honestly, and honourably in the matter he was afraid they would seriously injure the credit of the colony. The question was therefore very important not only to the ratepayers affected, but to the colony. It was the duty of the Treasurer to look at the question from many aspects—from the bondholders' aspect, from the ratepayers' aspect, and from a colonial and financial aspect. If attention was not given to the latter aspect, the Government might find themselves boycotted on the London money-market. He therefore trusted the Colonial Treasurer would give him a favourable answer, and allow a day to be set aside for the consideration of this important matter. It would be desirable to afford the young members an opportunity of making themselves fully acquainted with this important question.

Mr. J. W. KELLY.—Oh!

Mr. McGUIRE said he did not know that the honourable member for Invercargill understood anything about the matter, which was really a very important question. He trusted the Treasurer would reply that he was willing it should be considered in all its aspects, as the question asked by him (Mr. McGuire) was one seriously affecting the honour of the Government and of the House.

3.0. Mr. WARD said his honourable friend had asked when an opportunity would be given to enable honourable members to make themselves thoroughly acquainted

with this question. He had heard the honourable member for Egmont himself, on more than one occasion, hold forth for a considerable time on this subject, as a reference to *Hansard* would show. He was perfectly sure that, as a reasonable man, his honourable friend would recognise that there was still very important business to be considered this session, and it was therefore highly improbable that a day could be set aside for the purpose of discussing this matter. Of course, if the business could be proceeded with in such a way as to enable this to be done, it would be very gratifying to the Government to give the honourable gentleman the opportunity he asked for.

BANK OF NEW ZEALAND.

Mr. LARNACH asked the Government, Whether, as the colony is committed up to the present to the extent of £2,000,000 by way of guarantee for the Bank of New Zealand's stability, it is the intention that the colony continue the risk of the bank's carrying on business in Australia and other places outside of New Zealand and not subject to the control of the Parliament of this colony? As the future of this colony was very much concerned in the question he had on the Order Paper, he hoped that the Colonial Treasurer would rise to the occasion, and give the House full information as to the Government's intentions in relation to this very important matter.

Mr. WARD said the Government hoped in the next few days to be able to announce the appointment of a President to this institution, and he thought the honourable gentleman would see that the Government could scarcely deal with the matter under the present condition of affairs, or until they had appointed the President.

WAITEKAURI TELEPHONE.

Mr. W. KELLY asked the Postmaster-General, If he will authorise telephone communication to be established at Waitekauri, Thames Goldfield?

Mr. WARD said it had been found that there would be a deficit of £14 a year if this line was constructed; but if a local subsidy to the extent of £56 was subscribed the line would be proceeded with.

TE AUTE COLLEGE.

Mr. PARATA asked the Native Minister, Whether the Government will set aside a sum out of the Civil List to pay for medical attendance at Te Aute College, Hawke's Bay? His reason for asking this question was that of late years Native and half-caste children had been affected by illness at the Te Aute College. The parents of those children were unable to be there when the children were ill, and consequently in many cases they died, owing principally to the fact that most of the parents were not in a position to pay for medical attendance.

Mr. SEDDON said inquiries would be made into this matter. When in the North at the

beginning of the present year his attention was called to the same question by a number of Natives, who said they feared to send their children to this institution for the same reason as stated by the honourable gentleman. He would see what could be done.

BANK OF NEW ZEALAND.

Mr. LARNACH asked the Government, Whether, in the interests of the colony, early action will be taken to insist upon a separation of the Estates Company from the Bank of New Zealand, so as to simplify and to lessen the risk of the colony in connection with its guarantee to the Bank of New Zealand?

Mr. WARD said the Government would wait for the guidance of the President who was shortly to be appointed to this institution, before taking any action.

NEW ZEALAND LOAN AND MERCANTILE AGENCY COMPANY.

Mr. LARNACH asked the Government, Whether steps will be taken immediately to ascertain, for the information of this House, to what extent, if any, the New Zealand Loan and Mercantile Agency Company—either the old company, the new, or both—is in any way concerned in its financial relations with the Bank of New Zealand; and, if either company or bank is indebted to the other, to what extent, and how long has any such debt existed? He hoped the Treasurer, in answering this question, would indicate to the House what the Government's intentions were in reference to the duties of the two officers that were to be appointed in respect to the bank and this company, and at what times they would perform their respective duties.

Mr. WARD said the President of this institution would be required to devote his services exclusively to the business of the institution, and his duties would be entirely under the control of the colony, and would be of such a character as to safeguard the interests of the colony generally. The question which the honourable gentleman put was one the answer to which would require a statement of details that, in the ordinary course of business, could not be furnished for publicity. He might say, in connection with this important matter, that the President of the institution would require to ascertain for himself what the position was, and, if it was an unsatisfactory position, he would be required to report to the Treasurer of the day.

LOCAL RATING.

Mr. WILSON asked the Colonial Treasurer, If the Commissioner of Taxes has had any replies from the various local bodies of the colony to his circular *re* valuation for rating purposes? If so, what is the nature of the replies, and if they are against his proposal,—that the local bodies should pay all cost of valuation, and supply a copy for the mere cost of copying,—will the Government pay a fair share of the cost of such valuation?

Mr. WARD might state that the Commis-

Mr. Seddon

sioner of Taxes had received replies from the various local bodies. The circular containing the proposal was sent to sixty-four counties, and to thirty-nine Road Boards in which the Counties Act was not in operation. Two-thirds of these bodies had replied, twenty-eight accepting the proposal and eight declining. Twenty-four forwarded a copy of a resolution apparently sent round by the Taranaki County Council. Three answers were vague, and one offered to pay for the valuation if the department would make it. Those who forwarded the Taranaki resolution did not, apparently, consider the proposal on its merits. The valuations, which the department would probably have asked for copies of, would have been those of land-tax-paying estates only—an average of perhaps one in ten of the properties on some rolls and one in fifty on others. He might state that after this year subsidies would be payable on rolls which had not been prepared in the Land- and Income-tax Office. If there was any further information required by the honourable gentleman he would be happy to furnish it to him by correspondence.

LOCAL BODIES' "THIRDS" AND "FOURTHS."

Mr. G. HUTCHISON asked the Colonial Treasurer, Where, on the 31st March last, was the sum of £28,799 8s. 10d., referred to in Return No. 183 as the total which, on the date mentioned, was to the credit of the various local bodies in respect of "thirds" and "fourths"? Some days ago he had asked the Colonial Treasurer in which of the several accounts attached to the Financial Statement this sum of £28,799 8s. 10d., referred to in Return No. 183 as the total of the debt mentioned to the various local bodies, appeared. The reply was, In none. He had been led to suppose that the tables attached to the Financial Statement contained information concerning all moneys connected with the public accounts. He would now like to know where that sum of £28,799 8s. 10d. was to be found.

Mr. WARD said that the amount referred to could be found in the Deposit Accounts of the various Receivers of Land Revenue throughout the colony.

Mr. G. HUTCHISON.—Then, it does not appear in the tables attached to the Financial Statement?

Mr. WARD.—No.

OLD-AGE PENSIONS.

Mr. COLLINS asked the Premier, Will the Government, in accordance with the report of the Committee appointed by this House to consider the question of old-age pensions, appoint a Royal Commission to inquire fully into, and take evidence upon, the matter during the recess, so that Parliament may be fully prepared to legislate in this direction early next session? A considerable amount of interest was taken in this question by a large number of people in the colony, and he hoped to receive a favourable answer.

Mr. SEDDON said the honourable member was quite correct in saying that there was a very large number of people who desired that an old-age-pension scheme should be established. The matter had been referred to a Committee of the House, and that Committee had reported. He thought he was speaking the mind of every member of that Committee when he said that, although it looked a somewhat small question when they commenced their investigation, yet before they had gone into the subject very far they found it most complicated and difficult to deal with. He did not think, himself, that a Commission would solve this problem. He thought it would take the united brains of those who represented the people in this country to deal effectively with this very difficult matter. This problem should not be left to two or three persons to solve.

BUSH-BURNING.

Mr. WILSON asked the Minister of Lands, If he will during the recess make such inquiries as will enable him to bring in a Bill relating to the burning of bush? A Bill had been introduced in Parliament to deal with the question of bush-burning some years ago, but nothing had been done since. Every now and then a case cropped up, and there was no law to deal with it. There was a case in his district which entailed a serious loss to a man, which had there been an Act would not have occurred. He hoped the Minister would be able to give answer to his question in the affirmative.

Mr. J. MCKENZIE said no special representations had been made to the Government in connection with the matter, and he was afraid it would be a very difficult matter to legislate upon. There, however, could be no harm in requesting the department to make inquiries from the various officers in the land districts, so as to obtain necessary information in the event of legislation to deal with the question next session.

CHEVIOT SCHOOLS.

Mr. MEREDITH asked the Minister of Education, As so many families are now resident on Cheviot, with the prospect of several additional families settling there within the next few months, what provision does the Government intend making to place in the hands of the Education Board of the district sufficient funds to provide five schools, now urgently required — namely, at McKenzie, Waiau, Froghall, Domett, and Port Robinson? He would point out the necessity for special provision being made for the education of these children. It was now eleven months since a portion of the Cheviot Estate was disposed of, so that some of the families had been there about ten months. From the latest information in his possession he found that in the places he had named in his question there were the following numbers of children between the ages of five and twelve years: McKenzie, 45; Waiau, 29; Froghall, 26; Domett, 24; and Port Robinson, 33. He might say that he

had placed this question on the Order Paper in consequence of receiving from a lady on Cheviot the following letter, dated "Port Robinson, 24th September, 1894":—

"DEAR SIR,—I have been requested by the mothers of this district, at a meeting held at Port Robinson, on Wednesday, the 19th instant, to communicate with you on the subject of getting a school for our children as soon as possible. I have enclosed a list of parents and the number of the children each of us have ready for school. I have also written at their desire to the Hon. W. P. Reeves on the same subject. We hope, Mr. Meredith, you will use your influence on our behalf, as a school is a boon we mothers will know how to appreciate, after the long holiday our olive-branches have enjoyed.—Yours respectfully, —"

Now, such an appeal as that the Minister of Education could not possibly resist; and it would be exceedingly gratifying to the mothers on the estate, and also to the male portion of the population, if the Minister of Education placed a special sum on the estimates to provide schools for these people. To supply five schools was more than the Education Board of the district could do out of the ordinary vote which they received. Therefore he appealed to the Government for consideration in this matter.

Mr. REEVES said he should be delighted to please the mothers, and to please the honourable gentleman who so ably represented them. When the honourable member last asked this question he told him that the special requirements of the district would be taken into consideration when the school-buildings vote was distributed. He really could not add anything to that, nor did he wish to take anything away from it. It was not unusual in outlying parts of the country for settlement to go on so rapidly that special provision had to be made for it. The department always did its best to take such cases fairly into consideration when the vote was being distributed. That was an unusual circumstance in their part of the country he was sorry to say, and therefore the honourable gentleman was not aware of the practice of the department in that respect. That had been the practice, and he hoped that what the department would do would satisfy the honourable gentleman.

OTARA BLOCK.

Mr. McNAB asked the Minister of Lands, When he proposes to place the Otara Block, adjoining the Township of Waikawa, in the market?

Mr. J. MCKENZIE said it was proposed to open this land for selection under the Land Act as soon as possible.

ACETIC ACID.

Mr. J. W. KELLY asked the Colonial Treasurer, If he will offer a bonus for the manufacture of acetic acid within the colony? He had been requested by a correspondent to put this question, as he was very anxious about it, and was prepared to go in for the manufacture.

of this article if encouragement were given to him.

Mr. WARD was sorry he could not give the honourable gentleman a favourable answer.

DUKE AND DUCHESS OF YORK'S VISIT.

Mr. W. HUTCHISON asked the Premier, If there is any truth in the rumour that the Government has joined with one or more of the Australian Governments in inviting the Duke and Duchess of York to visit Australasia?

Mr. SEDDON said that some months ago the Premier of Victoria, Sir James Patterson, communicated with the New Zealand Government, and with the other Australasian Governments, asking them to co-operate in inviting His Royal Highness and the Duchess of York to visit the colonies, and he believed that in joining in that invitation the Government were doing that which Her Majesty's subjects in this colony would heartily indorse.

"ARAB" AND "SHAH" TEAS.

Mr. W. HUTCHISON asked the Minister of Justice, Is not the mode of business set forth in the following advertisement an infringement of the Gaming and Lotteries Act; and, if so, should not means be taken to prevent such illegitimate trading: "'Arab' and 'Shah' Teas.—Look out for the cash presents enclosed with tea. As these famous teas have now gained such a thorough hold on the public taste, the proprietors have decided to discontinue a great portion of their advertising, and to give their customers the benefit of the money thus saved. To effect this, a large number of cash orders for 2s. 6d., 5s., and 10s. each will, after 1st June, be enclosed in many of the packets and tins containing the tea. These cash orders (printed on pink paper) will be payable through the storekeeper from whom the tea has been procured, or from the wholesale (N.Z.) agents"? An advertisement of this description had appeared in a Christchurch newspaper. The name of the advertiser was not given, because it did not appear; but he would like to get the opinion of the Government regarding it. It seemed to him to be a very objectionable mode of trading, and was not what could be called honest and fair trade. Mr. Newnes, the proprietor of *Tit-Bits*,—who, by the way, was a member of the British Parliament,—was interdicted from a course of action which, by payments to those who correctly solved literary puzzles, had resulted in an immense circulation being obtained for his newspaper. That practice was stopped very summarily by process of law, as it was considered to be leading to a certain amount of gambling. If that was the law in England, and if such objectionable practices were resorted to in this colony as were set forth in this question, then it was desirable that they should know what our law was in that respect.

Mr. REEVES said the department would make inquiries into the matter, and, if it should appear there was any infringement of the law, action would be taken.

Mr. J. W. Kelly

FLAX.

Mr. WILSON asked the Minister of Agriculture, When the reports of the Committee of experts appointed to inquire into the applications for the flax-bonus will be laid on the table of this House?

Mr. J. MCKENZIE was sorry he could not give a date when this report would be ready. The Committee appointed for the purpose of making this inquiry were at work at the present time, and had a number of machines to examine before they could report. Consequently he was not in a position to state when that report would be ready, but as soon as it was ready he would lay it on the table.

NORTH ISLAND TRUNK RAILWAY.

Mr. LAWRY asked the Minister for Public Works,—(1.) If he is aware that the business now before the Railways Committee will occupy the whole time the Committee will have during the present session, and for this reason they will be unable effectively to deal with the question of deciding the best route for the North Island Main Trunk Railway line? (2.) Will he, during the recess, set up a Royal Commission for the purpose of making an exhaustive inquiry into the whole question relative to the North Island Main Trunk Railway line, with a view of finally settling the best route for the before-mentioned line? He thought it was quite time that the subject contained in this question should be decided one way or another. It would be in the recollection of honourable members that last year an important Committee was set up by the House, which went very exhaustively into the whole question, taking evidence on oath, and their report was now one of the State documents of the colony. He was very well aware that the Premier stated, in reply to the honourable member for Eden, that he would refer the whole question to the Railway Committee that had been set up this session. But he (Mr. Lawry), as a member of that Committee, knew the work that Committee had to do, and it would only be a sham to refer it to that Committee, because the Committee had neither the time nor the opportunity to take it in hand. This was a matter of great importance to the whole of the North Island. He was aware that the railway could not be made without money, any more than the Egyptians of old could make bricks without straw; but that did not prevent an agitation of the whole question as to the route, and he hoped the Premier would give a favourable reply to this question, and would set up an independent Royal Commission to report next session, so that the question of route might be settled once and for ever.

Mr. SEDDON said that if the question could be settled once and for ever probably there would be no objection to the course indicated; but he undertook to say, whatever way the Commission reported, the part of the colony reported against would bring it up next session, and would want another Royal Commission. He had little doubt that would be the result. What was wanted more than a Commission

was an indication to the Government as to where the means to construct the railway were to come from. The money at the present time available was less than £80,000; consequently it should not exercise the minds of members very much as to where that money would be expended. Without forestalling the Public Works Statement, he might say that there would be a very fair division of what was left, and it would be so expended as to give the greatest amount of benefit derivable from such expenditure.

Mr. E. M. SMITH.—You are shuffling now.

Mr. SEDDON said he admitted that circumstances were altered, and for this reason: that the honourable member had asked that the line be taken through *viâ* Waitara, and the report received was of such a damning nature that they had to leave the Waitara route, the same being impracticable. Probably another and better route might be discovered.

An Hon. MEMBER.—Where?

Mr. SEDDON could not say where. The question was as to whether there should be a Royal Commission. They had a Railways Committee set up now, and he did not see, himself, the slightest difficulty in the way of that Committee taking Mr. Reynolds's report, Mr. Donkin's report, and Mr. Holmes's report, and bringing down a report to the House which would place the matter fairly before the House and the country. He had gone through these reports carefully, and, after a careful perusal of them, as far as he could see, something more would have to be done if there was to be any change whatever. That was so far as these reports were concerned. Mr. Reynolds's report clearly showed that an expenditure of £50,000 would alter the gradients between Wanganui and Stratford so as to make it a fast-travelling line, and allow of the carriage of goods at reasonable rates. On the other hand, as to the proposed deviation of the central route, the explorations of Mr. Holmes proved that it was almost impossible to deviate the line in that country. That meant that they must adhere, so far as the central route was concerned, to the old route. The explorations had not placed the matter one jot further ahead. He thought, if the Railways Committee went through these reports, the Committee would be able to report this session. He did not think a Royal Commission would help the matter. When more money was available, this question might be further agitated, but the Government did not see their way clear to go to the expense of a Royal Commission.

Mr. LAWHY asked if the Premier did not think the money belonging to this loan that had been spent in the purchase of Native land was an asset.

Mr. SEDDON said there was no doubt Native lands had been purchased by money out of the North Island Trunk Railway Loan, but it was done by direction of Parliament. There was no doubt the funds had been expended for that purpose, but at the same time it was not a liquid asset, and would not, without legislation, be available for further works.

OLD SOLDIERS' PENSIONS.

Dr. NEWMAN asked the Minister of Defence, If he will make arrangements that colonial pensions to old soldiers be paid in the same way as English pensions in Auckland? It had been pointed out to him that old soldiers who had shifted to Auckland were put to great inconvenience and delay in receiving their pensions. He had therefore put the question in the hope that the Premier might see his way to having these pensions paid through the Defence Department there in the same way as the Imperial pensioners were paid. Such a system would put an end to considerable inconvenience and delay, and would be much appreciated by those interested in the matter.

3.30. Mr. SEDDON did not exactly understand the question as put. The system of paying colonial pensions was very nearly identical with the method adopted in paying Imperial pensions. If anything, the difference was in favour of the system of paying colonial pensions. If further improvement could be made he would be only too glad to make it. He would confer with the honourable gentleman, and if the honourable member was able to render the Government any assistance in this respect he would be glad.

WANGANUI PRISONERS.

Mr. WILLIS asked the Minister of Justice, Whether he will make inquiries into the statement made by the *Wanganui Herald* that thirteen prisoners awaiting trial were crowded into two blackholes beneath the Supreme Court last Monday, seven being in one cell and six in another, where there are not sufficient cubic feet of air for more than two persons in each cell? The grounds were very strong indeed for some change being made in the way prisoners awaiting trial were treated at Wanganui. He knew that the facts were as stated by the *Herald*, that thirteen people were put into these small cells: in fact, the proper name to apply to them would be dungeons. These cells were so dark that it was almost impossible for one person to see another; and when the prisoners were taken out the air was so poisonous that people who came in contact with it felt sick. He himself had visited the place, and he could certify to the truth of the statements made by the *Herald*.

Mr. REEVES said the Government were inquiring into the matter; and, in spite of what the honourable gentleman had said, they had some reason to think that inquiry would show that instead of there being two cells there was only one. But, in case the honourable gentleman's view of the matter turned out to be correct, he could assure the honourable member that he would do his best to prevent such a state of things from continuing any longer, because it certainly would not be at all proper.

SYRIAN HAWKERS.

Dr. NEWMAN asked the Premier, If he proposes to bring in legislation this session to

prevent the influx of Syrian hawkers, male and female? As the number of Syrian hawkers had largely increased, and as the Hawkers and Pedlars Bill had not come up, he would like to ask the Government if they would introduce a short Bill of two or three clauses, like the New South Wales Act, to stop any further influx of these people.

Mr. REEVES thought the Bill was in the pigeon-holes now: at any rate, it would be there within an hour.

CAVERSHAM TELEPHONE.

Mr. MORRISON asked the Colonial Treasurer, If he will take into consideration the petition of Mr. Hatton and others, to provide the petitioners with a telephone service to Caversham at a rate based on the exact mileage from Dunedin, and without requiring a five-years guarantee?

Mr. WARD said the request of the petitioners had already been granted. Caversham subscribers to the Dunedin Exchange would be charged for the distance measured by the Main South Road, and if this measurement brought intending subscribers within two miles of the Exchange a five-years guarantee would not be required. Beyond two miles the usual bond to keep the connection for five years must be given.

COLONIAL BANK.

Mr. G. HUTCHISON asked the Colonial Treasurer, If there is any foundation for the statement that negotiations are on foot for giving the Colonial Bank the whole or a share of the Public Account?

Mr. WARD might say that some short time ago the Colonial Bank applied for a third of the Government account. The matter had not then been considered. It was now under consideration.

BANK OF NEW ZEALAND.

Mr. O'REGAN asked the Government, If they will explain, for the information of this House, what are the defined and respective duties of the President and Auditor of the Bank of New Zealand, after the appointments have been made, in relationship between the bank and the Government, as the chairman of the Bank of New Zealand meeting yesterday is reported to have said, "The Government will know nothing more about the confidential affairs of the bank in the future than it has known in the past"; and, if that is the case, of what avail will be the appointment of these high officials?

Mr. WARD said that the duty of the President was to conserve the interests of the colony—to protect the colony so far as its guarantee of two millions to that institution was concerned, and to see that no improper business was conducted, and generally to exercise a supervision over the conduct of the affairs of the institution in the interests of the State, which had given the guarantee. The duties of the Auditor were to audit and check the transactions in connection with the institution.

Dr. Newman

Mr. O'REGAN.—What about Mr. Murray's statement?

Mr. WARD presumed the honourable member did not wish that the ordinary private affairs of the customers of the bank were to be communicated to the Government. He might inform the honourable member that the practice would not be so. What would be done would be that the President, as representing the colony, would of course be fully cognisant of everything that was done, and if anything improper was done it would then be his duty to communicate with the Government.

E. S. W. BUTLER.

Major STEWARD asked the Government, Whether they will give effect to the report of the A to L Petitions Committee upon the petition of E. S. W. Butler? The petitioner in this case set forth that he had been put to expense, inconvenience, and disgrace through the conduct of the Deputy Assignee in Bankruptcy at Oamaru. He prayed for redress. The Committee reported on the case as follows:—

"That as the Deputy Assignee entered into an agreement with petitioner to the effect that, in event of petitioner signing a certain deed, his discharge in bankruptcy would not be opposed, and as the Assignee now opposes the said discharge on the ground that the petitioner has since appealed to Parliament, the Committee are of opinion that the Government should cause an inquiry to be made into the case."

The petitioner had been waiting in Wellington for some days. He (Major Steward) had been asked to postpone this question until that day, and he hoped the Government would now be able to give an answer of a favourable nature.

Mr. REEVES said the matter was *sub judice*. The District Judge had been appointed to inquire into the application. It was therefore quite clear that the petitioner should bring the conduct of the Assignee, if he objected to it, before the Court. The Assignee was an officer of the Court, and was therefore amenable to it. It was scarcely the place of the Government to interfere with the litigation.

BANK OF NEW ZEALAND GLOBO ASSETS.

Dr. NEWMAN asked the Colonial Treasurer,—(1.) If the Government propose to allow the Bank of New Zealand to pay off the debentures of the Globo Assets out of the guaranteed loan? (2.) If not, to what other purpose is the £1,000,000 to be devoted which is under the control of the Treasurer? As the session was drawing to a close it was only right that the House and the country should have an answer to this question. He asked the question some time ago, and now repeated it.

Mr. WARD might inform the honourable member that the Government would consider what was the best course to follow when the money to which the honourable member referred had been paid into the institution. As

a matter of fact, the greater portion of the two millions subscribed would not be paid in until the 26th of this month.

Dr. NEWMAN.—Surely the honourable gentleman knows what is going to be done with it.

Mr. WARD said the honourable member must recognise that this was a very difficult and a very important matter. It was a matter upon which a light answer ought not to be called for from the Treasurer. There might be many things which would influence the final decision of the Government. The Government as a whole would require to deal with an important matter such as that was. He might say, for the information of the honourable gentleman, that nothing had yet been done in the matter. If an investment in the Globo Assets debentures was found to be desirable in the interests of the country, that might be a suitable investment for a portion of the money to be made in. But he might inform the honourable gentleman that no decision had been arrived at yet, inasmuch as the money had not yet been subscribed. As the honourable gentleman knew, this was an important matter, and he was sure the honourable gentleman did not want the Government to hastily decide in regard to the investment of such a large sum of money. The Government would require to give great care and attention to the matter, and he need only add that if he had been in a position to give the honourable gentleman an answer he would readily have done so.

Dr. NEWMAN asked if the honourable gentleman would give an answer before the session terminated.

Mr. WARD would not undertake to do that. The responsibility must fall upon the Government, and the House must be prepared to leave the Government the responsibility of dealing with this matter. If the investment was made before the session was over he would be only too happy to inform the House accordingly. The matter, as he had said, was one of considerable importance, and it would receive most careful attention from the Government.

GUARANTEED BANKS AMALGAMATION PROHIBITION BILL.

Mr. BELL asked the Colonial Treasurer, Whether he will, on behalf of the Government, take charge of the Guaranteed Banks Amalgamation Prohibition Bill introduced by the member for Wellington City; or will he himself introduce a measure to effect the objects proposed by that Bill?

Mr. WARD said the Government would not take up the honourable gentleman's Bill upon the question to which he referred, and he might add that the Government were of opinion that, under proper safeguards, in the interests of the colony, the amalgamation referred to would have been very desirable; and it was still so.

ADJOURNMENT.

Mr. McGUIRE begged leave to move the adjournment of the House. He was compelled

to do so on account of the very unsatisfactory answer which he had received from the Hon. the Colonial Treasurer to a question he had asked. The New Plymouth Harbour question was an important one, affecting a very large number of settlers, who had his sincerest and most heartfelt sympathy. The question affected the character of the Government for honour and honesty, and also the character of the members of the House, in the Mother Country. The question, if not given consideration to, might also seriously embarrass the Government on the London money-market, and therefore should not be treated lightly as heretofore. To show what was felt about this matter, he would read an extract from a letter which he had received by last mail from the vice-president of the bondholders, Mr. Busby. That gentleman said,—

“Our newspapers here publish periodical reports of cablegrams from New Zealand pointing out the satisfactory financial condition of the colony and its ability to meet all its engagements. I must, however, remind you that the Government of New Zealand has violated the conditions under which the harbour loan was raised, without offering any redress to the bondholders; and I beg to assure you that, should the Government seek to issue any new Government loan upon this market, the Committee of Bondholders will take active and immediate steps to oppose such issue until the Government has done justice to the bondholders. The resolution to adopt this course was communicated to the Premier of your House—the late Hon. Mr. Ballance—and the committee are resolved to carry it into effect should the opportunity arise.”

The letter from which he had made the extract was dated “London, 25th July, 1894.” What was the reason the bondholders took such strong measures against the Government in this matter? It was simply because the bondholders and the people in the harbour rating district had been robbed of a considerable portion of their endowments. In 1874 an Act was passed granting 25 per cent. of the whole of the lands disposed of in the Provincial District of Taranaki by sale or otherwise as an endowment to the harbour. Although that was granted to the harbour in 1874, and also in 1876 by the Financial Arrangement Acts, and still again when the land revenue was consolidated after the abolition of the provinces, the Government in 1879 and 1880 took away from the New Plymouth Harbour Board out of the rating-area 200,000 acres of land. That land was valued by the Property-tax Commissioner at £400,000. Therefore the House had robbed that harbour of £100,000. This surely was sufficient reason for the bondholders taking the action of which the Chairman of the Committee of Foreign Bondholders, the Right Hon. Sir John Lubbock, gave notice to the Premier. Had not that land been taken away £100,000 would have been lying to the credit of the Sinking Fund Commissioners, and the settlers whom he (Mr. McGuire) had the honour to represent would not have been compelled to suffer an unjust

imposition. This was why he had brought up this matter before the House on so many occasions, and why a Committee was set up during last Parliament to inquire into the merits of the case. That Committee had brought up a report which he had continually pressed the Government to carry out. That report was satisfactory in every way; but, in place of carrying out that report, they used their servile majority in the Public Accounts Committee, and on the floor of the House, for the purpose of reversing the decision of the New Plymouth Harbour Committee. The report in question showed clearly that the settlers and the bondholders had been robbed of their endowments,—that a great outrage had been committed, which it was the duty of the House to redress. Their endowment was taken away not in the interests of the taxpayers interested, or of the bondholders who had lent their money, but in the interest of the whole colony. Now, if it was absolutely necessary to take away that land in the interests of the colony, it was also absolutely necessary, in the interest of justice, that restitution should be made of the value of the land so taken. But not only had the Government evaded the report brought down by the Committee, but they had in every way in their power prevented the House from doing justice to the New Plymouth Harbour. Only the other day the Chairman of the Board came down to the House and asked the Government to consider the financial position of his Board, with a view of reducing the interest from 6 to 4 per cent.; and yet, although they had robbed the district of its endowments, disregarding Acts of Parliament made for the protection of the rights of the people, and on the strength of which they allowed the Harbour Board to borrow £200,000, they would not in the smallest degree assist the settlers nor make restitution for the great injustice inflicted upon them. What could be more outrageous than such conduct? And even their own supporter—the honourable member for New Plymouth—who stuck to them through thick and thin, through right and wrong, could get no assistance from the Government for the unfortunate settlers whom the honourable member represented, who were so unjustly oppressed. No such outrageous injustice had ever been committed in this or any other country. He (Mr. McGuire) had asked that this question should be relegated to a Judge of the Supreme Court, to decide on the lines of honesty, justice, and good conscience, and he was willing to stand or fall by an inquiry on the grounds indicated. This was a most complex and difficult question. Many Acts of Parliament were connected with it. It therefore required a Judge, or some one in that capacity, independent of the Government, one who would have no wire-pulling behind him, and who would act justly and fairly in the interests of the Government, the bondholders, and the settlers, to thoroughly investigate it. But the Government was not prepared to adopt his (Mr. McGuire's) suggestion. Why were they not prepared to adopt it? Because they feared the result of an in-

Mr. McGuire

dependent investigation. The bondholders saw all along how unjustly they had been treated, and they would therefore, he believed, take the action they had given notice of. The moment the Government put a loan on the London market, that moment the bondholders would boycott them; and he thought it would be a good thing for the country if it would only have the effect of making the Government have more regard for honest and honourable dealings in the future. Here was a district—perhaps one of the most important in the colony—where many of the settlers had rendered great service to the Government during the war, and the compensation they received for their gallant conduct was to be robbed in the most outrageous and barefaced way by the Government; and yet the same Government a month or so ago cheerfully backed a bill for the Bank of New Zealand to the tune of two millions, but they would not move a foot to assist their own settlers, although they led the people to believe they were working in the true interests of the small and struggling people on the land. Here were eighteen hundred small settlers coming to them for assistance and redress; they could not even spend a day in making inquiries, or go into the matter, which so seriously affected them, and see if justice had been done. The endowment in question had been taken in the interests of the colony, and it was taken by a Royal Commission appointed in order to settle the peace of the country, and to save the credit of the country, because if a shot had been fired at that time our credit would have gone. For, it would be remembered, we had at the time the endowment was taken a five-million loan on the market. It was clear this had been done in the interests of the colony; and now justice demanded that the lands should be valued, and one-fourth of their value placed to the credit of the Sinking Fund Commissioners. Had this been done justice would have been done to the district, and he would not have been there advocating the cause of these unfortunate settlers, who were honestly and honourably struggling against many difficulties to pay their way. He trusted the House would take the matter up, in the interest of the honour of the colony, and compel the gentlemen who temporarily occupied the Treasury benches to act on the lines of justice and honour. If there was any other harbour in New Zealand that had a claim such as they had, in God's name let the Government meet it, and act fairly and justly. But from the day the honourable gentleman became Premier to the present he had never assisted the honourable member for New Plymouth, although that honourable gentleman followed him wherever he might lead. The Hon. the Premier ought to act fairly while he had yet time. He was endeavouring to mislead the people; but the mist in their eyes was clearing away, and they were beginning to see him in his true light as the greatest political deceiver that ever sat on the Treasury benches. The Colonial Treasurer said that the letter he (Mr. McGuire) wrote to the late Colonial Treas-

suror was most unjust to the bondholders. If it would not be taking up too much time, he would read that communication to the late Premier and Colonial Treasurer, which would completely dispose of the honourable gentleman's unfounded assertion; and if the proposal he made had been carried out and acted upon the trouble would have been removed and justice done to all parties. The Government of that day acted most unjustly, and he now challenged the Premier to place the question before an independent tribunal. The people in his district were willing to submit it to a Judge of the Supreme Court, who would be independent of the Government, and, whatever decision the Judge arrived at, the settlers were willing to abide by that decision; and he again challenged the Premier, and he hoped the honourable gentleman would take up the challenge and have the question relegated to a Judge of the Supreme Court, and let the report of the Judge's finding be brought up next session. He would now conclude, and reserve any further remarks for his reply.

Mr. E. M. SMITH had no desire to join in the debate, but the honourable member for Egmont had dragged him into it, and he must defend his position. He had on every occasion done his best, both in the last and in the present Parliament, to get redress for the harbour grievance; but after it had been investigated by a Committee, and brought up before the House again and again, he could see plainly they were only wasting the time of the House and the country in dealing with it again that session, as it was evident the Government and the House would do nothing to help the rate-payers. Had they not tested the House over and over again? A deputation from the Harbour Board had waited on the Government and laid their financial position before the Government, and they had replied that they could not accept the responsibility of taking over the harbour debts of the colony, amounting to five millions. He did not wish the honourable member for Egmont to put him in a false position by putting it in *Hansard* that he (Mr. Smith) had not rendered every assistance in his power to get the case thoroughly investigated. It was well known to honourable members that he had done his best in that way; but he was not going to waste his time and the time of the country by ding-donging at the question in and out of session, when the House would not listen to them, and no vote was to be taken. When the honourable gentleman said the Government had not done anything for the district in harbour matters, he might tell the honourable gentleman that but for the Government coming to the assistance of the harbour the expenditure of £250,000 would have been a sheer waste of money. The harbour would have been spoiled, and the sand would have accumulated, so that the harbour would have now been a thing of the past. But by the Government and the House making provision for dredging the harbour they had saved it, and now the "Takapuna" and the coasting-boats could enter it

as well as enter the Wellington Harbour; and the Government should not be slated because they did not see their way to accede to the request of the deputation from the Harbour Board to convert the harbour loan. He did not, however, rise to speak on this question. He rose to speak on an important question not only affecting his own district, but Auckland and other parts of the colony. This was in reference to the North Island Main Trunk Railway. The Premier had stated, in answer to a question, that there would be no necessity to set up a Royal Commission in the matter; and he quite agreed with him. All they wanted was that the Government should faithfully and honestly carry out the recommendations of the House. A Committee had been set up, which, after investigation, had reported, and the result was that their recommendation had been carried into effect. Surveyors had been sent out to explore. But what he did dispute was the information that had been conveyed to the Premier by his officers. Why should a public officer give such information to the head of his department as would override a direct recommendation of a Select Committee and distinct instructions from the House itself? Let anybody read the report, and he would undertake to say the evidence of Mr. Hales, the Engineer-in-Chief, and that of the Survey Engineer, were quite opposed to each other. He wanted to put the House and the country and the Premier in possession of these facts. The Premier had stated that if he had been guided by his officers he would never have sent the survey party out. What did that mean? Then, he said he had withdrawn the survey party at the recommendation of his officers. And why? Had the officer been over the ground? He (Mr. Smith) said, No. Had he devoted sufficient of his time to investigate the case, and make himself acquainted with the facts? He

4.0. went out to Urenui from the hotel after having his lunch, and yet was back in time for his supper. He saw only a short distance of the railway route from the hill-side at Urenui, and yet he came back and told them he was going to withdraw his party. Was that an investigation? No; it was a sheer waste of public money to send a party out, providing they did not carry their survey right through to Taumaranui. They should have evidence brought down and a report submitted to the House this session. From the Sentry Hill Junction to the Upper Waitara Valley there was only a distance of sixteen or seventeen miles, and the country was such that they could make a railway easily. The road was all made, and there was no difficulty in the way; and, in fact, until they got to the dividing-range the only obstacle on the route would be a tunnel of 60 or 65 chains in length. Let them call witnesses and put them on oath as to this survey, and they would find that the statement of the Engineer was incorrect. There was no obstacle in the route to making a railway from the Sentry Hill Junction to Taumaranui, a distance of only

sixty-five miles, and, as he had said, there would be only one tunnel in the whole length. The line would run through the Upper Waitara Valley, and there was magnificent land fit for settlement all the way along. Then, once they were over the dividing range to the Teaneraki Valley, they came across the first deposits of coal. There was enough coal there, and the coal was so easily accessible that, with railway communication, for 4s. a ton they could supply the Government with all they required. He defied the Government to dispute the statement he was making. If they were to set up Committees to investigate this matter, and then withdraw the survey party on the slender pretext that the Engineer was going to investigate the case, he had no hesitation in saying it was a waste of public money and a waste also of the time of the country. If the Government had no confidence in Mr. Donkin's survey, let them send a party of their own through, and they would be satisfied with the result. He was glad, at any rate, of the opportunity of putting this in the records of *Hansard*, in order that the country might see how this Engineer had dealt with the question. He should have gone and camped out in the country through which the line of survey was being carried, and have made himself conversant with the whole thing. He (Mr. Smith) did not interfere with the question of the railway between Wellington and the North, but what he did maintain was this: that they had been promised from the early days of the public-works policy that they should have railway connection between Taranaki and Auckland: and he defied the Government and their Engineers to controvert the statement which he was making, that there was a practicable route to connect Taranaki and Auckland, running up to the Mimi, and for some distance along the coast-line. Then, they had the statement in one of the papers that Mr. Wilson Hursthouse, one of the Government Engineers, had recently gone from the Upper Mokau Railway-station to the Awakino Valley, and that he had reported that there was a splendid route for the proposed railway, with a gradient of 1 in 250. Yet they were going to shelve the question, and all because the Government Engineer made an unfavourable report, when he had not done his work properly. He (Mr. Smith) had always held this officer in high esteem, and had always been on friendly terms with him, and he wished to deal fairly with every officer in the Government service; but when they found such an officer leading the Government astray by making a report that could not be substantiated, it was his (Mr. Smith's) duty, as the representative of an important constituency, and in the interests of both Taranaki and Auckland, to have the matter set right. And, in this connection, he was very sorry to see that the members who had formed a deputation to wait upon the Government in reference to this matter in the early part of the session—he meant the representatives of Auckland—were not in their places now. He

Mr. E. M. Smith

wanted the Railway League in Auckland to know that the only members from their district who were in their places in the House while this matter was being ventilated were the honourable member for Parnell and the honourable member for Eden. The others were all absent from the Chamber. He hoped the Premier would, before the session closed, bring him (Mr. Smith) face to face with this Engineer, and would allow the evidence that was now available to be adduced in connection with this matter. Of course, if he could not substantiate what he had stated he would admit that the Engineer was right, and he would not ask for the matter to go further. But he would insist upon exposing, and would do his "level best" to expose, such reports as these, no matter if they were from the Chief Engineer of the colony. He pointed to the fact that a track had been cut from Urenui across to Taumaranui, and the Government had spent only £150 in having that track cut. Then they sent out a surveyor, and he reported that he had been over the track; and then they started this survey headed by Mr. Donkin. If they had lost confidence in that Engineer, they should change him; but, because the Government had no confidence in him, were they to lose this route? They had any amount of people on this line prepared to take up land. They knew it would be one of the best-paying railways in New Zealand. And they would not cease to agitate the matter until a line had been made to connect Taranaki with Auckland. There were nine million acres of land there awaiting development by railways and roads. He knew the Government were doing well in the making of roads in his district, and they were settling the land; but they could not develop the resources of the mineral lands until a railway was made between Taranaki and Auckland. He was prepared to bring evidence which would prove that there was no difficulty whatever in connecting Taranaki with Auckland by railway, and this evidence meant that the information which Mr. Hales had could not be substantiated. There could be no reliance placed upon it, for he did not go over the track and did not sufficiently investigate the case to warrant him in going before the Government and giving them such information as to lead them to withdraw that survey party. He hoped the Minister, if he did not hear this speech, would at least read it in *Hansard*, and that then he would give him (Mr. Smith) the assurance that he would carry out the recommendation of the Committee and would have the railway route properly surveyed. If that report went against the people of his district, and the Minister then said it was not practicable to make this railway owing to the engineering difficulties, they would bow to that decision and cease to agitate. But until then they would continue to agitate, no matter whether the present Government was in power or any other Government. It was their duty to represent the interests of the people in a right and proper manner, and not to be coerced by any action of any Government.

Mr. DUTHIE said the honourable gentleman blamed the Government for withdrawing these surveyors. He thought the Government were only to blame for yielding to the pressure brought by the honourable gentleman and a few others and taking away money belonging to the North Island Trunk Railway Fund to be expended upon useless surveys in a part of the country that the Premier must know was unsuitable for a railway, and against the advice of his officers. There was no question but that they should get on with the Makohine Gorge Viaduct, and in delaying this work they were not dealing with the money available for this railway as they ought to do. It might be that the balance of money still lying to the credit of the North Island Trunk Railway was very low, but there was no reason that he knew of why that line should not partake of a share of the money transferred from the Consolidated Fund. It was as well entitled to it as any work in the colony; especially as for years past the funds borrowed for this trunk line had been diverted to road-making, to purchase of Native lands, snagging a river, and for the payment of a steamer's subsidy. Money was received as they sold or otherwise disposed of the Native lands purchased along the route of this North Island Trunk Railway, and some part of this money should be made available for completing this part of the railway. It was not creditable to the honourable gentleman's Administration that twelve or thirteen miles of the completed line beyond the Gorge should be lying idle and unavailable, with the roads on the other side in an impassable state, and traffic stopped with the interior. There was no need for the colony to spend large sums of money in making that road when they were making a railway alongside it. The fair thing would be that money should be found this session to put that work in hand. He hoped that the honourable gentleman would, in a spirit of fair-play, looking to the importance of the work, see his way to make provision for the completion of this viaduct.

Mr. G. HUTCHISON wished to revert to the subject of the Taranaki Harbour endowments, which had been so ably and earnestly brought before the attention of the House by the honourable member for Egmont. In connection with that subject, he thought it was very unfortunate that the honourable member for New Plymouth should have been so easily satisfied with the explanation of the Government. He held that if the honourable member had taken a more determined stand better terms would have been obtained for the district. If the honourable member for New Plymouth had backed up his colleague the honourable member for Egmont more determinedly in connection with the endowments, the settlers might have expected some measure of relief to follow. The honourable member had indicated that he was satisfied with the answer given by the Government on the subject of the endowments. He (Mr. Hutchison) thought it was matter for grave dissatis-

faction; but, as long as honourable members delivered themselves, practically, into the hands of the Ministry of the day, they need expect nothing but dissatisfaction. There was before them just now an illustration of the attitude of the Government on the subject. There was the Premier asleep. He did not even give the remarks of his follower, the honourable member for New Plymouth, either on the subject of the endowments or on the subject of the railway, the least attention. Unless the members for the district stood together and determined to take every opportunity of ventilating their grievances they might expect Taranaki grievances to be continually put off by the Ministry, for the Government knew they held the vote of the honourable member for New Plymouth quite safe; and consequently, the representation of Taranaki being divided on the subject of the New Plymouth Harbour endowment, they could expect nothing satisfactory. As it happened, the golden opportunity had been lost through the indifference of the Government. Time was when the bondholders would have been content, and were even anxious, to accept a compromise, if he might call it so; but the Government were quite careless, or worse. Now, through the delay which had occurred, the favourable opportunity had probably been lost, chiefly, as he thought, through the dissension among the members from that part of the colony.

Mr. E. M. SMITH would like to make a personal explanation. He had never disagreed with the other members from his district on this subject. They had always worked on the one platform.

Mr. MITCHELSON would like to say a word or two in reply to a statement made by the Premier in regard to the North Island Main Trunk Railway between Wellington and Auckland. He must confess he was somewhat disappointed at the answer given to his question by the Premier. He had hoped that the honourable gentleman would take up a better and more reasonable position than he had taken. It was quite time that this question of routes was settled, as it had been hanging over sufficiently long. He would impress upon the Government the necessity for settling the matter at rest once and for all. He quite agreed with the honourable member for Parnell that it would be absolutely useless to send the matter to the Railways Committee, as that Committee had at the present time more work than could be completed this session, so that it would be quite incompetent to undertake such a question as this. The honourable gentleman stated that a large portion of this loan had been used for the purpose of acquiring lands, and that those lands were acquired under the authority of an Act of this House. That was quite true; but the circumstances had altered considerably since the Act was passed. At the time the Act was passed the mode of disposing of the Crown lands of the colony was somewhat different from the mode in vogue at the present time; and, if the railway had to wait until the

funds were available from the proceeds of the sale of lands, then the progress made with the construction of this line would be very poor indeed. Then, there was another question. These lands were disposed of, under the existing Land Act, under the lease-in-perpetuity and other systems, and a considerable amount of money had to be paid over to local bodies by way of "thirds" and "fourths," such as was never contemplated at the time of the passing of the North Island Main Trunk Railway Loan Application Act. There was a large portion of this loan taken for the purpose of making surveys, roads, bridges, snagging the Wanganui River, *et cetera*. The Minister of Lands had admitted that the sum of £80,000 had been spent on one road alone—the road between Pipiriki and Karioi—and honourable members must admit that the Government could find ways and means to obtain money for other purposes of far less importance than the construction of this railway between Wellington and Auckland. The answer they gave in this respect was most unsatisfactory to himself, and he was sure it could not be satisfactory to honourable members who came from the district he had the honour to represent. Money was found for the continuation of railways in various parts of the colony of much less importance, and he thought it was the duty of the Government to make some provision in addition to that which the Premier stated would be available under Part I. of the Public Works Fund. If that were not done, then it would be a question as to when this railway would be completed. The honourable member for Wellington City (Mr. Duthie) had raised the question of the construction of the viaduct near Ohingaiti, and, as settlement was progressing at a very rapid rate in that part of the colony, he thought the Government should commence this work, and render aid to those people who were about taking up land in the Awarua Block, which was at the present time being opened up by the Crown. He hoped the Government would do something this session to legislate, first, for the further and more rapid progress of the line, and something to determine which route the line should take.

Mr. SEDDON thought it must be patent to honourable members that the Government were considerably hampered in respect of questions, owing to the fact that there were so many motions for adjournment moved. He should have thought, at that period of the session, that members would wish to get through the work and go home, and that those members who might not feel exactly satisfied with answers they received to questions would show some forbearance. The Government naturally wished to avoid these adjournments by, in their replies, avoiding, as far as possible, saying anything that would provoke debate. The honourable member knew very well that the Public Works Statement would be down very shortly, and in that Statement the Government would say what they intended to do in reference to this North Island Trunk Railway. As regards the route, the honourable member told the House

Mr. Mitchelson

that £70,000 was available for the work. What could they do with that money? It would take more than that for the Makohine Viaduct, and the completion of this line, say, to the tunnel at the northern end of the Mokau would take about half the money; and, when it was done, what use would it be? What use was there to trouble about the question of routes until such time as there were moneys available for the completion of the work? He said unhesitatingly—and speaking very plainly—that to make railways before settlement could possibly take place was a mistake, more particularly when there were lands already taken up with no roads yet made to them. If he were a representative of the Auckland District, notwithstanding all that had been said as regarded the immediate necessity for finishing this North Island Main Trunk Railway, he would say that to make a road from below the tunnel to connect Taranaki directly with the Waikato and Auckland would be far more important to the Auckland District. It would tend to promote settlement, and would give far greater advantages to the settlers than would the construction of this railway. That was the view he held upon the point. Now, as regarded the viaduct, he admitted that settlement beyond that point was going on very rapidly. There was a large amount of work done on the other side of the line, and any moneys spent in that direction, where the line was completed, were moneys well spent. As regarded the expenditure of money so as to complete the line to a point below the tunnel, that was money well spent. Then, coming to the next question, that of finding money to complete the Makohine Viaduct: if they came down with a proposal to borrow money for that purpose the honourable member would be the first to assail the Government. Honourable members on that side of the House would immediately make it a pretext for an attack upon the Government. They asked questions with a view of getting the Government to give answers, and on those answers they attacked the Government. The Government were quite right to evade as far as possible any attack being made in regard to those questions.

Mr. MITCHELSON.—What about the Land Fund?

Mr. SEDDON asked, what did the honourable member say when they asked that the Land Fund should be applied for the construction of the Otago Central Railway? That was the very point upon which the Government were attacked. If it was done in one case it would have to be done all round. They might as well apply the whole of the Land Fund to the construction of the Otago Central Railway; but, if that was proposed, they would at once have honourable members on that side of the House objecting to the moneys being used for that purpose. Then, as regarded the land that had been purchased: it was not quite settled yet. There had been no opportunity of turning it into cash. The honourable gentleman had asked the question whether it would require legislation to do so. The Government were

doing their best, and when the Public Works Statement came down he felt sure the Government would be congratulated by honourable members on the course they had taken. As to the statement in reference to New Plymouth Harbour, if the honourable member for Egmont thought for a moment that he was promoting the welfare of that Harbour Board by taking up four or five afternoons during the session to bring the question before the House, and thus wasting the time and placing an additional burden on the taxpayers, he was making a great mistake. Parliament was not prepared to take over these harbour loans and saddle them on the shoulders of the taxpayers of the colony. There was no doubt that a mistake was made as regarded the New Plymouth Harbour, but when that large expenditure was entered upon the people no doubt had their eyes open as to what it would involve. The bondholders had a right to be paid. The moneys must be raised locally for the purpose, and any attempt made to force this on the taxpayers of the colony would be resisted to the utmost.

Mr. McGUIRE.—What about the endowments?

Mr. SEDDON said there had been no material change in that respect. The honourable member's new-born zeal in the interests of the bondholders of the New Plymouth Harbour was somewhat amusing, because he and the honourable member both knew of the existence of a communication the honourable member sent to the late Premier, in which he pointed out that then was the time—then was the opportunity. If they let it stand over until June, the Board itself would be able to pay its interest; but if they collared the bonds then, the bondholders would not know if the interest would be met in June. He said, "Strike the iron while it is hot. Let the colony take it over, and then there is an end to the matter." If the honourable gentleman had a good memory he would remember that. But the Government could not see their way to do anything that was dishonourable, and they would be no party to a questionable transaction. If this matter was to be brought up time after time, thereby causing a great waste of time every afternoon, all he had to say was that it proved the honourable member to be unreasonable. The honourable member for New Plymouth was an out-and-out supporter of the Government. He had brought this question before the House time after time, and urged the Government reasonably; but they had had to resist him, just as they had to resist the honourable gentleman opposite. The Government were desirous of rendering every assistance possible to any part of the colony, but it would be a very bad thing for the colony if they were to attempt to saddle the country with all these Harbour Board loans. He hoped they would hear no more about this during the session, and, instead of wasting the time of the House, he hoped honourable members would get on with the business of the country.

Sir R. STOUT agreed with the Premier that

it was a mistake to move the adjournment of the House continually at this period of the session. There was only one point he wished to touch upon, and that was in reference to the North Island Trunk Railway. He thought

4.30. the first consideration of the Public Works Department should be to complete the viaduct that had been mentioned. If that were done it would tend to open up good land and would be an immense benefit to the colony. He submitted that, as some of the North Island Trunk Loan money had been spent in road-making and in the purchase of Native lands, both those portions of the loan should be returned to it. That was only fair and honest: in fact, it would be dishonest not to do so. As to the amount which had been spent in the purchase of Native lands, that ought to be kept in a separate account, and, so soon as the land was disposed of, the income from that land should be specially set aside for that loan. In asking that no person was asking anything unfair. As to the route, the Auckland people, by desiring the line to go *via* Taranaki, had delayed this matter very considerably. The central route was the proper route. He had always held that opinion, and had never varied in regard to it. It was settled by a Committee of that House, which was almost unanimous. There was only one member—the Hon. Mr. Montgomery, of the Legislative Council—who was opposed to the central route. All the other members of the Committee came to the decision that the central route was the route, and this spending of money on surveys of routes was a waste of money. The central route would open up a large quantity of land. Eight or nine years ago he made the same statement. He would not take up any further time, but he hoped the Public Works Statement would soon be brought down, and that the lines he had indicated would be followed in connection with this railway. No doubt all these discussions about routes, railways, and everything else arose from the Public Works Statement not being down. This was the longest time in the colony's history that the Public Works Statement had been delayed.

Mr. SEDDON.—What have New Plymouth bonds to do with the Public Works Statement?

Sir R. STOUT said they had nothing to do with it, but the other question, about the North Island Main Trunk line, had led to half the discussion this time. It was utterly wrong to keep back the Public Works Statement. Last year he urged the Premier to bring down the Public Works Statement promptly. It was contrary to the proper carrying-on of all business to have it delayed.

Mr. SEDDON.—Yes, I admit that.

Sir R. STOUT said there had never been such delay as this year.

Mr. SEDDON.—We have not got the money yet.

Sir R. STOUT said the honourable gentleman did not need the money to bring down the Public Works Statement. In England

the custom was to fix on the works they were going to undertake, and then to bring down the Statement.

Mr. SEDDON said if such a system were pursued here it would land the colony in financial difficulty.

Mr. BUTTON could not allow the debate to pass without saying a few words in reference to it. The money that was taken from the vote passed by the House for the main line between Wellington and Auckland had been expended in the purchase of Native land, no doubt; and, that having been diverted, provision should be made, in all fairness, that the fund should be recouped again. When the land was sold the proceeds should be set apart in order that they might be applied towards the repayment of this money. They must not forget that they would not be able, out of that fund, to recoup the whole amount, because the conditions connected with the selling of land had changed. Since the money was taken to purchase land the local bodies had received one-third of the price of the land sold. At that time it was sold for cash. Now there were deferred payments, and all sorts of arrangements, and the local bodies received the "thirds." Connecting Auckland with Taranaki and Wellington by rail was a very important matter. He quite agreed with the Premier that, if the railway was not available or practicable at present for want of funds, then they should have a good road that could be used for driving stock. It would be of considerable advantage to have a road by which stock could be driven to the Waikato district. That would be a great benefit to the Waikato, and also to Auckland. With regard to borrowing money for the purpose of a railway, he was still consistent with the remarks he had made already on that subject. Even if it was for the purpose of making this railway, he should be opposed to borrowing until the country had had an opportunity of expressing its opinion upon this question of borrowing. It was a burning question at the last election whether or not money was to be borrowed, and whether the colony should go further into debt. All-round pledges were extorted from the candidates that no further borrowing should take place. If the country had changed its mind, the electors should be consulted on this matter. He was rather disposed to think that for road and railway purposes, perhaps, the country, or some of the districts of the country, might have changed their minds; but until that was referred to them he should be opposed to borrowing even for the purpose of constructing the railroad. He hoped the House would consider the claims that Auckland, Taranaki, and Waikato had upon that House in connection with this matter. The moneys that were voted by that House had been diverted, and consequently no road had been made; and he pressed the claims of these districts upon the House; and perhaps before long some way would be devised by which some measure of justice might be done to these districts.

Mr. CROWTHER said that as he had not

Sir R. Stout

been in the House during the whole of this debate he was more or less at a disadvantage, but since being elected he had tried to make himself acquainted with the requirements and the condition of things in relation to this business as far as he had been able. He quite agreed with the statement just made by the senior member for Wellington City (Sir R. Stout) in one respect, that of all things necessary that viaduct seemed to him to be one of the greatest importance at this end, because already there was a very large number of settlers beyond it. The railway was already made—that was, the formation—and if this crossing were clear it would necessitate comparatively little outlay to have the trains running to an important township that already existed. There was a large population there. There were two bakers' shops, two or three butchers' shops, and three publichouses.

Mr. SEDDON.—You would not say Sir Robert Stout advocated it on that account?

Mr. CROWTHER said Sir Robert Stout had learned to know that he was not all the world, nor even all New Zealand. He had learned to know that, like the rest of the members, and had to go with the tide, and it was a very uphill business to go against it. On the other hand, he thought the honourable member was right in saying that Parliament would have very much greater pleasure in voting the sums if the Government would first show them what their estimates were. The Premier shook his head at that. It seemed to him to be a wrong way of doing business to ask the House to vote so many thousands, and then for the Government to suggest to the House in what way the money should be spent. The expenditure should first be suggested, and then the House should be asked for a lump sum. Then honourable members could satisfy themselves whether a lesser amount would suffice. It would enable members to pass their own opinions as to the fairness or otherwise of the allocation. If, as it seemed was the course adopted last session, this part of the business was not laid before the House until two days before the House rose, he was quite sure the matter could not be gone properly into in such a time. It was his duty also to say a few words as to what the senior member for Wellington City said about these surveys. He (Mr. Crowther) gave the Government credit for having granted those survey expeditions with a view of finding the best route. The best route could not be fixed until the surveys were made. He thought that every month they had been acquiring information that would hereafter be useful to them. The surveys made seemed to have cost a certain amount of money, but he could not believe the money had been wasted. It seemed to him the expenditure was absolutely necessary, in order that they might acquire the necessary knowledge to determine the most judicious way of expending the money. Such being the case, he did not think the money had been thrown away. They knew the Wellington people had all along favoured the central route. If it transpired that that was the best route in the interest of

the colony as a whole, he did not think there would be strong opposition to that decision. The honourable member for New Plymouth, and all other members who had a strong desire to have a connection between Auckland and Taranaki, would not fight against circumstances which they could not possibly control, if it were quite clearly shown to them that the central route was the best one in the interests of the country. He was in hopes that this system would be followed, because since he had made himself acquainted with the requirements of the Wellington end he was more strongly in favour of it than he could have been before. There was beautiful land here. There was timber. People were getting their houses up and forming townships in a place where two years ago he was sure no one could have believed that it was possible to form a township at all. These places were continuously growing, and the settlers were extremely anxious to make homes for themselves. This township which he referred to was twelve or fifteen miles from Hunterville, and the road-formation, and all the surroundings, were extremely expensive in the way of getting the necessities of life from the place where the train stopped running at present. If the Government would follow this matter to a finish, and allow these surveys to go on, so as to allow some finality to be arrived at, the matter could be pressed forward at a greater speed than had hitherto been the case. So far as he was individually concerned, he was determined, as far as his efforts would allow him, to assist in carrying on this work, and nothing would keep him back. He should make himself thoroughly acquainted with the route and the expense, and what facilities the railroad would afford to the community. He ought also to say that, with regard to getting the work pushed on at the other end—the Auckland end—there seemed to be no obstacle in the way now. It was simply the want of money. The most difficult part of the works was partly done. The deep cutting had been completed, and ere long he supposed the railway would be opened right up to the North End Tunnel. That being easy country to travel over, it would not take a large sum of money to get the railway pushed on. The most to be done now—and he could say it was being done at this end—was to get the necessary plate-laying done, stations built, and other conveniences, which of necessity must follow the formation of the line, attended to. He hoped the Government would see their way in the near future to press on this business. He did not know what the difficulties were in converting the money back again, but supposed that was the great difficulty—the want of money. But, since honourable members had recently been in the habit of talking of millions in a very lavish way, he thought it was very possible that when they met again they might be able to devise some means of finding the money.

Mr. MASSEY said this was a matter of the greatest possible importance to the district he and other northern members represented: in

fact, it was of great importance to every part of the Auckland Province. Such being the case, he would like to refer very briefly to one or two statements made by the Premier. The honourable gentleman told the House, in speaking of the Main Trunk Railway, that it was a mistake to make railways ahead of settlement. But he forgot that this railway was to connect large centres—Auckland and other parts of the colony, and Auckland and New Plymouth. So that it could not be said that this railway was being made in one sense ahead of settlement. The honourable gentleman said that there was no money available. He apparently had forgotten that a sum of money was borrowed to construct this railway, and out of that money half a million had been spent in buying Native land and in constructing roads and bridges. Money should be available for the purpose of completing our railway system in the North Island. If no money was available for making railways, how could money be found for connecting the west coast of the South Island with Canterbury—the line running over a snow-clad range, where no settlement could take place? Seeing that this matter was so important to the Province of Auckland, he thought the people of Auckland had been wonderfully patient about it. So far as communication with the rest of the colony was concerned, they might as well have been on an island. He did not think the people of Otago would have allowed themselves to be put off in that way—to have had an immense area of their land locked up from settlement, as had been done in the case of the Province of Auckland. From communications which he had noticed in the Auckland papers lately he had come to the conclusion that the people of Auckland were beginning to realise that this was a question of very much more importance to them than as to who occupied the Ministerial benches, or whether, for instance, the liquor traffic should be controlled by a three-fifths majority, or whether there should be the direct veto, or as to many other questions about which the country and that House occasionally got excited. The honourable member for Wellington City had referred to the question of the route. So far as he was personally concerned, he could express no opinion as to which was the best route, but he agreed with the honourable gentleman that the difference of opinion in this respect in Auckland had hindered the construction of the railway. The people, however, were rapidly coming to the conclusion that the railway must be made, and they would very soon demand that on this question their representatives must be united, or, if not, out they would go on the very first opportunity. They were only asking that justice should be done to Auckland, and he thought it was the duty of whatever Ministry occupied the Government benches to see that money was found for the construction of this railway.

Mr. LAWRY entirely deprecated the action of the Premier when a question of this nature was brought before the House. To the north part of this Island this was a question of very

large importance. It was of far greater importance than many of the Bills which were brought before the House. To those members representing the northern districts this was a question of vital importance; and, indeed, it was a matter of vital importance to the colony itself. He was very desirous, as he had indicated by questions which he had placed on the Order Paper, to have this question of the route settled once and for ever. If it could be shown to him that the central route was the best route in the interests of the colony he would be quite prepared to accept the decision of an independent jury that might come to such a conclusion, and he would loyally support any Government, or House in which he might be a member, in carrying that railway into practical effect. He might say that he knew more about this question than any other layman in New Zealand, and for this reason: He had been over the whole three tracks which had been under the consideration of the House that afternoon. He did not know very much about engineering matters, but he did know what the quality of land was. The honourable member for Wellington City (Sir R. Stout), like other Wellington members, and like the Premier himself, he was sorry to say, was absolutely in favour of the central route, without having any practical information himself as to the nature of the country or the engineering difficulties.

Mr. SEDDON said the Premier had expressed no opinion at all.

Mr. LAWRY said, when the honourable gentleman was in Auckland he distinctly expressed an opinion in favour of the central route; and he (Mr. Lawry), being an Auckland member, and being in favour of the Stratford route, was almost insulted by the Premier for expressing such an opinion on the matter. The honourable member for Wellington City (Sir R. Stout) said he was in favour of the central route. Why, if the honourable gentleman had not been in favour of that route he would never have been elected for Wellington. The honourable gentleman, like the Premier and others, advocated the central route without knowing anything about the matter. As to the Committee's report which had been referred to, had any other report been brought up the Atkinson Government would have gone out of office. What did they do? They sent evidence to the Auckland Chamber of Commerce, and said, "You must support the central route or no route at all."

Mr. MITCHELSON.—The Atkinson Government were not in office. It was the Stout-Vogel Government.

Mr. LAWRY.—Not when the question of route was decided.

Mr. MITCHELSON.—Yes.

Mr. LAWRY said the question of the route was decided when the honourable member for Patea was fighting the late member for Egmont for the Egmont seat. The honourable gentleman opposite was then Minister for Public Works, and he decided on the route without seeing it at all. If the honourable

gentleman had not then reported in favour of the central route the then Premier might have lost his seat, and the Government would have gone out of office. That was the time when the question of the route was decided, and it was decided before any evidence was taken on the question.

Mr. MITCHELSON.—It never was decided.

Mr. LAWRY said it was decided on the honourable gentleman's report, and he reported on a route which he had never seen at all. The honourable member for Wellington City said that the whole of the evidence was in favour of the central route, and that that route would open up a large amount of land. He would ask the honourable gentleman to confine his expressions of opinion to legal questions. The honourable gentleman knew nothing about land. What was the land on the central route?

An Hon. MEMBER.—Pumice.

Mr. LAWRY said it was nothing but pumice, except a little bit of land around Ohakuru and Pipiriki. From there up to the Auckland Province it was a region of pumice. He would ask those honourable members who believed in the settlement of the country if they would advocate the construction of a railway through a region of pumice. Then, the engineering difficulties, in his opinion, were practically insurmountable. When he went over these three railway routes he had with him one of the most practical engineers in the colony. On consulting their aneroids when travelling from the bed of the Wanganui River to the Waimarino Bush till they struck the open plains around the base of Ruapehu, in a distance of about eight miles, they rose 2,800ft. He would ask any man who was not an engineer even, but whose knowledge was based on what he had read, if he thought a practical railway route could be found over such country as that. Then, as to the Stratford route: They travelled down from that divergence at Kawakawa; they crossed over from the pumice-land and right through to the Ngaire, and the bulk of that land was as good as the land around the slopes of Mount Egmont and the district of Hawera, being fit for immediate and profitable settlement. Then, when he came through the central route the first time, he made a divergence from Karioi to Taupo Lake, and struck the Wanganui River at Taumaranui. They did this with the view of seeing the Puketapu Bush. What did they find? They found that the land right through to the river was principally pumice-land, and totally unfit for settlement. When they returned to Auckland, what did the honourable member for Wellington Suburbs say? He said that they had diverged from the central route, because they did not go and see the Waimarino Bush.

Dr. NEWMAN.—Hear, hear. You did not see it.

Mr. LAWRY said that was just on a par with other statements which the honourable gentleman made in that House. He admitted that Mr. Cadman did not see it. When he (Mr. Lawry) went back to Auckland and saw the

Mr. Lawry

statement of the honourable gentleman and others in Wellington, he made another start in company with an engineer. They went right through the Waimarino Bush.

Dr. NEWMAN.—Is not that good?

Mr. LAWRY said it was good country for trees, but, when you took the trees off, the soil would float away into mid-air.

Mr. WILSON.—It is under grass now right away down to Pipiriki.

Mr. LAWRY said the honourable gentleman should talk about the district in which he lived. He (Mr. Lawry) knew something about the Waimarino Bush, having travelled through it. At first he was favourably impressed with the country. He saw most magnificent totara-trees—hundreds and hundreds of splendid trees—but where they were exposed to the wind they were bowled over like ninepins.

5.0. They were just standing on the pumice, and any practical man knew whether land of that nature was likely to grow grass. The honourable member for New Plymouth and himself were slightly at variance. He (Mr. Lawry) believed in the Stratford route; the honourable gentleman believed in the Mimi route. He had seen that route also, and believed there was a practical route there; and it was the duty of the Government to open it up by a road, to enable people to drive their cattle from Taranaki to the Wai-kato, and *vice versa*. His own impression was, having seen all three routes, and thus having an advantage over other members, that for settlement purposes and railway purposes, and considering the absence of engineering difficulties, the one route was that *via* Stratford. He advised the Auckland members not to be hoodwinked by the Wellington members, but to vote in favour of giving Auckland a fair share,—though this was a very narrow phase of the question. He knew, taking Hawera as the centre of the Taranaki District, if you made the central railway to connect at Marton, and go through from that point to Auckland, Wellington must necessarily secure the whole trade of the coast. This was as clear as the electric light. He did not take the same narrow view of the question as the honourable member for Wellington Suburbs, but he would point out to the Auckland members that if, from a commercial point of view, they wanted Auckland to secure a fair share of the trade they must by every effort at their command oppose the construction of the central line through that region of pumice.

Dr. NEWMAN said the speech made by the honourable gentleman was perfectly astounding, particularly in his description of the Ohura Valley. And if they read the account of that valley in the papers, as given by the honourable gentleman, Mr. Jackson Palmer, and Mr. Cadman, they would imagine it to be an oasis in a desert of very large extent—a magnificent fertile valley, on which you could put all the unemployed and all the people who wanted to settle on the land. Would it be believed, when the surveyors went there they found it about 6 chains wide for half its length? And

the honourable gentleman talked about the wide-spreading valley! It contained the worst of the pumice in Auckland Province in its upper reaches. When the honourable gentleman went to Mr. Grace's place on Lake Taupo, which was in the Auckland Province, the whole of the country north of that was pumice country, and it was largely drained by the Stratford route. Then the honourable gentleman talked about another valley. What was that? About fifteen miles in length, and in many parts not 20 chains wide. Then, he sneered at the totara-forest in Waimarino. He challenged the honourable gentleman to say whether there was a forest anywhere else in New Zealand to compare with it for magnificence of the trees and for general splendour. He never saw anything equal to it. For miles there was nothing but solid walls of totara. And the honourable gentleman said, because there was a little pumice here and there, that it was worth nothing. In one thing he agreed with the honourable gentleman. The Premier had said he was not in favour of the central route. He had before him a speech of the Premier in which he said that the new surveys settled the question against the Stratford route. And the Colonial Treasurer said, speaking at Auckland, to Mr. MacMillan, then President of the Chamber of Commerce, on the 8th December, that the question of route would be settled this session. These two gentlemen said the matter should be fixed up, and, of course, they had done nothing of the kind—which was nothing at all unusual. He agreed with the honourable gentleman who last spoke that if they could settle the question once for all it would be a great deal better. He hoped the Auckland members would now see how unwise it was for the Auckland and Wellington members to be always opposing one another. If they agreed they could have the railway made in three or four years. He was quite satisfied with the railway going on at the Wellington end, and the further the railway was extended from Hunteville the better he was pleased. He was very glad to hear the Premier had not decided to set up a Commission. All the Commissions had been set up in the most ludicrous fashion, and their decisions would not settle the matter. He was glad to hear the Premier had decided to go on with the route at this end, and to spend money equally at each end. He would like to remind the honourable gentleman who last spoke that, when talking of pumice, he forgot that for sixty miles north from Marton there was the most splendid country in New Zealand. He must admit that Awarua and inland Patea would all bear settlement. And though he took a disparaging view of the Waimarino, he (Dr. Newman) had been through it again recently; it was some 440,000 acres of Crown land in extent, and the greater portion of it was one of the few still remaining good blocks. The Government had settled 38,000 acres recently in small settlements, and they would not have done that if it had not been satisfactory land. And, as for its being pumice-land, further up there was a large amount in

the Retaruke country which was fine grass land, and which was going to be cut up shortly as grazing-land. He hoped the Auckland members would agree to shake hands with Wellington, and they could get the line through. It was grievous to him to see Canterbury and Westland uniting to get a railway across icy peaks, while Auckland and Wellington would not unite to get one through the finest country in New Zealand. If they would shake hands they could get it through in three years. What a gain it would be to Auckland, which was in reality as isolated as an island—almost a foreign country—and scarcely a part of themselves! He took it there was no work which would repay the colony so well as finishing the railway by the central route.

Mr. LANG said the question was one of considerable importance to his district, and he wished to add his protest against the action of the Government in not pressing on with the construction of the line connecting these two important cities. He thought the route, having been made a question of dispute, was kept so by the Government in order to delay the construction of the line. It would be a good thing if the members interested would give way to one another and unite to bring pressure to have the line pushed on at once. So much had been said on the question that he did not wish to delay the House, but he considered it a disgrace that the Cities of Auckland and Wellington should remain so long separated. There was one thing, however, that he thought of more importance even than the railway, and that was a track suitable for driving stock between Waikato and Taranaki. This road would not only be of benefit to the districts named, but also to the whole of the province, as it would enable settlers in the far north to dispose of their store cattle to better advantage. He hoped that the Government would see their way to open this road at once, so that it might be used this summer.

Mr. WILSON said that year after year the quarrel about the route went on, with the result that they never got anything at all. The Government found members disagreeing as to routes, and naturally did not wish to spend money, and said, "Oh! very well; as soon as the route is decided we will spend the money"; and while other districts were getting railways theirs was stopped by a squabble over the route. He thought the Government should decide the route. They had every information on the subject. He was satisfied, if the Government did their duty, they would decide before next session what route the railway should take, and he did hope they would have no more of this squabbling. He was not himself wedded to the central route, but thought it was the best; but he would be quite satisfied one way or the other so long as the matter was settled.

Major HARRIS said that, seeing honourable members interested in the matter were of opinion that it was of so little importance to Wellington but of so much interest to Auckland, the matter might be left to Auckland to settle.

Instead of shaking hands with the Wellington members, as the member for Wellington Suburbs said, he thought the Auckland members should shake hands with themselves, and unite with Taranaki and try to get a line in that direction. In Auckland they wished to have a line to Taranaki. As the honourable member for Wellington Suburbs stated, Auckland was almost an island, and had no communication with other parts of the colony, so that in that case they had little community of interest with Wellington, but they must have a common interest with Taranaki. He suggested that the Wellington members should think no more about the matter, but leave it to Auckland and Taranaki.

Mr. BELL had a word to say, not in regard to the central line, but in regard to the answer to his question about the banks. He was told by the Colonial Treasurer some weeks ago that amalgamation could not be carried out without the consent of Parliament. He thought it had been demonstrated that the banks would do it, if they thought fit, without that consent. Now the Treasurer changed his ground, and said that he would not take charge of his Bill. The Colonial Treasurer had changed his ground to-day altogether. The honourable gentleman had said some time ago that the reason why he did not take up that Bill, or introduce another Bill to the same effect, was not that the Bill was not necessary to prevent the amalgamation from taking place without the consent of Parliament, but because the Government considered the amalgamation would have been advisable, and that they still considered such an amalgamation to be advisable. What the Colonial Treasurer stated to-day was a complete justification of his (Mr. Bell's) action in bringing in his measure. It also showed that it was improper that that measure should have been discharged from the Order Paper and that Parliament should not have had the opportunity of determining whether it should not be the governing body in this matter. Furthermore, the Colonial Treasurer, in his statement, told the House first of all that he considered it would be a good thing that the banks should amalgamate; and, secondly, that it was a matter for the Government to determine, and not for Parliament,—having first informed the House, weeks ago, that it was a matter which could not be done without the concurrence of Parliament. He protested against the course which the Government had taken in this matter.

Mr. THOMPSON did not wish to prevent the honourable member for Egmont from exercising his right of reply. He just wished to say that he was not going to enter into this discussion as to the particular route the North Island Main Trunk Railway should take; and he would say that the people of the City of Auckland, through their own squabbling over this matter, had been the cause of the whole delay. He thought the whole responsibility rested with the people of the City of Auckland, and it was well the country should know it. Until the people of Auckland

had made up their minds what route they wanted there was very little prospect of getting the railway extended, and he hoped this squabbling over the railway route would not prevent the Government, at any rate, from opening a road from the Waikato to Taranaki: he meant an ordinary bush-road, to enable the settlers to drive their stock from one part of the colony to the other. It need not be expensive, and he trusted the Government would provide money on the estimates this session for carrying that road through, so as to connect these two districts. This work could be done this summer: indeed, it could have been done last summer. He hoped this year's estimates would contain a sufficient amount of money to make this road: he could assure honourable members that the money spent in opening this road would be of the greatest service to the settlers of both provinces—Taranaki and Auckland. Then the question of the rival routes for this railway could wait until the Auckland people had agreed which one they wanted. So long as they squabbled amongst themselves he would not interfere with the question at all.

Mr. COLLINS like to express his sense of dissatisfaction and disappointment at the reply given to his question by the Premier that afternoon. It had reference to the appointment of a Royal Commission to consider the subject of old-age pensions. In his reply the Premier stated that the matter was surrounded with such difficulties that it would require the whole united wisdom of the House to deal with it, and that he thought the appointment of a Royal Commission would be of little utility so far as this matter was concerned. Well, it might be presumption on his part, but he held quite a contrary opinion. He thought, if the matter was one that was surrounded with such insurmountable difficulties as the Premier seemed to think, that was the very reason, at any rate, why a Commission of inquiry should have been set up to collect all the information it could, and obtain evidence during the recess. That Commission would have been enabled to collect such information as would very largely assist the wisdom of the House in coming to a just decision on the matter. It was too bad that the country should have been misled in this matter. Previous to the general election and during that election the country was led distinctly to understand that this matter of old-age pensions would be dealt with by the present Parliament. The first session of this Parliament had now nearly gone by, and nothing had been done, and from the tone of the Premier's reply he feared that nothing was intended to be done. He again expressed his sense of dissatisfaction at the Premier's reply, because he considered the matter of too important a nature to be disposed of in this way. They found men on every side—men who had tried what they could to make the country what it was—men who had given forty or fifty years of labour to the enrichment of the colony—now dependent on the miserable

dole dealt out to them by the Charitable Aid Boards. They found men who had worked hard, steadfastly, and courageously for forty years now dependent in their old age upon charitable aid, and receiving miserable sums of 1s. 9d. or 2s. a week. It was really a monstrous thing that there should be any further delay in dealing with a matter like this.

An Hon. MEMBER.—Why did they not save money?

Mr. COLLINS said the honourable gentleman asked him why these people did not save money. He knew very well that many of them were not in a position to save money, and if the honourable gentleman knew that which many men were aware of he must know that multitudes of working-men could not do justice to themselves and their families and at the same time save money. The money they earned had been required to feed, and clothe, and educate, and give shelter to their families. The honourable gentleman must know that, if he knew anything at all of the lives of the workers. Very few of the workers could save a sufficiency to keep themselves in their old age. Very few had been able to do so in the past. How could they save a sufficiency to keep themselves in any degree of comfort in their old age? It was a monstrous thing that people who were suffering now through no fault of their own should be charged with thriftlessness, and with having neglected golden opportunities. Some had done so, no doubt; but there were thousands in the colony who had not been thriftless, and who, through no lack of desire to do the best for themselves and their families, were now dependent upon charity. They had not the opportunity which the honourable gentleman was, perhaps, fortunate to have, of having any surplus from which they could save sufficient to aid themselves in their old age; and he trusted members would not allow this session of Parliament to roll by without forcing the Government to take some action in the matter. The country looked for it, the people desired it, and, above everything else, the multitudes of those who had lived a life of hardship in enriching the country deserved now, in consideration of that hardship, to receive some attention. More than that, they had the question of the unemployed coming up for solution. If only those who were to-day still working when they ought to be relieved from the necessity of work—and there were hundreds in this colony who were past sixty years of age, and some over seventy years of age, still working, who, if they could see that a small sum of money was secured to them in the way of an old-age pension, if they only knew that they were free from the risk of starvation and actual want, would be willing to lay down their tools to-morrow—could take the rest which, by years of labour, they had justly earned, their withdrawal from labour would enable their places to be taken by younger men, who would do the work in a better manner, and who would thereby be provided with the means that might prevent them from falling into similar circumstances in their old

age. He thought the matter was one of such profound importance that, in spite of the difficulties which the Premier said surrounded the matter,—and, if there were difficulties, it was all the more reason the matter should be taken in hand at once,—a Commission should be set up to consider the matter. They had been told by the Premier that such a Commission must be set up by a vote of the House. He thought they should find some means whereby the Government would be forced to deal with a matter which the Government themselves promised to the country should be dealt with. They had led the country to anticipate they would deal with the matter, and now he feared the matter was being neglected because there were difficulties in the way. Naturally there would be difficulties, but that was all the more reason why the House should endeavour to overcome those difficulties, and he could not imagine any way by which these difficulties would be more readily overcome than by setting up a Commission armed with full powers to obtain information—to gather the fullest possible evidence, so as to lead the House to a wise and just decision on this important matter.

Mr. McGUIRE had only wanted, in his reply, to show that what the Premier had said was incorrect; but, as the hour for adjournment had now arrived, he would not detain the House.

Motion for adjournment negatived.

NATIVE LAND COURT BILL.

ADJOURNED DEBATE.

8.30. Mr. MITCHELSON.—I wish to make a few remarks on the Bill now under consideration; but before commencing my remarks I must congratulate the Premier upon the fact that he appears to have taken some considerable trouble to make himself thoroughly acquainted with the subject now before the House. The honourable gentleman stated, in moving the second reading of the Bill, that it was with extreme diffidence he undertook the position of Native Minister, and that at the outset he determined to visit each Native district throughout the country before he arrived at any conclusion as to what he might consider necessary in the way of amended legislation on the Native-land question. The honourable gentleman told us that the found in the various districts which he visited that the Natives in each of those districts expressed different opinions, and that the policy required by one section of the Native people, or the people of one district, was not that which was required by the Natives in another district. He stated that the Natives between Taumararui and Otorohanga desired to be allowed to deal with their own land in any way they thought fit; they did not express an opinion as to the necessity for the resumption of the pre-emptive right by the Crown, and while making this statement to him they highly approved of the Native Land Purchase Bill of last year. There is no doubt that they certainly should approve of that Bill,

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inasmuch as it gave to them the power to obtain a much larger price for their land than had hitherto been paid to them by the Crown, owing to the provisions contained in it for the setting-up of a Valuation Board; and that is the reason why they so heartily approved of that Bill. But, during his visit to the Natives in various parts of the country, at no settlement did he receive from the Natives any advice as to the resumption of the pre-emptive right by the Crown. The honourable gentleman concluded his introductory remarks by saying that, having visited the whole of the Native districts, he now had a pretty good idea as to the requirements of the Natives throughout the whole of the colony; and in the Bill which he has introduced to Parliament he had given the Legislature an opportunity of passing into law an Act that would prevent further litigation in the future, and also prevent further discord between the Europeans and the Native people. Well, Sir, I think that by his own words he has proved to the House that the views of the Native people are not embodied in the Bill. In the Waikato he had an opportunity of making himself acquainted with the King movement, and with the Natives who considered the late Tawhiao to be their leader and King, and one of the things which he stated was the cause of this movement being still in existence was that a very large number of the Native people were entirely without land, and he said that if land could be provided for these people the King movement would cease. I do not know whether the honourable gentleman is aware that the King movement was really in existence long before the Waikato lands were confiscated, and, in fact, some three or four years prior to the commencement of the war. I think the honourable gentleman must have been somewhat misinformed when he told the House that these Natives were entirely without land, for at the conclusion of the Waikato war, although some twelve hundred thousand acres of land belonging to the Waikato people were confiscated, the Government of the day considered it only right to reserve a considerable portion of these lands to be returned to those Natives who had been in rebellion; and in a return laid before the House in 1871 he will find that 278,891 acres were set apart for this purpose—that is to say, for the purpose of being returned to those Natives who had taken part in the rebellion, and also to those Natives whose lands had been confiscated but who had remained friendly. The words of the return are these: "Quantity of land in each district given, agreed to be given, or reserved for Natives, whether friendly or not." There is no doubt that great injustice was done to the Ngatimahuta and Waikato Tribes by the confiscation of the whole of their territory, while the Ngatimaniapoto Tribe were allowed to retain the whole of the country south of the Puniu River, seeing that the Ngatimaniapoto people were just as much responsible for the war as the Ngatimahuta and Waikato Tribes were. And yet, as I say, they were allowed to

retain the whole of their vast and valuable possessions, while at the same time the Waikatos were deprived of the whole of their territory. I think it is the duty of the Premier to make an exhaustive inquiry into this matter, so as to ascertain what has become of this large area of land, which was set apart for the Natives in the year I have mentioned. He will find the return in C-4, Volume 1, of the Appendices of 1871. There were several Acts of Parliament passed extending the time under which these lands could be set apart and proclaimed for the various tribes and Natives who were found entitled to sections. I think the last Act was passed in 1884, extending that time for another period of two years. I am rather inclined to think that the repeated changes of Government that have taken place since 1884 have led to this large question escaping that notice which ought to have been given to it; otherwise there is no doubt there would not be so many Natives now without land as appears from the statement of the Premier. If he will look at the *Gazette* of 1879, pages 1481 and 1498, he will there find that a considerable area of land was set apart by Proclamation for various tribes and individuals, amounting to 68,098 acres. So far as Tawhiao and his immediate followers are concerned, they are not so badly off for land as the Premier led the House to believe, for during the time I was Native Minister I returned to Tawhiao and his people a considerable area—in fact, some of the finest land surrounding the Mangare Mountain, two miles from the Borough of Onehunga, which at the present time is returning the Natives a considerable revenue in the shape of rents. Then, there is the Pukapuka Reserve, in the Remuera district—rich volcanic land, and large enough to produce food sufficient for the whole of the Waikato people. This Pukapuka Reserve was in the very early days of the colony set apart as a special reserve for several Natives; but somehow or other, although a Crown grant was made out, it was never issued, and during the time I was Native Minister I requested the Governor to cancel the Crown grant and have the land taken before the Native Land Court and again adjudicated upon, in order that it might be returned to the original grantees or to their descendants, Tawhiao and his people, but in such a manner that they should have no power to sell or dispose of the land except on lease, as was the original intention. I trust that the Premier will make inquiries as to the position in which these Natives are at the present time, and, if any section of them are found to be without land, that he will take steps to see they are amply provided for. The Pukekawa Settlement, the block near the Waikato River, where Tawhiao and his people have been recently residing, is a block of some five or seven thousand acres; but they have no real title to it. Although the large area of land I have before mentioned was set apart for the Waikato people, I do not think that any titles have actually been issued in respect of it. Coming to another question

raised by the Premier in his speech—namely, that in regard to the Opuatia Block—I may say that it contains some forty-five thousand acres, and that there has been a considerable dispute between the Government and the Natives in connection with this block. Some of the Native owners, I believe, are at the present time incarcerated in Mount Eden Prison on account of their offering obstruction to the survey and road parties sent out by the Government, the Europeans in the Auckland District having got up a considerable amount of agitation, and having sent a request to the Government to acquire this land for settlement purposes: and there is no doubt it is conveniently situated and is well adapted for settlement. It is of very good quality, and a number of Europeans are desirous of acquiring sections in this particular block; but, while I admit that it is desirable that the Crown should purchase this land for settlement, I think the Premier should take steps to see that a sufficient area of the block is specially reserved for the use and occupation of the present owners and their children. I regret very much that the Native Minister during his visit to the Waikato district did not meet Tawhiao. Various Native Ministers—in fact, I may say almost all the Native Ministers who have occupied the position since the time of the war—made repeated attempts to bring Tawhiao and his people more into accord with the Europeans and their customs, and as Tawhiao became older year by year he was getting into that frame of mind which would have induced him to accept any reasonable suggestion that was made in the proper direction by the Premier. Tawhiao himself was always amenable to reason, but unfortunately he had some unwise counsellors, who badly advised him. I think it is to be regretted that the Premier did not go out of his way to meet him. It appears to me from what I read in the newspapers that the reason why the Premier did not visit him was that the country was not large enough to hold two kings. The Premier appeared to allow his pride to get the advantage of his better feelings, and passed on without seeing one who, whatever his faults may have been, was a great and noble chief, and one who was thoroughly believed in by his own people and by a great majority of the Native people throughout the colony, as was proved the other day by the enormous number that attended his funeral. Passing on to the North of Auckland, we find that the Premier visited a good many districts in that part of the colony, and even there he did not find any section of the Natives requesting him to bring in the resumption of the pre-emptive right. He found the Natives in that part of the colony very much against selling their land either to the Crown or to Europeans. Their idea was to lease their land, and not to sell it; and this, too, is my experience of the Natives there. They own a considerable tract of country still, and some of it is exceedingly valuable; and, while the Premier states now that he has a thorough grasp of the requirements of the

Native people, it does not appear to me that the views expressed by the Natives during his visits to the various districts are embodied in the Bill before the House for discussion, more especially of the Natives in the northern district. He told us also that on the East Coast there was no expression from the Natives favouring the right of pre-emption by the Crown. On the East Coast he found the Natives expressed themselves desirous of managing all their affairs through different committees. When he paid a visit to the Urewera country he was met, I believe, in a very friendly manner by the chief Kereru and his people, and when Kereru was giving the usual welcome to the Premier he expressed regret that Mr. Cadman, the ex-Native Minister, did not also accompany him, as the previous year Mr. Cadman had visited him. I think that was the first occasion when a Native Minister had gone into the interior of the Urewera country to meet the Native people in their own settlements. When the Premier found that Kereru was rather disappointed at the absence of Mr. Cadman, he expressed himself in this way to the old chief: that when Mr. Cadman was in the Urewera country the Native people had only an opportunity of receiving the Native Minister, but in him they had the greatest *rangatira* in the colony, the Premier, and therefore they should be very highly honoured by his having visited them instead of the ex-Native Minister. The Premier also told us that the country was of a rugged character, and he did not think it was advisable for the Crown to acquire any of it at the present time for the purpose of settlement. I have never visited that country myself, but this is in thorough accord with the description I have received of it at various times. The country is, I believe, excessively broken; but there are some very fertile valleys through it. The Premier also told us that he thought it would be necessary to erect three schools—one at Ruatoki, another at Ruatahuna, and one other. But I hope the honourable gentleman will not only think it necessary to do so, but will give instructions to do it; for now that he has been in the country and finds the Natives there, who have lived in a semi-barbarous state for so many years, are willing to forego their former habits and allow schools to be erected, he should at once give instructions for the erection of the schools, and also the aid to make the road which he mentioned through the country. The Premier stated that he considered that if the present Bill was allowed to pass it would end litigation and settle all the difficulties previously experienced regarding Native legislation. I hope the anticipations of the Premier will be borne out, but I am not at all so sanguine as he is, for every year since I have been in Parliament—or almost every year—we have had Native Bills brought down amending those previously passed, and each was thought to be the last that would be required; so that, if the Premier can succeed in passing a Bill through Parliament that will at once and for ever set the question of Native legislation at

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rest, he will be accomplishing a thing I consider almost impossible. As regards the Bill before the House, the Native Affairs Committee took a great deal of care with it. I think it was before the Committee for nearly three weeks, and all its provisions were very fully discussed. The Committee divided the Bill into two parts. The first part, which I believe the Premier intends to pass through Committee to-night, is one I think the House ought, with various slight amendments, to thoroughly agree with. There are several amendments that will be required to be made in the Bill while it is passing through Committee, but they will not cause a very large amount of discussion; and, so far as I know, the Premier has agreed that the second part—namely, Division II.—shall not be proceeded with for some two or three days, in order to see if some compromise may not be arrived at. I quite agree with the first part—namely, Division I.—and I think it is a very great improvement upon the present law relating to our Native Land Court and its administration, and that it will, as he says, enable lands to pass through the Court with greater facility, and lessen the expense not only to the Natives, but also to the Europeans. I think both Natives and Europeans will accept that part of the Bill without much opposition. It is quite plain, I think, to honourable members that the Bill as a whole cannot be so acceptable to members as the Premier has endeavoured to lead us to believe, inasmuch as we have three, if not four, Native members in the House opposing the second part of the Bill—that is, Division II.—that is to say, the part of the Bill which refers to the right of pre-emption. And, in addition to the Native members in this House who oppose Division II. of the Bill, we have had a very large number of petitions that were presented to this House considered before the Native Affairs Committee, sent both by Europeans who reside on the East Coast and by Natives, and we have also had several Native chiefs before the Committee protesting and making powerful speeches against the passing of that particular part of the Bill. I myself entirely disagree with the proposals of the Government in this respect. While the right of pre-emption may be a very good thing in its way, I do not consider that we have any right at the present time to prevent the Natives from dealing with their lands in any way they think fit, so long as they obey the law, and dispose of the land in such a way as will be in accord with our own Land Acts. The Government have at the present time upon the statute-book an Act which enables them to expend £50,000 per annum for the purchase of Native land, and this session we have passed another Act giving power to expend a quarter of a million further in the acquisition of Native land; and I think, with these two Acts upon the statute-book, that should be quite sufficient for the Government at the present time, more especially taking into consideration that under the Native Land Purchase Act passed last year the Government have the power to proclaim any Native land

that it may be desirous to purchase in the interest of settlement in any part of the country, so that any blocks of land which they may consider desirable for the purposes of settlement they can easily proclaim, and so prevent Europeans from getting hold of such land. While they have that provision already upon the statute-book, I fail to see that any sufficient or just reason has been adduced to warrant the House in passing such a drastic policy as that contained in Division II. of this Bill. I think it would be advisable for the Premier to postpone this part of the Bill, at all events for another year, so as to see how he will get on with the large amount of money the House has placed at his disposal for the purchase of Native land. If he finds that it is necessary to resume the pre-emptive right next year, it will be soon enough then for him to ask the House to agree with the proposal. I quite agree with the honourable member for Hawke's Bay that the only true solution of the difficulty surrounding the Native-land question is the individualisation of titles. I believe that is the first and, in fact, the only cure—that is to say, individualisation in all cases where such is possible. The honourable member for Waiapu stated that he did not agree with individualisation, and he instanced an extreme case where such would be almost impossible. It was, however, an isolated case. There are probably several other blocks subject to similar conditions, but I do not think it is fair to the House to instance such a case as that against the question of individualisation. Whatever may be the policy of the Government as regards the acquisition of Native lands, I sincerely hope that, wherever land is acquired in large blocks, they will take every precaution to see that reserves sufficiently large are set apart in every Native district for the use and occupation of the Natives. If he does not do this he will find that the Natives, who are, unfortunately, too eager to sell their land in order to obtain money, will be left in a great many instances utterly without land. I myself should like to see all the lands purchased from the Natives paid for in some form of debenture not transferable, and bearing a reasonable rate of interest, for it is quite clear to those who know anything at all about how the Natives parted with their land before, how in many cases their money was squandered, and how a few months after they had sold their land they were left entirely without means, that if they can be prevented from parting with the moneys paid to them for their land a very good thing will be accomplished. I do not think sufficient care in this respect has been exercised in the past, and the Premier, I think, will do well to see in the future that such a policy as I have indicated shall be carried out. So far as I am concerned I shall endeavour by every means possible to assist the Government in making the Bill now before the House a workable Bill so far as Division I. is concerned, but, so far as Division II. is concerned, I shall use every effort to prevent its passing this session.

Mr. CARROLL.—I wish to correct the honourable gentleman. I understand him to say that I was against the individualisation of titles. I did not say so. I said, where it was possible, that it would be a good thing.

Mr. BELL.—Sir, I wonder how many persons there are in this House who understand in the least the measure that is now before it. I do not profess to understand it, though I have had far greater opportunities than the majority of members of studying the particular series of Acts of which this is one. A Bill of this kind ought not to be brought down to us late in the session. We ought not to be considering it at the fag-end of the session at all. It comes so recently from the Native Affairs Committee—

Mr. SEDDON.—It has been down six weeks.

Mr. BELL.—From the Native Affairs Committee? Sir, nothing of the kind—one week at most. What is the use of our studying the Bill before it comes from the Native Affairs Committee? If honourable gentlemen will only look at the Bill they will see how it has been altered in that Committee. Members have a great deal to do, and it is quite hopeless, if Bills are going to Select Committees, for honourable members to attempt to study their language before they come back from the Committees. Now, what has been the history of this Native legislation which the Premier has referred to? It has been a history of disaster caused by these Acts being brought down and considered and passed late in the session. There have been three series of Acts. There were the Acts preceding the Act of 1873. Then, the Act of 1873 stood until the Act of 1886, which repealed the Act of 1873 and the intermediate Acts; and the Act of 1886 is to be abolished by this Act. Then, Sir, there were the amendments. The Act of 1886 was not amended in 1887, because of the dissolution. In the year 1888 Parliament repealed one of the Acts of 1886, and made such a mess of the other that no one has been able to understand it since. In the year 1889 Parliament passed an Amendment Act; in the year 1890 Parliament amended that Act, and again in 1892. I think there was none last year; but there have been perpetual and consecutive amendments. If honourable members look at the Acts they will see some of the sections—a section, for instance, of the Act of 1888 occupies a whole page—amending section after

9.0. section and word after word of the Act of 1886. I am able to point out to the honourable gentleman several passages in the Bill which, if passed in their present form, will do injury both to Maori and European. With regard to Division I., I am altogether at a loss to understand the meaning of the praise which has been given to the Premier for having brought it down. It may be that it does, and I trust it does, contain better-framed provisions than the existing Acts. Practically it is a consolidation and redraft of clauses which are to be found in all our Native-land Acts since 1865, and in our present series of Acts, which commenced in 1886, and I trust it is nothing

else; but do not let honourable members be led away by the suggestion that there is something novel in this part of the Bill. The Premier told us that there was something new about surveys, and I asked if it was in this Bill. He told me it was; but even after a microscopical examination I have been unable to find it. Then, the honourable gentleman told us that there was a provision in this Bill for preventing the making of fraudulent wills, as has been done all over the country by Maoris; but I cannot find that provision. One salutary provision, however, is made; that is, in the case of persons entitled to succeed, whether the wills are or are not genuine, the Court may award the land to the successor. There is nothing further that I am able to find, and I hope the honourable gentleman when replying will be able to show me that I am wrong. The honourable member will no doubt point to the provisions relating to appeal, and say, "Here is something new"; but honourable gentlemen will be very much surprised to find that the Appellate Court is neither more nor less than the old Court of rehearing, consisting of the same number of Judges and having exactly the same constitution. In reference to this part of the Bill the honourable member states that there have been complaints about the number of rehearings, but I may inform him that under the present law the Court of rehearing is final. Under the present system a rehearing can only be granted by the Chief Judge giving his consent if he find that there is a *prima facie* case, as in the case of Europeans in a European Court, where you cannot get a new trial unless the Judge says there is a *prima facie* case. That is the existing law. That limits the opportunity to obtain a rehearing. But under this Bill every Native will be entitled to a rehearing, although the case has previously taken nine months, as the Awarua case did. The Minister representing the Native race will tell the House that the Natives are always ready to find money to continue litigation when defeated; and, whereas under the present law they are expected to prove the necessity for rehearing, under this proposed Bill there will be no need to show a *prima facie* case, and in every single case there will be a new trial before two Judges. The honourable gentleman had better abolish his Court of first instance altogether, since the Court of second instance will have to sit on every case. Then, I think the honourable gentleman said that, under this Bill, the Appellate Court would determine all such cases upon written evidence; but there is nothing of that kind. The Court of Appeal will have to determine each case on oral evidence, just the same as the Court of first instance. The honourable member for Eden does not seem to have seen the point, and I think the honourable gentleman, if he will consider the matter, will see in this provision a door for endless litigation; and I do trust the House will not affirm that principle. The Hon. the Minister representing the Native race knows that what I am saying upon this matter is entirely correct. With regard

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to the first part of the Bill, I would ask the Premier if he would oblige me by looking at subsection (11) of clause 15. I do not intend to trouble the House with examples, but I ask the honourable gentleman to look at that clause. Up to the present the Court has always had the power to apportion rents amongst the Native lessors. There is a provision that the Court may apportion the rent; and the honourable member has added, in reference to this apportioning, this provision: that the Court may "negative, modify, or apportion any of the express or implied provisions of any such lease as aforesaid as to any parcel or parcels, or as to the whole, of such land." That is to say, we give the Court the power to negative the title in the case of a European holding a genuine lease from a Maori. I am quite sure that the honourable member did not intend that; and I say that any honourable member can thus see that in passing a codifying law in a hurry we may cause irrevocable injury. Let me give the House an instance of the injury that was done by the House in 1886, and if honourable members will give me their attention I will explain the gravity of the matter, and why I am urging that this Bill should stand over until next session.

Mr. SEDDON.—The usual *taihoa*.

Mr. BELL.—I am giving reasons to the House, and if honourable members will give me their attention they will be able to judge between me and the honourable member, who says that my reply means *taihoa*. I do not think that I am inclined to go slower than the honourable member in most matters. This is what happened in 1886: Mr. Ballance was then Native Minister. One Act of 1886 prohibited all future dealings with Native land. The other was the Native Land Court Act, which provided for the ascertainment of titles. In the Native Land Administration Act the greatest care was taken by the Government to provide against the danger of interference with inchoate titles. There were special provisions inserted in that Act providing that titles which were in course of completion should be allowed to be completed. I am not now discussing the question of whether that was right or wrong. The House, however, intended to pass that legislation, and in the Act of 1888 the House again reiterated its expression of intention; but, unfortunately, neither Act was sufficient for the purpose, and the result was that a number of titles which the House had rightly or wrongly intended to allow to be confirmed were rendered invalid by that legislation. My honourable friend the Minister representing the Native race and the Premier introduced last year the Validation Act for the sole purpose of remedying the wrong that was done unintentionally by this House in 1886. The honourable gentleman cannot say that what I have mentioned is not true, and I confess the honourable gentleman did well to remedy the wrong that was done in 1886. The wrong was done in 1886 by the House; and, in considering what was then done, let us consider the language which was then used.

Mr. SEDDON.—Bad drafting again.

Mr. BELL.—The honourable gentleman will never have perfect Bill-drafting. I am sure that the honourable gentleman is as anxious as myself to be correct on matters of detail. He and I may differ upon questions of principle, but we cannot differ upon the desirability of expressing our meaning in clear language. What happened was this, and I want to draw the attention of the House to it: The Act of 1873 made it unlawful to acquire less than the whole of the shares of the Natives in a block. It is quite evident, and it was always admitted by the Courts, that the process of acquiring the whole involved the necessity of purchasing shares by share. The Act of 1886, making it illegal to acquire any land, and repealing the Act of 1873, left people who had purchased individual shares without anything at all. The result of the present measure may be the same, and I do not think that is the intention of the honourable gentleman. The Premier spoke of putting the sponge over the past: and it is most desirable that the sponge should be put over the past. I give him and his colleague every credit for what was done last year by the Validation Act, but the sponge cannot be placed over the past by attempting to prevent people from completing the purchases or leases which they have commenced to acquire. I do not agree with many of my honourable friends sitting near me who think that there should be free-trade in Native land. When the House is dealing with interests so large as these,—dealing with these large areas of country, and dealing with the titles of so many people, altering the law which has created and which affects them,—the House is invited by the Government to proceed with a light heart to finish the Bill and get it through in one evening. And this is a Bill which affects more people, I should say, than any other Bill you could pass. The Factories Act affected a large number, but not so large a number as this. You are dealing with a Bill which affects the race whose interests we are most nearly pledged to protect. You are dealing with a number of people who are settled upon land in this Island. I only protest, for my part, that I am unable to do my duty as a member of this House. I say that for myself; and I feel sure that, of all those who are now doing me the honour to listen to me, and those who remain in the Chamber and pay no attention, there are not half a dozen members who have read the Bill and understand it.

Mr. G. W. RUSSELL.—Oh!

Mr. BELL.—The honourable member for Riccarton may have read it, but I do not think he is an authority on this particular class of legislation.

Mr. G. W. RUSSELL.—I hope you do not intend to put that in *Hansard*.

Mr. BELL.—I admit that my honourable friend is an authority on nearly every subject under the sun, but not on this. If I make that admission, I am sure he will not take objection to the exception. I have said so much with re-

gard to Division I., and with regard to part of Division II. With regard to that part of Division II. which provides for incorporation, there is no class of legislation which deserves higher commendation. But it has not been devised by the present Government. It was devised by some settlers at Gisborne, who, last year or the year before, drew up a private Act which incorporated a tribe in the possession of land there. I have no doubt that that form of ownership must be successful, and I am heartily glad to see it in a Native Bill. My honourable friend the member for the Bay of Islands has seen these Bills in the past, and I appeal to him, Is it not a fact that the House has been occupied year after year, between the years 1865 and 1873, between 1873 and 1886, and again between the years 1886 and 1894, with amendment after amendment? If the honourable gentleman is going to grapple with this subject, it is only right that he should bring something more than the supervision of the Native Affairs Committee to bear on this Bill. The members of that Committee have not time to attend to matters of detail, and I submit that the Bill should not only go to the Native Affairs Committee, but to a special Committee also. It ought to be considered from the point of view as it affects the Natives, and also from the point of its details, and this could best be done by referring it to a special Committee. It ought to be so considered, so that there should be no possibility of wrong being done such as has been done in the past by dealing with the question in that careless way in which it has been treated from the year 1865 to the present time. I should like to see this Parliament turn over a new leaf in this matter, and postpone this Bill until next session, so as to give us an opportunity of considering it in the meantime; and, also, that those people in the country who are so largely interested in the question should have an opportunity of considering it, and informing the honourable gentleman of their views upon it. The result of that would be that he would pass an Act that would be a credit to him. If he passes this Act it will not be a credit to him, because he may be the cause of serious misfortune, for which he will in the future be heartily ashamed. Perhaps he believes that he will not command so large a majority next year; but I tell him that if he brings down a well-considered measure next year he will find that he will have the assistance of members on both sides of the House to pass it in such a way that it will be a credit to him—if not in the first year, at any rate the second year. I have not, Sir, been able to refer at greater length to the details of the measure, because had I done so I should not have been able to say what I wished upon the necessity for delay; and I therefore have been obliged to abstain from doing so. I know it would be of very little use to bring the matter before the honourable gentleman in Committee, because it is hopeless to expect him to reconsider matters which he professes to have considered already. But I

do appeal to him to let it go among other Bills which have been dropped, to be dealt with in due course when it has been submitted to the House and the country for real and detailed examination and review.

Mr. HOUSTON.—Sir, I should like to make a few observations on this Bill before it goes to Committee. I think the Premier deserves a considerable amount of credit for the pains he has taken to bring the measure before the House, and to meet the feelings and views of the Natives with regard to this important matter. I do not, however, say that this is a perfect measure. Far from it. There are some grave defects in the Bill, which I hope to see removed before it passes into law. I can scarcely agree with the honourable member who has last spoken in what he said about the measure. There are many things, however, which he said in which I entirely agree with him. With regard to the consideration of this Bill by the Native Affairs Committee, I can say that it occupied the attention of that Committee fully three weeks, and I think the honourable members who composed that Committee were gentlemen who have considerable knowledge of Native matters. We had there the honourable member for Wellington City (Sir R. Stout), also the honourable member for Eden, both of whom, I think, are authorities in these matters. We had also the honourable member for Hawke's Bay, whom I consider the best authority on Native matters in this House. I consider that the views held by the honourable member for Hawke's Bay are better than those of any other member I have heard speak on the Bill in this House. We had also the assistance of the Hon. the Premier, who attended the Committee, as also did the Hon. Mr. Carroll. We had also the services of the Chief Judge of the Native Land Court. No doubt there are several matters of detail which have been mentioned by the honourable member for Wellington City (Mr. Bell) to-night, amendment as to which would have improved some of the clauses of the Bill; and, while I agree with many of the clauses of the Bill, I, on the other hand, object to a good many of the clauses. The Bill, as the House will see, has been divided into two parts, and I think this was a very wise course adopted by the Committee. The first part deals with the Native Land Act, and the other with the pre-emptive right. I think the Bill simplifies the conduct of the Native Land Court very considerably compared with what it has been in the past. I think it will be necessary for the Government to appoint more Judges than there are at present in the Native Land Courts, and I would suggest that the Stipendiary Magistrates should be made also Native Land Court Judges. I do not agree with the honourable member for Wellington City (Mr. Bell) in what he says about the Appellate Court, for in my opinion this will bring about finality. Rehearings will not be as numerous in the future as they have been in the past. There is one other important feature in the Bill which has not been in any other Native Land Court Bill,

Mr. Bell

and that is the power given to the Natives to exchange land with each other. This is a subject which has exercised the minds of the Natives in the northern part of the colony for a considerable time, and I am glad to see that the Government has recognised the necessity for giving this power, and has provided for it in this Bill. Many of these Natives will have the power conferred upon them by this Bill of exchanging small sections for others which it will suit them better to have. There are other clauses in the Bill which I attempted to have expunged from it. I consider that the keeping of clause 20 in the Bill is a great blot upon this measure. I have no doubt my views on that subject will not coincide with those of the honourable member for Wellington City (Mr. Bell)—that is, with regard to the admission of lawyers to the Native Land Court. I consider that a great deal of the evil which has arisen in connection with the Native Land Court has arisen through lawyers being admitted to practise in that Court. I consider the Judges of Native Land Courts should decide all matters according to Native custom, and not upon legal technicalities. I believe the system of allowing solicitors to appear in cases going through these Native Land Courts has been the cause of great expense and loss to the Natives, and things have taken place that would not bear the light of day. The Patetere case is one that might be cited as an example. Such a thing should not be allowed to be enacted, and I consider it would be better for the Natives if solicitors were excluded from the Native Land Courts altogether. I wish now to refer to the Second Division of the Bill. The Premier knows that I am entirely opposed to the Government having the pre-emptive right over all Native lands. I believe that the Government should have the power of purchasing any large blocks of land that they may require for settlement purposes; but they should be prepared to go on with the purchase and with the settlement of the Native title, and with the settlement of the land so taken; and, if they are not prepared to do that, then, I contend, the Natives should have power to dispose of their land as they think fit. I believe the exercise of the pre-emptive right in the northern part of the colony will have a very injurious effect. The Natives there are not in favour of the Government having the pre-emptive right. I have a letter from a Native there. He says that this power should not be given to the Government. My correspondent wishes the Natives to have the power to buy and sell as they wish; that, in fact, Native lands should be brought under the same laws as European lands. I would call the attention of the House to clause 69 of the Second Division of the Bill. I hope this clause will not be passed by this House. The Bill would be a disgrace to any statute-book if such a clause as that remains in it. I will read the clause, and call the attention of the House to what it means:—

"Any person who, either on his own behalf or as trustee or agent for any other person,

shall procure, take, or accept any conveyance, lease, transfer, gift, or other assurance from any Native of any Native land, or (excepting under Part XII. hereof) of any customary land, or land the Native owners of which shall hereafter be determined on investigation of title, or of any interest therein, or of any timber, gum, minerals, flax, or other natural product thereof respectively, or shall be a party to any negotiation, agreement, contract, or promise therefor respectively, shall forfeit and pay a penalty not exceeding five hundred pounds, and in addition thereto shall be liable to imprisonment for a period not exceeding three calendar months, and upon any forfeiture or conviction hereunder the estate or interest in land so unlawfully acquired shall vest in the Crown. Proceedings for the recovery of any penalty imposed under this section may be taken by any person authorised by the Minister in that behalf.

"No creditor of any Native shall have any remedy against the interest of such Native in any customary land, or any land the title to which shall hereafter be investigated, and no such land or interest shall vest in any Official Assignee in Bankruptcy."

That clause has been struck out by the Native Affairs Committee, but I understand it is to be reinserted here. Now, Sir, I think that is a very objectionable clause, both to Europeans and Natives. I know that in my district on the West Coast there are a number of sections held which have not been passed through the Court. The Europeans have been accustomed, when requiring to build a house, to apply to the Natives for the timber. It is very difficult to get timber in that part of the country, and the Maoris fix a price; but no single Maori can sell a tree without consulting the others. The price is then fixed, and the European agrees to pay the price stipulated; but the tree may remain on the ground for a couple of years after the bargain has been completed. Now, I say, with regard to a transaction of that kind, which is perfectly fair and reasonable, to make a European liable to a penalty of £500 or three months' imprisonment is monstrous, and such a clause as that would be a disgrace to any statute-book in the world.

Mr. SEDDON.—It is only a repetition of the previous law.

Mr. HOUSTON.—I am very sorry such a clause should be in the Bill. There are other parts of the Bill which I agree with, and others which I disagree with; but, as regards the first part of the Bill, it is a very great improvement upon the present law. There are some exceptions, which I shall endeavour to have amended in Committee. I desire to compliment the Premier on his endeavour to pass a Bill which is an improvement upon those which are now on the statute-book. I do not consider this Bill perfect. No doubt the Premier has attempted to do his best in the matter. He has made a very fair attempt to simplify the law, and I shall endeavour to lend him all the assistance I can to make it as perfect a measure as possible: but I shall also do everything in

my power to prevent the passing of that clause 69.

Mr. BUTTON.—Sir, I have given this Bill, as one member of the Native Affairs Committee, a great deal of consideration and attention, and I think I can claim some little *kudos* for trying to assist the Minister in putting it into workable shape. But, notwithstanding all the labour spent upon it, I quite think many of the remarks made by the honourable member for Wellington City (Mr. Bell) are very applicable to the Bill. As to the Minister, I quite agree with what has been said respecting him—that he is to be congratulated upon his attempt to meet a very great difficulty. Well, notwithstanding he has brought the Bill down, and that in many respects I think it is an improvement upon the old law, yet it is a matter that is very difficult to deal with, and, as the provisions of this Bill are of such a nature that, unless they are very carefully considered, they may lead to a great deal of trouble, I think he would do well to accept the suggestion that has been made, and leave the Bill over, after having introduced it to the House and having had this debate upon it, for the consideration of himself and his Advisers during the recess, and bring it down again early next session. If he does that he may depend upon it he will have the support of honourable members on this side of the House as well as on his own side; and, if he brings the Bill into the House in a good shape next year, we will help him to pass it through the House. Now, while I speak of many of the clauses being an improvement, and while I say that the Minister is to be congratulated on his attempt to grapple with a very serious and difficult matter, I would just call attention to some points on which I differ from the honourable member. Nevertheless, I do not think our difference is very great. I think there is a mode of reconciliation on this subject. I refer to the provision he has put into this Bill giving the Crown the sole pre-emptive right. I believe the Minister, in introducing this, has tried to meet a very great difficulty, and a scandal that has existed for a long time, on account of private purchasers getting into contact, through persons who are not of the highest principle, with the Natives, and effecting contracts with the Natives which are very disastrous to the Natives, and by no means just in themselves. I think all the benefits aimed at can be accomplished by a very slight alteration of this Act, and yet obviate the necessity for the resumption of the pre-emptive right on behalf of the Crown. I know the Natives very strongly object to this, and to-day I have just had a few memoranda made from the petitions presented against this part of the Bill. I find that nine petitions have been presented against this part of the Bill, having 5,953 Native signatures; and then, in addition to that, there have been petitions presented in favour of Mr. Pere's Bill containing principles I am about to refer to, and which, I think, would meet the difficulty. It would mean a considerable modification of this Bill, but one which I consider the Premier might

agree to. There are four petitions, bearing 4,981 Native signatures, in favour of Mr. Pere's proposal; so that we have altogether upwards of ten thousand Native signatures against the pre-emptive right being taken by the Government. Now, what I propose, instead of the pre-emptive right being taken by the Government, is some such scheme as was introduced by the Act of 1886. Provision is there made for incorporating the Natives and appointing Committees by which these corporations may act. Under the Act of 1886 Committees were appointed, and it was only through these Committees that lands could be sold, the Government taking control of the matter. The Government themselves were not necessarily the purchasers, but all purchases were to be through the Government. Now, I have no objection to that. I think it would be a very great improvement on the present state of things if all purchases had to go through the Government. But the difficulty with this Bill as it now stands is that, while the owners of blocks are incorporated, and Committees are appointed to deal with the land, and to alienate the land too, I think they can only dispose of land to persons who are acting on behalf of the Government. If that were amended, and the Government gave up the pre-emptive right generally, I should not object, in particular cases, over areas where the Government have made Proclamations, to their retaining the pre-emption in such cases. The Premier will remove a great deal of irritation from the minds of the Natives if he will give up the Crown pre-emptive right, and will, instead of that, provide that sales and dispositions of Native land in the future should only be through Government channels, but that the Government themselves shall not necessarily be the purchasers. If some such principle as that can be accepted by the Minister in charge of the Bill, then he and I shall be in perfect accord in regard to the Bill itself. I differ from him in that one particular, and, if a reconciliation can be effected between us on that basis, I desire as earnestly as he does to make this Bill in every way a workable Bill. I quite recognise the fact that a measure of this kind is liable to do a great deal of mischief unless it is very carefully considered, and I think he would be wise in accepting the suggestion made by the honourable member for Wellington City and allowing the Bill to remain over till next session, so that it may be very carefully considered, and brought down at an early part of the session; and he may rest assured that I, for one, and, I believe, other members of this House, will give him a warm support in getting it through and making it a good measure.

Mr. STEVENS.—I feel that it is futile to attempt to offer any opinions respecting this measure which may have the effect of diverting legislation from that channel through which, I feel confident, the Native Minister desires it to go, for the reason that there are very few honourable members who have taken sufficient interest in, or who have had opportunities of knowing, the history of Native-land purchases

in the past. The arguments used respecting the Bill and its *pros* and *cons* up to the present moment have been of a technical character. It has been pointed out how the machinery clauses of the Bill may be best amended.

Mr. BELL.—It is almost entirely a technical Bill.

Mr. STEVENS.—It is not entirely a technical Bill. I think it is one of the greatest policy measures which have ever been brought before Parliament respecting Native matters. Such being the case, I shall endeavour to explain, from the policy point of view, and not from the technical point of view, what, in my opinion, would have been a very great advantage to the colony had it been carried out, and what will, I believe, be a very considerable advantage in the future, if the Natives have an opportunity of dealing with their own lands. I feel a great deal of diffidence in expressing this opinion, inasmuch as it may be thought that, because I am a Native agent, I am speaking with some degree of selfishness in the matter. That does not actuate me in my remarks in the slightest degree. I am speaking because I have had a life's experience amongst the Natives, and I know their wants, I believe, as well as any man in New Zealand. I have had an opportunity of knowing what their wishes are respecting their business. I was extremely sorry to hear the honourable the senior member for Wellington City say, in his speech the other night, that he did not believe any good result could be brought about by the individualisation of title. I entirely disagree with him on that point. It is the hope and the wish of the Natives that they shall have their titles individualised. I know Natives in many parts of New Zealand who would be living comfortably and prosperously were they occupying the individual portions of land belonging to them under their ancestral rights. For honourable gentlemen to assume that the Natives occupy their land in common, and live almost in a state of communism, is not correct. That is only so with regard to their hunting-grounds. In their cultivations you will see that they have lines of division, each person owning his part of the cultivation. Such being the case, it does not in any degree divert the Native mind from that which it has been accustomed to from time immemorial if we, by our Native Land Court, and by our surveys, subdivide their land and give each person his own separate part for occupation. It was contended by the Native Minister that it was impossible to make subdivisions in some instances. These instances are very few indeed. In the large majority of cases it is quite possible to subdivide the Native land so that each individual may have his own section. That is for the individual benefit of the Natives. But the next phase of the question is that, if the Government wish to acquire land from the Natives, it is one of the greatest objections imaginable that the titles should be individualised. The larger the areas of land which can be passed through the Court the more expeditiously can the title be acquired by the Government.

Mr. Button

Where the Government wish to acquire land, and where the Native owners are willing to dispose of it, it is quite right to have the land passed through the Court without subdivision, as has been done in many instances. But when it is a question of the Natives wishing to occupy their land, or to sell a portion of it to individual Europeans, in such cases it would be manifestly unjust to the Natives were they not permitted to have their titles individualised. Had the Natives been permitted to sell their land during the last twenty years without restrictions being placed over them, had they been permitted to sell their land in moderate areas, such as those prescribed under our Crown-land laws, I am certain that in the district in which I reside, and away beyond that, we should have had many hundreds of settlers where there is not a settler now to be seen. Because twenty-five, thirty, or forty years ago large tracts of country were taken up by Europeans from the Natives at a positively inadequate price, there has been a hue-and-cry against any individual having anything to do with the purchase of Native land. I think that the resumption of the pre-emptive right to-day will be doing nothing more than locking the stable-door after the horse has gone. I feel confident that, if the Government were to adopt the suggestion made by many honourable gentlemen and surround the dealings of private individuals with every safeguard and caution, preventing anything in the shape of unfair dealing with the Native owners, private enterprise and cash would be expended to a very large extent, and we should have both Natives and Europeans much more satisfied than they will be if compelled to wait probably for two or three years before they can deal with the land. The position is this: The Government hold as much land now as, nay even more land than, can be disposed of during the next three or four years, and any Natives who wish to dispose of their land to the Government will have to go through all the routine and red-tapeism of the Native Department, the Lands Department, and the Survey Department; they will have to run the gauntlet of these departments, and wait month after month before their transactions can be completed. To my mind there can be nothing more easy than for a Native to bring his land before the Court and have his title granted to him. On the order of the presiding Judge, a direct certificate of title under the Land Transfer Act should issue. Multifarious titles have been issued by the Native Land Court since it was established. It has issued titles which have been of no use to Natives or Europeans. It has also been said in this House that enormous swindles take place in connection with the Native Land Court, and so forth. Honourable members do not consider, in saying that, what they are talking of. A Court sits for many months, and determines the interests of four or five hundred people to a block of three or four hundred thousand acres of land. That is done in the cheapest possible way. Let us take a European property of five

or six hundred thousand acres of land and put that in Chancery, and see what the cost would be of determining the ownership of the land. I venture to say that the cost would be tenfold more than the cost of ascertaining the Maori ownership. The Natives should be able to bring their cases before the Court, and the Courts should be held, where possible, at the Native kaingas. The Natives should not be dragged into cities. Imagine Natives living up country being brought to Wellington to have their cases heard. Numbers of Natives living at Taupo and other places inland are brought down to Wanganui, where they dissipate everything they possess, for they are sometimes kept waiting months and months. Because of these delays, and their consequences, the Native Land Court, Native agents, and all who are connected with Native-land transactions are blamed. The wrong lies chiefly in the policy and its administration, which policy, in the way I have described, tends to pauperise the Natives. The pauperising of the Natives has not been owing to the fees charged. I may say that I could name one agent who received ten guineas per diem from each side, and I believe the same amount from the Government. But because one person has acted unfairly, is it reasonable that the whole community should suffer wrong for the purpose of rectifying the wrong which has been committed by that individual? Most certainly not. If the Native Minister will accept the suggestion of other members besides myself, and pass Division I. of the Bill, and allow the policy part of the measure to stand over till next session, I am quite sure he will then have had better opportunity of satisfying himself as to the general wishes both of the Natives and Europeans; because it must not be assumed that in passing this legislation we are passing it for the benefit of the Natives only, or for their detriment only. There is a very large section of Europeans concerned in this

question, and the larger majority of the people concerned are those who have been the pioneers of the country, who have gone back into the bush for the purpose of making homes for themselves, and dealing fairly and honourably with the Natives; and I say it is unjust, unwise, and unfair if a Bill is to pass in the Legislature which will only be of very questionable good in some cases, but in most cases will do great and serious harm to the Natives. That should not be the object of our legislation. The object of our legislation in this respect ought to be to do what is just towards the Natives and also towards the Europeans. With respect to the acquisition of Native lands by the Government, I am sure there will not be the slightest difficulty in the Government acquiring all the lands they require, for they have all the machinery with which to do it without resuming the pre-emptive right. They have merely to issue a Proclamation in the *Gazette* to say that the land within a certain prescribed boundary is under negotiation for purchase by the Government, and no other person is permitted to deal with it. This gives them the

right of pre-emption at once—that is, immediately the Natives receive any sum whatever in respect of the sale of it. But I am convinced that there are small blocks, small areas of land in various parts of this Island, where the Natives and Europeans both know each other, having lived together for years, and on friendly terms, and lived together as settlers, where both Natives and Europeans would like the opportunity of bringing about—or, rather, not to have broken up—that friendliness or kindness which has always existed between them. That being so, I do hope that at the present period of the Maori history of New Zealand nothing harsh, or which the Natives, together with a large number of persons who know something of the Native character and habits, would consider harsh, will be done. I hope the Government will not pass a measure which will, in the opinion of the Natives, appear to treat them harshly or unjustly. Under the Treaty of Waitangi the Natives had their lands reserved to their chiefs, to be controlled by their chiefs, and, up to the period of the coming into operation of “The Native Land Act, 1862,” the Government acquired land from the Natives in those days by what was called “cession.” A deed of cession was executed by all the reputed owners, but the land was never passed through the Native Land Court; and most of the valuable blocks of land that were acquired in those days was not required to be passed through the Native Land Court. Now they have not only to pass through that Court, but the Government are to fix on an arbitrary price. They are to say, “You must take that price or nothing.” This would be unfair and unjust. It may be good for the colony; it may be a benefit to the colony; but it is unjust to the Natives, who hold their lands in accordance with our Constitution. Our Constitution is given to us for the purpose of dealing fairly, honourably, and justly with the Natives, and I say if we violate the Treaty of Waitangi by resuming the pre-emptive right it will be a mistake. But if the word “pre-emptive” were interpreted as I believe the interpretation should be put upon it, and if you called it the first right and not the exclusive right, in that case it would be right, if we had that interpretation of the word in the Act when it became law, to say that the Government shall have the first right to acquire land, but, on the refusal of the Natives to accept the Government price, the Natives shall then be free to deal with whomsoever they choose. That would be fair and just; but I do not see the necessity for this, because under the existing law the Government can quite easily acquire the whole of their lands, and prevent private dealings by the issue of Proclamations. I do not think it will serve any good purpose if I waste any more of the time of the House, but I will appeal to the Native Minister and ask him to agree to the suggestions that have been made with respect to the Second Division of the Bill. If he agrees to the postponement of this until next session, I am quite sure he will be consulting

Mr. Stevens

his own best interests, and giving the greatest satisfaction to the Natives, and will be doing no injustice whatever to any section of the European community in New Zealand, because I fail to see any reason in the statement—I do not know why or where, or on what public platform, or at whose instance, or whether it emanated from the Minister himself, as it very probably did—“I am going to prevent any future injustice being done to the Native race; I am going to prevent anything in the shape of land-sharks in the future.” Why, the character of the country now will prevent anything in the shape of land-sharks swallowing up large tracts of good land, because we have between eight and ten millions of acres of land to be acquired, and many millions of that, I am quite sure, the Government ought to be glad for private enterprise to acquire; and it would relieve the Government of the responsibility of having to settle the land and put people on it, which people, if they purchased from the Government, would say in a year or two that they could not live on small areas of the class of land to which I refer; whereas if they purchased direct from the Natives the responsibility would be thrown on the purchasers. I will conclude by asking the Native Minister to weigh well and carefully consider—and seriously consider, as I am sure he will do—the desirability of accepting the advice tendered both by his friends and his adversaries. With respect to the other portion of the Bill, the machinery clauses, they are very necessary, and anything that could be done for the simplification of the Courts will be in the interests both of the Natives and of the Europeans who are concerned in the matter of Native-lands settlement.

MR. E. M. SMITH.—Sir, I cannot let this important Bill pass without saying a word or two, as I represent a district with a large amount of Native lands and a large number of Natives, and I wish, in the interests of the Natives, to state what I know to be their wishes and desire. I listened to the Native Minister when he was explaining the Bill, and then when he had done and was followed by the leader of the Opposition and other honourable members on the opposite side I heard them give him very great credit for the grasp he had taken while he was Native Minister. As a Government supporter, I shall go a long way in supporting their Native measures, as I have done all their other policy Bills; but, without wishing to travel over the same ground as other honourable members, I cannot give the Government my support in those clauses which give the pre-emptive right to purchase all the Native lands in the colony. I am willing to support the Government in preventing large blocks of Native land from being acquired by the land-grabber and speculator, but there are thousands of acres of land, from two or three acres to four or five hundred acres, that it would be in the interests of settlement and of the Natives themselves were they allowed to deal with as they liked. They should be placed on the same footing as Europeans in

regard to dealing with their land. The Natives of New Zealand have a great grievance against the Government of New Zealand, who are treating the Natives differently from the Europeans; they are treating them more like children than like grown-up men. Now, they should, as far as possible, individualise these titles, and should allow the Natives to deal with their lands as they may think proper. The Native Minister knows very well that I have brought cases under his notice of some of the most industrious and most straightforward settlers in my district, where the Natives have been agreed on the one part and the settlers have agreed on the other part; but we are always tinkering with the Native-land laws, and placing the lands in such a position that they cannot be dealt with. The Government cannot under any circumstances purchase all these lands; they have not the money with which to do so, and therefore if they claim the pre-emptive right, and get the Bill through the House, it will be the means of retarding settlement in the country. Why should the Natives not be taken into consideration? They are petitioning the House session after session to be allowed to deal with their lands as they think proper, and it is this treating the Natives differently from the Europeans that is causing the disagreement with the Natives. I maintain that the Government has now the power, as has been pointed out by the honourable gentleman who last spoke, by Proclamation, to prevent any person in the colony from acquiring large holdings; but I know cases where land has been set aside by the Native Land Court for families, and these families have got in some cases thirty and forty thousand acres of land; but yet the land set aside for them cannot be dealt with, because the Proclamation has been made to cover the district. There are many cases I could have brought under the notice of the Minister. The Natives have a grievance against the Government that they are placing their lands in the hand of the Public Trustee—he is administering the lands of the Natives. I am not saying that he is not backed up by the law, but I undertake to say if that law were forced on the Europeans it would lead to a civil war. There is one clause in the Bill in which the Minister wants to go back to last January. Why not make it up to the time the Bill is passed into law, and all transactions entered into by Europeans in good faith to be completed? I will back the Government up in preventing fraud and the acquisition of large blocks. But let the Native Minister come round to my district and spend a fortnight with me when the House closes, and I will show him some large areas lying there, in small blocks, that it would be better for the adjoining small settlers should be cut up and settled than lying as they are—idle, covered with furze, and a nuisance to everybody, filling the air with the seeds of weeds, and giving rise to the nuisance of small birds. Therefore, at this late period of the session, I may say that if there is a division called for which will be in the direction of

endeavouring to insert clauses in the Bill giving the Government the right to stop the land-monopoly I shall support it, but I shall certainly vote against the Government having the pre-emptive right over all lands in the Colony of New Zealand.

Mr. W. KELLY.—A good deal has been said to-night on this Bill from both sides of the House. I listened with considerable attention to the honourable members who have spoken on the Bill. I may say that, as one of the members of the Native Affairs Committee, I took considerable interest in getting it through that Committee. I undoubtedly, with other honourable members, must compliment the Premier for bringing down this Bill, because there are many clauses in it which it is essentially necessary to pass in order to fix up matters that are of very great importance to the people resident in Native districts. The Bill that the honourable member has brought down repeals no less than nine existing Acts, and that, of itself, I think is a great consideration, and one that the House will receive with favour. That portion of the Bill having reference to the pre-emptive right I am most decidedly against. I understood that, when that Second Division of the Bill was disposed of in the Native Affairs Committee, the honourable gentleman in charge of the Bill would not bring it before the House again. Now I understand he intends to take it through the House. The honourable gentleman has been recommended to postpone proceeding with this measure further this session. Well, I think, after all the trouble and work that has been done, this would not be a proper position for him to assume. I think he should go on at all events with the first portion of the Bill, and endeavour to get that through, accepting in Committee any amendments tending to make it more suitable than it may be at present. There is a clause here which I think, if passed, will do very great injury. That is the new clause 15A. That will lead to the opening-up of every Native title in the country. It goes back to the very commencement, and unless something is done with this clause when the Bill is in Committee, either by striking it out or amending it so that it shall only act in future, it will, in my opinion, make a mess of matters. Now, the honourable gentleman referred to his journey through the Urewera country, and what he had seen in that district. I was very glad to hear that he intends to establish schools in that locality, and also to have a road made through from Galatea to Te Ahikereru and on to Ruatuhuna and Maungapohatu. That, I say, was projected fifteen years ago. It was the intention of the Native Minister in the olden times—it was the intention of Sir Donald McLean to carry through that road, and in his days a portion of the road was constructed to Te Ahikereru; but that portion has gone into disuse, and needs reconstructing again. I was pleased to hear the intention expressed by the honourable gentleman to have that road commenced, but I regret to hear that he does not intend to do anything in the way of opening up the

Urewera country. He should, at all events, endeavour to have that country surveyed, and have the Native title extinguished in some way. That is one of the great things the Government of this country should do—endeavour to extinguish the Native title all over the country as fast as they possibly can. With regard to that portion of the Bill referring to putting the land through the Court, I think, Sir, there is power at present, under existing Acts, to put the land through as rapidly almost as it can be by this Bill. I am in harmony with other honourable gentlemen who have spoken as to the necessity for the individualisation of the title to Native lands. I think the Government, before they attempt to put the land through in blocks to enable the Natives to dispose of it, either to the Crown or to any private person, ought to see that the Natives are settled on the land, and that the land is individualised, so that each Native may know his own land before the Government attempts to purchase or establish a system of taking this land. The district I represent is very thickly populated with Natives, and in the immediate vicinity of where I live the Natives have been awarded their lands in hapus. Now, these hapus are continually quarrelling and fighting over the land. One member of a hapu will erect a fence on a portion of a block that is awarded to them, and another member will start and tear down the fence, and there is nothing but trouble and disturbance and litigation going on. I think the Government should attempt to individualise the land, and have the Natives placed on it, and afterwards put them in the position to dispose of the portion they do not require themselves either to the Government or to any private person. That seems to me to be the proper course for the Government to adopt. Now, with regard to this Bill, I do not think the honourable gentleman is carrying out what was the intention of his predecessor. When the Act of 1886 was before the House the late Mr. Ballance made use of these words:—

“I know what the honourable member for Geraldine (Mr. Rolleston) wants: He wants to return to pre-emption pure and simple,—and that is an intelligible principle; but he makes a mistake, and I think that he will admit that it is a mistake, for it would not be wise to establish a principle which would not be accepted by the general body of the Natives. And I can assure the honourable gentleman that the Natives are not prepared to go back to the provisions of the Treaty of Waitangi and to accept pre-emption pure and simple.”

Then he went on to discuss the question, and to show that the Natives would not accept that. Now, I should like to ask the honourable gentleman, is there a single Native member in this House who is in favour of the pre-emptive right being given to the Crown? I do not believe there is; and I do not believe the honourable gentleman can find ten Natives in the whole of the North Island who are anxious to see that system of legislation again. With regard to the Thermal Springs district, the Government have practically exercised their

pre-emptive rights since 1881, and during that time they have done very little to advance that district. They have been advancing money, and getting from the Natives small portions of land, but the surveyors who surveyed the land have not been paid for it. The Natives are prevented from disposing of the land except to the Government, and they are unable to pay the surveyors, and the surveyors have got into difficulties in consequence of being unable to obtain payment for the work they have done. Now, Sir, I trust that when this Bill is going through—the first part of it—the honourable gentleman in charge of the Bill will be prepared to see that some substantial arrangement is made in it so as to place these surveyors in a proper position, and enable them to get redress. I believe the honourable member for Auckland City (Mr. Button) is prepared to submit proposals to that effect, and I trust that honourable gentlemen will assist in seeing that justice is done to these surveyors and storekeepers who are suffering in consequence of what has taken place. I do not think it necessary to say much with regard to the Bill. It has been thoroughly discussed and beaten out. In Committee we shall have an opportunity of discussing it clause by clause, and I shall endeavour then, with other honourable gentlemen, to have some amendments made so as to make it a workable Bill. I may say that I shall be very happy to assist the honourable gentleman in charge of the Bill to put it through with some few amendments. I have an amendment, Sir, to move in clause 15, and I have amendments for one or two other clauses which I hope will meet with the acceptance of the honourable gentleman in charge of the Bill. With these few remarks, I shall support the second reading.

11.0. Mr. MASSEY.—Sir, I cannot claim to be an expert on this subject, but I have listened with a great deal of interest to the debate on the Bill, because the Hon. the Native Minister told us that it was a matter of the greatest importance to the whole colony, but particularly to the North Island. Now, Sir, there is a great deal in that Bill that I approve of, but, on the other hand, there are some things in it of which I disapprove. What I disapprove of most strongly is the proposal in the Bill to resume the pre-emptive right over the whole of the Native lands in the colony. At the present time the Government can by Proclamation exercise the pre-emptive right over those blocks which they wish to purchase, leaving the Natives to deal with the others in the best way they can. This plan does not appear to give satisfaction to the Natives, because they complain that the Government select the best blocks and allow them a mere fraction of the value in return—a mere fraction of the price which European settlers would be willing to pay for the land. In approaching this subject I think we ought to be guided on the one hand by a careful consideration for the interests of the colony, and on the other hand by an intention to do what is strictly just and right to the Natives themselves.

Mr. W. Kelly

Such being the case, the first thing we ought to do is to set apart a sufficient area of land for the Natives to live upon. That seems to me only an act of justice to the people who were the owners of the land—the lords of the soil—before our coming here. No tribe, hapu, or individual Native should be allowed to become landless. We have heard a great deal about placing Natives and Europeans on exactly the same footing, but the clause which professes to resume the pre-emptive right treats the Natives as if they were children, and ties their land up. We are told that by resuming the pre-emptive right we are carrying out the provision of the Treaty of Waitangi—namely, that Her Majesty or the Crown should hold the pre-emptive right over those lands which the Natives were willing to dispose of, at a price to be mutually agreed upon. This clause may be capable of that interpretation. If so, I do not think we ought to insist upon carrying out the strict letter of the law in this matter, because the Natives feel they are not being treated fairly. I think they have good grounds for their complaint, because we take their lands and allow them just what we like in return for the same. Some members who have spoken on this subject have suggested that we should lease the Native lands. Now, I do not approve of the proposal to lease Maori lands, because I do not think it is well to set up a class of Maori landlords. I do not think Maori landlords would be any less objectionable than European landlords. One honourable gentleman—I really do not know which one—made a suggestion, and used a rather peculiar argument. He said that the Native race was rapidly becoming extinct, and that, if we leased their lands, the Crown would be the heir, leaving it to be inferred that we should then get their lands for nothing. Well, it may be a very long time to wait before the Native race becomes extinct, and I do not think any of us are anxious to see the Natives die out, any more than that we are willing that they should become landlords. I think most of us, judging from the debate, are of opinion that the time has arrived when there should be only one law for both races—when both races should be put on exactly the same footing. I heard the Hon. the Minister who represents the Native race state that he was anxious to see the Maoris become full-blown British subjects. That, I think, was the expression. Now, I think they are capable of becoming very creditable British subjects if they are only given an opportunity of doing so. But we pretend to be afraid of land-speculators. The Hon. the Native Minister told us that the land-shark, the pakeha-Maori, and the land-speculator were on the track, and needed looking after. That is the only argument advanced in favour of exercising the pre-emptive right, and locking up some of the best lands in the colony. There is the Auckland Province, for instance, which, in regard to the matter of communication, might as well be an island on account of the Native lands lying between it and the other provinces. Then, with reference to the railway, we are told that the

railway cannot be completed until the Native lands have been acquired. Well, Sir, we put a Bill through the other day giving the Government authority to raise a large sum of money—half a million, I think it was—for the purpose of purchasing Native lands. So I hope that this difficulty will be speedily got rid of. I am strongly of opinion that the quickest and most effective way of settling the Native difficulty would be to allow the Natives to treat for the sale of their lands with *bonâ fide* European settlers. Of course, the argument which is advanced against that is the one used by the Premier—that the Natives would be swindled, and the land be bought for speculative purposes. We manage to prevent land-speculation very effectively in the case of Crown lands, and I do not think there should be any difficulty in preventing it in the case of Native land. We might treat it in exactly the same way. The Native land should be bought subject to the same conditions as the Crown lands, and should be sold through the Waste Land Board, or a special Board might be appointed for the purpose. There would be no difficulty whatever if the titles were individualised; but, even where they are not, the committee system would get over the difficulty. A committee might be appointed for each tribe or hapu, as the case might be, to act for those interested. I am quite sure that the easiest way to settle the Native lands and the Native difficulty would be to wipe the Native Department right out of existence. If that were done, I believe that in three years most of the land in the King-country would be in the hands of Europeans, and in process of being settled. There would be no need to borrow money in order to buy Native land, because the settlers would buy direct from the Native owners, and at much better prices than the Government are able or willing to give; and I believe that in a very short time, if the King-country were settled, we should have the railway running almost from one end of the North Island to the other. When the Premier took the portfolio of Native Minister he told us he was going to settle the Native difficulty once and for all, but so far very little has been done; and I am afraid, with all due deference to the Minister, he is not going to do very much more than his predecessors have done, although he has very many fewer difficulties to contend with. The Natives were never so reasonable and so easy to deal with as they are at the present time. They are offering no obstruction; they are only asking for justice and fair-play, and to be allowed to manage their own affairs in the same way as other British subjects. I certainly think they should be given an opportunity of doing that. As I told the House, I have no serious objection to this Bill. The only objection I have to it is on account of the clauses dealing with the pre-emptive right, and I hope to see those clauses struck out in Committee. If that is done, I am of opinion we shall then have a workable and useful measure—a measure that will be beneficial to both races, to the Maoris and to the Europeans.

Mr. MILLS.—Sir, there is a kind of popular—I was going to say public—delusion that if a member does not belong to the North Island he need care very little about what occurs in regard to Native land. But that is not so. I would point out that the same law that governs a large block of ten or fifteen thousand acres of land will also apply to a smaller piece. I am at one on this question with all those with whom I have come in contact in my own district, and I think we are all agreed on one thing, and that is, that there ought to be a levelling upwards with regard to the Native race. That, I think, is the prevalent idea. And now, dealing with this question of Native legislation, I should like above all things to see that due provision is made for the Natives. There should be a certain amount of land allocated for their purposes, and made inalienable before any more of their land should be parted with either to the Crown or to individuals. The main reason why I rose to-night to speak was that I noticed that in Committee it is proposed to strike out certain parts of this Bill, which, to my mind, are essential and should be retained. At any rate, it would affect many small properties in a way that I think would be most unfair to those now interested. I intend to mention one or two instances. At the same time, before mentioning them, I desire to say I believe that after sufficient land has been settled on the Natives for their own purposes they should be encouraged to part with the remaining blocks, and to invest whatever money they receive, say, in colonial Consols. They would thereby be deriving a steady and settled income, and probably would not spend their money so freely as they do now. The senior member for Wellington City laughs at the idea of the Natives investing in Consols; but I should like to tell him you will find very few Natives now who will take nineteen shillings for a pound. They know perfectly well the value of money, though at the same time they very often waste it, and I think we should prevent their doing that as far as possible.

Mr. BELL.—Would you make them take Consols?

Mr. MILLS.—No, not make them; but at the same time I think they would be willing to take for their money something that was a safe investment, not liable to go through the Bankruptcy Court. I know of many instances in which they have lost heavily. There was one case not long since at Palmerston North, and it was a legal gentleman who had to do with it. The bill of costs amounted to £327, and in that there were charged four days at £10 a day attending the Native Land Court, in which he did nothing, and admitted he did nothing. I think in such cases Consols would be very much better for the Natives. I know other instances, but the case I allude to was the estate of a Maori woman; it had to be administered by her husband, as executor, who referred it to a legal gentleman to take out letters of administration, and the consequence was that the balance that he wanted to pay was about £7, but after investigation the sum

the man paid to me for my client was £437. I think it is time some fair measure was passed in the House to prevent that kind of thing from going on in future.

An Hon. MEMBER.—This Bill does not touch it.

Mr. MILLS.—I think this Bill will effect a great deal of difference in the working of the Land Courts: as I read it it will, at any rate. To refer to one of the points I mentioned: one of the points is in clause 38, where it says, "All amendments necessary to remedy or correct any defects or errors in any proceedings or documents, or to give effect to or record any intended decision in any proceeding, may be made at any time by the Court." Now, that is one of the cases. I knew an instance where a Native sold a block of land, or rather, agreed to exchange it, and before this transaction could be dealt with in the ordinary way a large sawmill was built on some of the land. Then the Native altered his mind, and finally agreed to take £110 for what at first was worth £20. He received £60, and it was then stipulated that he should have that piece of land passed through the Court, and then, of course, transferred to the party who bought it, on payment of the balance; but when he went before the Land Court he got the land recorded in the names of his two nephews, and the consequence was that no one could touch that section: then the man who bought the land in the first instance had to pay altogether, with expenses, something like £300 before he got the proper transfer of the block. The honourable member for Wellington City may know something of the case I am speaking about.

Mr. BELL.—I do not know anything about it. What is the name of the block?

Mr. MILLS.—It has no name. The difficulty arose through getting a transfer from the trustee. I have another instance in my own district, where a man paid £25 for a small section of land fifteen years ago. The deed was signed by those persons who were supposed to be the owners of that piece of property, and registered.

Mr. BELL.—How much was it worth at that time?

Mr. MILLS.—About the same amount as he paid for it. It was only ten acres, and the amount mentioned was a fair value. Now, it appears that eighteen months or two years ago, when the Native Land Court sat in Nelson, the same block of land was transferred to two beneficiaries—mere youngsters of about three or four years of age—of course without their knowledge; and of course this case was no better than the first one. I am now informed by the Native Land Court that it is simply impossible to get this section of land. And if this Bill will not make it possible to correct a transaction of that kind, I am going to move in Committee to have some provision inserted to meet such cases, because I consider that, when a *bona fide* settler has taken up Native land either by purchase or lease, whether it was five or ten years ago, he is entitled to justice, whether he is white or brown.

Mr. LANG.—I intend to support the Bill in the form in which it was returned from the Native Affairs Committee; but I do not mean to say the Bill is perfect, and that no improvements can be made in it. One amendment mentioned by the honourable member for the Bay of Plenty I intend to support; but I do not wish to let the debate end without having made a protest against the second portion of the Bill, which was thrown out by the Native Affairs Committee by a very large majority. Only two members of that Committee voted in favour of it. I refer to that part of the Bill which gives the Government power to become the sole purchaser of Native lands. This system has been in force in respect to the King-country for ten years; and what is the result? During the whole of that time not a single settler has been placed on the land. But, if the Government had not followed this dog-in-the-manger policy, but had allowed the Natives to deal with their own lands, the greater portion of that country would have been settled long before this. The Native Affairs Committee have given considerable care and attention to this Bill; they have been considering it for weeks; and, as that Committee is composed of men for the most part very well informed on Native matters, and as it has had the assistance of two such able lawyers as the honourable member for Wellington City (Sir R. Stout) and the honourable member for Auckland City (Mr. Button), I think the opinion of that Committee should bear some weight in the House. Petitions have also been presented to the House, signed by ten thousand Natives, praying for the right to deal with their lands; and the Native members in this House are unanimous, and also the Natives throughout the entire colony, perhaps without any exception, are of opinion that they should be allowed to deal with their land. I think it is generally admitted that the Natives and Europeans should be placed on the same footing; and I would ask honourable members whether Europeans would like to be treated in the same way as the Natives are treated, in being compelled to sell their land to the Government only, and having no voice in the valuation of their land, and in having to take the price the Government fixes. They naturally look upon this as very unjust. I notice in a paper a letter from a Native residing in the King-country, fully expressing their views. I will read a certain portion of it:—

“I am expressing the actual opinions of the Maori people when I state that they are willing to sell all their lands excepting what they actually require for their own use and occupation. Why do not the Government arrange with the Natives to at once fix their permanent reserves, and let them have a clear field and no favour in selling their lands to any person who will come to terms with them? If the Government are afraid of our selling very large blocks of land to private persons, they might limit the area which could be sold by us. The Maoris would willingly agree to this restriction.

Why should the Government spend thousands of pounds in buying lands back from Europeans they sold it to years ago, when all the Maori lands would be thrown open at once if they adopted a liberal policy towards us? Either our lands are our own or they are not. If they are ours, then why should the Government be guilty of the gross injustice of preventing us from doing what we please with our own property? They preach of one law for both the Maoris and the Europeans. If we break their laws, or commit any offence against them, we soon find there is but one law for the pakeha and the Maori in the Supreme Court. The Government dare not deal with Europeans about their lands in the same way as they treat us. We ask to have the same law with respect to our lands as the Europeans have with theirs. This would be a proof of the sincerity of the Government statement that there should be only one law for both races.”

I was very much surprised to hear the Premier trot out the old arguments about the shameful way in which the Natives would be treated if allowed to deal with their own land, and how they would be imposed upon by the pakeha-Maori and the land-shark. From my experience, I think the Natives are quite able to look after their own interests; and, even if not, are we to believe they will be better treated by the Government having the sole right to purchase their land? Where can we find a greater land-shark than the Government? It is evident, by many instances that have been given to us during this debate, that the Government have only given a few shillings for land which the Natives could easily have got pounds for. The Government, it seems to me, wish to have the pre-emptive right so that they can force the Natives to sell at a low price, and then sell to the settlers at a high price, thus making a large profit; but I scarcely think that this is in the interests of settlers, or will tend to promote the settlement of the land; and if the Government are sincere in what they say—namely, that they only want to protect the Natives—they can easily arrange that the Native land shall not be sold in large blocks, but that it shall be disposed of as Crown lands are disposed of—the Government acting as the Natives' agent—and that would protect them from land-sharks and pakeha-Maoris. I think the Government are much to be blamed for not pushing forward the work of the Native Land Court. Great dissatisfaction exists in the district I have the honour to represent in this respect. I hope the Premier will not make the Second Division of this Bill a party question, but that he will allow his followers to vote according to their conscience. It seems to me unfair that a measure such as this, which is supported by the Native Affairs Committee and by the Native members of this House, should be thrown on one side by the votes of honourable members who have not thought it worth while to sit and listen to this debate, and who themselves own that they do not understand the matter before the House. During the greater portion of the debate not

more than twenty-five members have been present, and I think honourable members should either be present, so as to be able to fully understand the case before this House, or else they should not record their votes on the question.

Mr. TE AO.—Sir, honourable members are returned to this House to do what is just. That is the object in returning us to this House. On Friday night last I heard some good speeches delivered by honourable members—by the Hon. Captain Russell and Sir Robert Stout; and to-night also I have heard some good speeches by Mr. Mitchelson and Mr. Bell; and I say, let this Bill be fairly considered and made a good law. To the Maori mind the laws relating to Maori matters passed by this House in the past have all tended to oppress the Maori people. The Government have oppressed the Maori people, and have not yet made a good law for them. For that reason I ask this House to now make a good law for the Maori people. The Maori people, as honourable members know, are in an exceptional position, and should not be treated in the same way as Europeans. The Europeans are not the aboriginal people of New Zealand, and did not acquire their rights here in the same manner as the aboriginal people. When the Europeans arrived here laws were made for the Maori people, and then we had the Native Land Court established, and the Maori people have suffered at the hands of the Native Land Court and this House, and they have been oppressed ever since the Parliament was a Parliament. And that is why I say that the Maoris have suffered many wrongs at the hands of Parliament. The Native Land Court is one wrong. Rates are another wrong. These amongst other things are what the Maoris are suffering from; and that is why I repeat, let the House make a good law for the Maori people. During this year the Maori people framed a Bill; they framed two Bills, and they have been introduced into this House this session; the Native Rights Bill is one, and the Native Land Administration Bill is the other: but they did not receive the favour of the Government. Then the Maori people sent petitions to this House in favour of these Bills, and the Native Affairs Committee has reported upon them. The number of Maoris who signed those petitions is over ten thousand, and I should have liked those Bills to become law, to settle Maori-land matters. These are the Bills that the Maori people approve of; and I should like the Bill under consideration to-night to be allowed to stand over for another year. Most members of this House would

11.30. prefer that this Bill should be postponed for another year. The majority of the Maori people would not object to see this Bill become law, provided certain amendments are made in it, and I now ask the House to postpone the Bill until next year, so as to give time for amendments to be made. I am now speaking to the Minister in charge of the Bill. The Maori people have asked this House to allow them to frame a Bill for

themselves, and that is what they are asking for now. I think the Natives will be able to administer their own lands, and if they did so there would be very little trouble. That is why I support the Bills introduced into this House by the Native members. This is a very important matter in the eyes of the Native people. Petitions have been sent to the House signed by more than ten thousand people in reference to the Native Bills; and I ask that the passing of this Bill be postponed until next year. I now wish to speak on the question of the pre-emptive right. The Government is now asking that the Crown should resume the pre-emptive right. Formerly, when the Crown had the right of pre-emption, the Maori people suffered under that law. A certain block of land called Wharepuhunga was adjudicated upon by the Native Land Court, and when it was subdivided and individualised they sold it for 2s. 6d. an acre, and the land thus went from the Native people. If that land had not been so subdivided they would not have sold it, but, as it was, the Maoris lost their land. There was another block adjoining it which was disposed of in the same way. This is why I say that the Native Land Court should no longer adjudicate on Native land. Let the Maoris deal with their lands in any way they like. I was returned here to support the views I have expressed to-night. With regard to the Public Trustee, the Maoris feel that he should no longer have the control and management of so large an area of their lands: I refer especially to the west coast of this Island, and in making these statements I may say I am supported by many petitions from the Natives themselves; I have also heard what the Maoris have to say about the Public Trustee, and they are very greatly discontented. These are the grievances of the Maori people which I have related to you to-night. I would rather that the pre-emptive right was not resumed by the Government, but that the Natives should sell their lands in any manner they may think most advantageous to themselves. If they suffered by selling their land they would have themselves to blame, and no one else—that is, if they made a bad bargain. Why should there be one law for the Maori and another for the European in this respect? I conclude by again asking the Government to postpone this Bill, and give the House and the Natives time to consider it.

Mr. PARATA.—Sir, as a member of the Native Affairs Committee, I wish to say a few words on this Bill. I approve of the first part of the Bill, which contains very useful provisions. The first part provides machinery for dealing with the different lands by the Court. I may state that I do not approve of the pre-emptive right. The first part of the Bill I support, and, when those who are better able to do so than myself have amended it, it will become a very useful measure. I approve of the Native Land Court, if it is conducted in a proper manner, with a good Judge and a good Assessor, and also with good interpreters. A good many mistakes have, however, been made in the past owing to cases not being conducted

Mr. Lang

in a proper manner, and because the Judges have not taken so much pains as they might have taken. The decisions of the Judges sometimes are not given in accordance with the evidence before them. There is a clause here that I think will suit the Natives of the South Island very well—the clause allowing them to exchange their lands as between themselves. Suppose I had twenty or thirty acres of land at Waikouaiti or anywhere else, and some other man interested in the same reserve had a similar area, we could make an arrangement by valuing the two pieces of land, and, if there is a difference in the values of those two pieces of land, the difference is to be made up by a cash payment to be decided by the Court. This principle should be applied to every part of the colony. There is another clause which, however, I think does not go far enough—namely, the one referring to Native wills. I quite agree with the honourable member for Wellington City that it does not go far enough. There are several clauses in the first part of the Bill which are very useful, and which have never been inserted in previous Bills. It does not matter what Government or Minister brings in a Bill, it cannot settle this Native question. It is a big question. I thought, when the Native Land Administration Act was passed in 1886, that it was a very good Act, and I supported it, and I was sorry to see it repealed. A measure such as that should get a trial, just as other Acts do. When a Bill is brought down to the House we do not know how it is going to work, even though it was framed by the ablest men, and when it is tried it is sometimes found that it requires amendment. The Act I refer to established a Board and Native committees, and I regret that it has been repealed. There always seems to be some part of an Act that is not quite right, and it may be the same with this Bill. Why should the Native be tied down when he is competent to deal with his land privately, and so long as he can get the highest price for his land?

An Hon. MEMBER.—They cannot do it.

Mr. PARATA.—Some of them cannot do it, but many of them can. I have not altered my opinions, which I expressed on the Committee, with regard to the first part of this Bill. A deputation of Natives waited on me in Wairarapa on Saturday, stating that they did not agree with the second part of the Bill. I support the first part of it, but as to the second I shall vote against it, as I am not going to see an injustice done to the Natives, it matters not whether they are in this or in the South Island.

Mr. BUCHANAN.—With regard to the Bill now before the House, I should not be doing my duty if I did not say a few words before it goes into Committee, because I not only represent Europeans who are interested in Native lands through leasing them, but I also represent Natives who are interested in their own lands. As to the first part of the Bill, I have no doubt whatever that, with some amendments in Committee, it will be an improvement upon the law now existing, and I

shall be very glad to give the Premier any assistance I can to make this part of the Bill as complete as possible. I do not claim to be an expert in Native matters, but, living as I have been for some time in the North Island, I necessarily know something about Native matters. With regard, however, to the Second Division of the Bill, I shall, as far as I am concerned, protest to the utmost extent of my power against its passing as it now stands. There can be no question that as regards some parts of the North Island the position is a very difficult one, and I certainly am of opinion that the Government should have the right of pre-emption over the extensive areas of Native land which are being benefited by Government expenditure, and which are not used to any extent by the Natives themselves. There are large areas which we are improving by the making of roads and railways, and we shall later on be called upon to pay an enhanced price for that land; but even as the law now stands the Government has practically the right of pre-emption over it by proclamation, and no private purchaser can interfere with it in any way whatever. But it is quite another question with regard to a district such as I represent. The Natives there have been so long in contact with Europeans that as far as I can judge they are perfectly well able to look after their own interest and to dispose of their lands, and they have disposed of them to very great advantage for many years past. Their lands are also paying rates, and, in fact, are being used in the same way as Europeans' lands; and I do not think it is fair or just to the Natives that the Government should practically have the right of giving the Natives whatever they may choose to fix as the price of that land. Mr. Carroll, the Minister who represents the Native interests in the Government, has again and again, in very eloquent terms, claimed for the Natives that they should enjoy the same rights as Europeans, and as speedily as possible be put on the same footing. I cannot therefore see how he can approve of the Second Division of this Bill, because it is putting the Natives on a worse footing than they ever occupied before. The honourable member for Eden, whose knowledge of Native matters is certainly equal to that of any member of this House, recommended the Premier to postpone the Second Division of this Bill until further time was obtained to properly consider it; and I would advise him in the same direction. The honourable member for Wellington City (Mr. Bell) pointed out the mistakes that had again and again been made in the passing of Native legislation, simply because it was hurried through without due consideration, and that very great wrongs had consequently been committed. How can the Premier expect for a moment that such an important measure can be properly discussed at this late period of the session? The honourable gentleman knows very well what happened to the measure which was passed in 1886. It passed its second reading on the 2nd July, with ample time at the disposal of the House

to consider it and make it as perfect as possible, because the session did not end until the 18th August. With this Bill, on the other hand, we are, according to the Premier's own estimate, within a couple of weeks of the close of the session, the Order Paper cumbered with over forty Bills, and yet we are asked to pass it through the whole of its stages. I say the House cannot be expected to do it justice, and if the Premier can get the machinery part of it through he ought to rest content this session. With these few remarks, I shall make no further objection to its going into Committee, but shall very strongly oppose the Second Division.

Mr. SEDDON.—Sir, at this time silence is golden. I shall endeavour to get the Bill through as well as I can; but I take this opportunity of thanking the members of this House generally for the very nice way they have received this Bill, and, with the assistance of honourable gentlemen, I am sure we shall be able to make a very workable measure of it. But to postpone the Bill because there may be a defect in a particular clause is, to my way of thinking, nonsensical. As to the suggestion made by the honourable member for Wellington City (Sir R. Stout) and the honourable member for Auckland City (Mr. Button), that there should be a Part III., dealing with Natives who do not care to sell direct to the Government, but who are willing to sell through the Government to private parties, I think, myself, with very little trouble, there could be amendments made by the inclusion of provisions in keeping with the Native Lands Acquisition Act of last session. We have now a good majority in favour of this Bill, and I fear, if we do not take the opportunity, but say "*Taihoa*," as the Maoris do on all occasions, we shall never get anything done.

Motion agreed to, and Bill committed.

IN COMMITTEE.

Clause 3.—Interpretation. — "Half-caste" includes the descendant of a half-caste."

Mr. BELL moved to strike out the words "descendant of a half-caste," and to insert instead, "descendants of half-castes by Natives."

The Committee divided on the question, "That the words proposed to be struck out stand part of the clause."

AYES, 30.

Buddo	Kelly, W.	Pinkerton
Carnell	Lang	Seddon
Carroll	Lawry	Smith, G. J.
Collins	McGowan	Stevens
Duncan	McNab	Stout
Earnshaw	Meredith	Te Ao
Hall	Millar	Ward.
Hall-Jones	Montgomery	Tellers.
Harris	Morrison	Mills
Hogg	O'Regan	Parata.
Houston		

NOES, 7.

Allen	Massey	Tellers.
Buchanan	McKenzie, R.	Ball
Heke		Russell, W. R.

Mr. Buchanan

PAIRS.

For.	Against.
Cadman	Duthie
Flatman	Newman
Hutchison, W.	Pere
Joyce	Button
Maslin	Wilson
McKenzie, J.	Hutchison, G.
McLachlan	Green
Reeves	Fraser
Saunders.	Mackenzie, T.

Majority for, 23.

Amendment negatived, and words retained.
Progress reported.

The House adjourned at five minutes to two o'clock a.m.

LEGISLATIVE COUNCIL.

Wednesday, 3rd October, 1894.

First Reading—Third Readings—Shops and Shop-assistants Bill—Government Advances to Settlers Bill—New Zealand Consols Bill—Rating on Unimproved Value Bill.

The Hon. the SPEAKER took the chair at half-past two o'clock.

PRAYERS.

FIRST READING.

Foreign Insurance Companies' Deposits Bill.

THIRD READINGS.

Rating Bill, Lands Improvement and Native Lands Acquisition Bill.

SHOPS AND SHOP-ASSISTANTS BILL.

The Hon. Sir P. A. BUCKLEY moved, *That the Council do not insist on its amendments in this Bill.*

The Hon. Sir G. S. WHITMORE recognised the honourable gentleman's loyalty to his colleagues, and had no objection to his moving this motion; nor did he mean to say that the reasons given were not very much more conciliatory and much better argued out than any reasons he had for a long time seen given from the House of Representatives. They were moderate, well argued, and conciliatory; and he thought they were intended to hold out the olive-branch for a moderate compromise. But he thought the amendment which the Hon. the Attorney-General had been good enough to say was vital to the Bill was not one that the Council ought, simply on the reasons assigned, however well argued or ably put together, to forego. He thought it would be better, at all events, if they had a Conference on the matter. This, moreover, was not the sole amendment that was objected to. He hoped the honourable gentleman would appoint a Conference, as many of the Council held strong opinions on the subject.

The Hon. Mr. REYNOLDS moved, *That the Council do insist on its amendments.*

The Hon. W. DOWNIE STEWART said the main question in dispute was in reference to

section 2, where the words were added, "where any person works for hire." He could not help thinking the Council should give way on this point, and make all shops close compulsorily, whether hired labour was employed or not. He had had some experience in this matter, and recently in Dunedin he was interviewed in connection with it; and it had been pointed out to him that there were shops in Dunedin—and, he supposed, it was the case also in other towns—where the shopkeeper carried on the whole of his business with the assistance of his sons. The result was this: that this legislation would practically play into the hands of people who did not employ labour. It was manifestly unfair that persons who employed two or three of their own family in carrying on a business should have legislation carried in their favour, and that it should be said, simply because a man happened to have a girl or male person employed for hire in his shop, he should be handicapped in his business by being obliged to close, while his neighbour, whose business was carried on by members of his family, numbering, perhaps, three, four, or five, should do his business during that half-day. He would go so far as to say that the Bill would be practically useless as amended, and would entail hardship on persons who employed one or two assistants as against those who carried on their business with the assistance of their family. And he was not overstating the case in saying that there might be a widespread feeling of dissatisfaction if these people were compelled to close while others were allowed to open. He submitted strongly that the Council should not insist on this amendment, inasmuch as it would be legislating specially in the interest of a class. If the Council wished to say the Bill should not pass at all he could understand it. Then all would be on a footing of equality. But to say that it should pass in a form in which it would handicap those who employed labour was unjust. He submitted, therefore, the Council should not insist on this amendment, for if they did he felt satisfied that the Bill ought to be dropped, as it would result in grave injustice.

The Hon. Mr. OLIVER thought the last speech was carrying the notion of equality a point further than before. The plea set up for closing a shop carried on by a person without the aid of hired assistance, on the ground that you would be affording an advantage to these small people over their wealthy neighbours, was a plea to which they ought not to lend an ear. If it was desired to carry out the principle on which the legislation they were now considering was based—that was, to afford a fair and reasonable holiday in each week to every person employed—then a very slight alteration indeed in the Bill as it stood would effect that. The only alteration required would be to insert the words "or maintenance" after the word "hire." That would provide that every person employed, whether for hire or maintenance, was to be entitled to a holiday.

The Hon. Mr. RIGG did not know there was so much objection to keeping open a small shop

for maintenance, but he would point out this: The maintenance of these persons did not depend on keeping open one particular day in the week. They were at liberty to keep open every other day, except Sunday, as long as they chose. They were only asked to close on this particular day. As to an attempt being made to compel people to compete equally, he thought that was one of the strongest arguments in favour of the measure, because if the Bill went through as now amended it was the man who put most capital into his business who would suffer most. That did not appear to him to be just. While they showed every consideration for the small shopkeeper, they should show a like amount of consideration for the large employer of labour. The Bill had been before the country and the Legislature year after year, and, if there was anything at all in the argument that the Council should pass measures because they had been approved of by the country, this was the one in particular that ought to be passed on those grounds. What did they find in another branch of the Legislature when this amendment was under consideration there? An overwhelming majority were against the amendment of the Council—the insertion of the words "persons employed for hire", and he submitted that the representatives, who came back from the country a very short time ago, should know how that provision would affect their particular districts. He submitted that they knew better the wishes of those districts than the Council did. They would know more who would suffer and who would benefit by such a law. And, that being the case, seeing that the majority was so decided, the Council ought not to insist on this amendment. The effect of the amendment would not be to benefit the widows or orphans, or those poor people, whom nobody wished to oppress, but it would be to exempt all Chinese from the operation of the Act, and encourage them to come and start business in the colony. He thought the Council would act wisely and judiciously in not insisting on their amendment in this particular.

The Hon. Mr. BOWEN would point out that the Hon. Mr. Stewart, in objecting to the amendment of his honourable friend Mr. Reynolds, spoke as if the labour of the members of a family, because they were not paid directly by the head of the family, was not to be considered labour in the ordinary sense of the word. He understood him to suggest that shopkeepers whose assistants were members of their own families ought not to have consideration shown them because they were not employing outside labour. He was using the word "labour" in a very curious and technical way, which was more and more becoming the fashion. Surely a man had a right to employ the members of his family before he sought elsewhere for labour. The honourable gentleman spoke as if a man ought to be under a disability because he employed the members of his own family before employing strangers. The Council had accepted the general principle of the Bill; they had accepted the compulsory half-

holiday; but that was no reason why they should not propose amendments, and it was absolutely nonsensical to say that because this amendment was accepted by the Council the Bill must be dropped. The exact wording of the amendment as it went to the other House need not be insisted on. If it was said that the phrase "persons employed for hire" was of an ambiguous nature, he thought they might express it that a man who kept his shop open by himself, or with the assistance of the members of his family, should not be coerced as to the employment of his own time. This would meet cases which occurred very often, and which reasonably ought not to be interfered with. The original clause appeared to him to be an interference with the liberty of the subject. He heard an expression used by the Hon. Mr. Rigg about the day on which no man should work, as if it came out of the Decalogue. They had, it seemed, got so into the way of interfering with the Decalogue by repeal that it was thought reparation might be made by additions. They were to read that a man should work five and a half days a week, and on the half of the sixth and on the seventh day he should do no manner of work. It appeared to him to be a queer sort of compensation for taking away personal liberty and personal property.

The Hon. Mr. MACGREGOR hoped the Council would consider the matter well, and either very much modify the amendment or give way upon it. He was convinced that there were only two courses before the Council—either to waive the amendment in clause 2, or that the Bill should be dropped. He was convinced that it would be infinitely better for the country that the Bill should be dropped altogether than that it should be passed in the form in which it was amended by the Council. The Act now on the statute-book was, it would be remembered, altered and amended pretty much as this measure had been: in fact, it was altered and amended so much that its author was on the point of dropping it rather than accept the amendments of the Council. It was very much to be regretted that he did not adopt that course, because there was no doubt the present Act was most unsatisfactory. From one end of the colony to the other the Act was the cause of very great dissatisfaction; and of one thing also he was thoroughly convinced: that, rather than pass the Bill as amended by the Council, it would be very much better to repeal the present Act altogether. He thought that would probably be the best solution of the whole question. But there could be no question, on the other hand, that, whether they upheld it or not, the question of a compulsory half-holiday on one day in the week had been before the country for several years, and that members had been returned to the House pledged to secure the compulsory half-holiday; there could be no doubt that if there had been a mandate on any subject it was on this subject. He was quite sure the country would never accept the Bill as it stood as a satisfactory solution of the

Hon. Mr. Bowen

question. It was inevitable that the Bill as it now stood would cause a great deal of dissatisfaction and heartburning, if a shopkeeper who happened to employ a person at 5s. a week was compelled to close, while his next-door neighbour, because he employed some of his own family, was allowed to remain open. They could all very largely sympathize with the reason that influenced those honourable members who introduced the amendment, and that was, the possibility of hardship being caused to small shopkeepers who kept small shops for the purpose of their own maintenance—in particular, the case of widows who opened such shops for the maintenance of themselves and their families; and, if one were convinced that the alteration of the law would necessarily have such an effect, the only course one could take would be to have an end put to the subject altogether, and to give up attempting to legislate on it. But he could not believe, himself, that the hardship would be anything like what was imagined in the case of small shopkeepers of that class. If, for example, the compulsory half-holiday should be fixed for Wednesday or Thursday, or some other day than Saturday, it could not be contended even by the most ardent friend of the small shopkeepers that they would suffer very much, because the business done on the one evening in the middle of the week would be very small indeed. The hardship would arise only in the case of Saturday being declared the compulsory day. In the first place, it seemed to him at present, as far as they could judge, that there was no prospect of Saturday afternoon becoming the holiday in any of the towns; but if Saturday were to become the holiday things would settle down and adjust themselves so that Friday evening would really become Saturday evening for the purposes of business: that was to say, wages would be paid on Friday instead of Saturday, and people would get into the habit of doing their shopping on Friday evening, which they now did on Saturday evening. He was thoroughly convinced they were over-estimating and painting in too black colours altogether the damage that would be done to the shopkeepers of this class. He hoped, at all events, the Council would well consider this: whether it would not be as well to drop the subject altogether rather than attempt to pass another half-hearted measure such as was passed by the Council two years ago. He was quite sure that would be a mischievous thing to do. As he had said, he was convinced that the only proper course for the Council was either to give way in the matter of these amendments, or to say that the present Act should be repealed and wiped off the statute-book altogether.

The Hon. Mr. KERR said he had given his ideas and opinions on the subject in the course of the debate on the second reading of the Bill, and he therefore did not consider it necessary to repeat them now. He believed the amendments the Council had made, especially the one in clause 2, would simply render the Bill unworkable. This amendment would give no

satisfaction either to those who closed their shops or to those who kept them open. Those parties who granted their assistants a holiday would consider this unfair legislation, and would clamour until they got their shops open in order to compete with those whose shops the law allowed to remain open. It was hardly worth while arguing the subject. It would be better to drop the Bill altogether than adopt this amendment. His impression was that if they did insist on the amendments the Bill would be dropped in another place. He would sooner have the law that was passed two years ago in reference to shops, although it was very unsatisfactory indeed. He believed the Bill as it stood would have as pernicious an effect, so far as the half-holiday was concerned, as the other. Therefore he trusted the Council, if it wished the Bill to become law, would not insist on the amendments it had made.

The Hon. Mr. McLEAN thought the Council would do well to accept the suggestion of the Hon. Mr. MacGregor—that was, pass the 1st clause and clause 21, and strike out the rest of the Bill. That would be a sensible way of dealing with the Bill. He thought it would be a very proper way to deal with it, because this Bill had caused more heartburning and trouble than any other Bill yet put forward, and if passed in the way they proposed it was likely to go on causing heartburning. Why should not the Council accept the proposition he had made—that was, to make the closing-day a half-Sunday—shut up every one, publichouses and everything else? That was a fair compromise to offer, and if the other Chamber would accept that he was quite ready to compromise in that way. He could not see why publichouses should be left open, or why fruit-crackers should be left open, on the half-holiday any more than on Sunday afternoons.

An Hon. MEMBER.—Butchers?

The Hon. Mr. McLEAN.—Yes, and butchers also. They could do their work on another day. If the proposal he made to the Council was not acceptable, and if they wished to drop the Bill, by all means let them do so.

The Hon. Mr. MANTELL said it appeared to him rather strange that, among the honourable members who had proposed and voted for these amendments, there did not appear to be one who suggested the proper and sensible course to be taken after such carefully elaborated arguments as they had from the House of Representatives against the amendments. If any of these honourable gentlemen—he was not one of them, although he had supported some of these amendments—would move that the Council insist on its amendments, and appoint Managers to draw up reasons, those reasons would be submitted to the Council, and all this discussion would take place on an intelligible basis, and the Council would be in a position probably to accede to the suggestion of the Hon. Sir P. A. Buckley, and not insist on the amendments. But in thus interposing a discussion at this stage he hardly thought the Council was acting according to custom or common-sense.

The Hon. Sir P. A. BUCKLEY did not think there was anything to which he had to reply, but, at any rate, he did not know that any good would come from the discussion. He thought the suggestion made by the Hon. Mr. Mantell was the proper one, and the sooner they went to a Conference the better, unless, indeed, the Council was prepared to accept the proposal he had made. At any rate, there would be a division upon that, and upon the decision whether they accepted or negatived it the whole matter would be settled.

The Council divided on the question, "That the Council do not insist on its amendments."

AYES, 14.

Bolt	Kenny	Morris
Buckley	Kerr	Rigg
Feldwick	MacGregor	Stewart
Jenkinson	McCullough	Whyte.
Kelly	Montgomery	

NOES, 19.

Acland	McLean	Stevens
Barnicoat	Oliver	Swanson
Bonar	Peacock	Taiaroa
Bowen	Pharazyn	Walker, L.
Dignan	Reynolds	Whitmore
Holmes	Richardson	Williams.
Mantell		

PAIR.

For.	Against.
Jennings.	Shrimski.

Majority against, 5.

Motion negatived.

On the motion of the Hon. Mr. REYNOLDS, the Hon. Mr. Bowen, the Hon. Mr. Bonar, and the mover were appointed a Committee to draw up reasons for the Council insisting on its amendments.

GOVERNMENT ADVANCES TO SETTLERS BILL.

The Hon. Sir P. A. BUCKLEY.—Sir, the object of this Bill is to enable the Government to afford to settlers an opportunity of obtaining money in small sums at a low rate of interest. This is one of the measures which I think the country has had before it during the last election, and one which has been received and passed by the members in another place, as carrying out the mandate of the people at that election. Sir, this is no new mode of dealing with a question of this character. The system has been in vogue for more than a century in Germany and for a shorter period in France, and has worked with remarkably good effect; and, looking at the safeguards which surround the Bill in its present shape, I think the country may be congratulated upon having given such a mandate to the representatives of the people for the purpose of assisting them in carrying out the work of colonisation. The same reason which existed in Germany and in France when the system was initiated there exists to-day in this country—namely, that the amount of interest charged on money is too great for people to pay; and seeing that, and seeing also the low prices of our products and

the bad harvests which sometimes occur, the Government thought it desirable to give effect to the wishes of the people by introducing this Bill. This measure has received the most serious consideration in the House where the people are represented, and, in view of the large majorities by which the principles of the Bill have been carried there, I trust this Council in dealing with it will give expression to the wish of the people in the same way that their representatives have done. I am not one of those who have any degrees of sympathy with those who believe that this Council does not give expression to the wish of the people. I know very well, as I said a few days ago, that the Council's great object is first to ascertain the wishes of the people, and, having ascertained those wishes, to give effect to them; and I trust we shall be ready to do that in this instance. If the money-lenders and financial institutions amongst us had only relented a little and charged less interest on the money they lent, the Government would never have ventured to introduce this Bill; but we know very well that these institutions not only extract their pound of flesh, but also draw blood occasionally; and many hard-working men to-day, in consequence of the large amount of interest that they have been paying for money, are without home or habitation. This Bill principally provides for the machinery required, to which I will briefly call attention, after having explained the principle of the Bill. The First Part of the Bill provides for an office, to be called the Government Advances to Settlers Office. Honourable members perhaps may suppose that the intention is to establish a new office and a new department. Sir, the machinery is already prepared, the office is equipped, no new department will be made, and the whole matter will be managed in the same way as the other lending offices of the Government are managed, and by the same Board. The Governor is empowered by this Bill to appoint a Superintendent, who is to be a corporation sole, with the right of succession, and whose appointment will be during pleasure. He is to be supported by a staff of officials, and they are to manage entirely the internal economy of the establishment. In addition to the staff, there will be what are known as the General Board and the District Board. Now, I should like to call the attention of honourable members to the constitution of the General Board. The Superintendent, of course, will be *ex officio* a member—that is, Chairman of the Board—"and the six persons holding for the time being the offices of the Colonial Treasurer, the Public Trustee, the Government Insurance Commissioner, the Surveyor-General, the Solicitor-General, and the Commissioner of Taxes shall be *ex officio* members of the General Board." Those officers now compose the Board known as the Public Trust Office Board and also the Government Insurance Board, and they will be able to manage, and assist the Superintendent in the discharge of the duties which are imposed upon him in this Bill. Four of

these members are to be a quorum, and every matter which comes before them is to be regulated by the majority. Then, there is to be a District Board, to be composed of not less than three officials, if the officials are to be found in the district; if not, three suitable persons are to be appointed by the Governor. Then, clause 25 provides for the classes of land upon which money may be lent out on interest. I need not do more than refer to them; they are named in clause 25. There are freehold lands held in fee-simple, Crown land on perpetual lease, Crown land held under Parts III. and IV. of "The Land Act, 1892," Crown land held on lease as a small grazing-run, Crown land held on agricultural lease under the Mining Act of 1891, Crown land held on lease—not being for mining purposes—under "The Westland and Nelson Coalfields Administration Act, 1877," and Native land held on lease in perpetuity under "The West Coast Settlement Reserves Act, 1892." Then, there are two or three modes by which funds may be obtained by the Treasurer for the purpose of carrying out the provisions of the Bill. They are by debentures, by inscribed stock, and by what is known as the Land-bond Fund, which is a new method provided for in this Bill. Now I come to the important part—Part IV. Part IV. deals with the manner in which advances are to be made; and here I should like to call the attention of honourable members to one particular matter. I may be accused of having introduced a Bill that is badly drafted, and I therefore call the attention of honourable members to subsection (9) of clause 42. It is peculiarly drawn, and would seem to have been altered to its present form out of sheer "cussedness" in another place. The original subsection said that no smaller sum than £50 should be advanced; and here by some means or other the sum of £25 has been inserted, leaving the £50 standing, so that it is almost impossible to understand it. However, I wish to exonerate the draftsman, and the honourable gentleman who had charge of the measure in another place, from any share in the bad drafting of this clause. The subsection now reads thus: "No advance shall be granted for a sum of less than twenty-five pounds, nor for more than five thousand pounds, and every advance shall be for fifty pounds, or a multiple of fifty pounds." Advances are to be made on freehold securities to an extent not exceeding two-thirds of the value in the case of country lands, and in the case of urban and suburban lands to the extent of one-half the value, and in the case of leasehold lands to an amount not exceeding one-half of the value of the lessee's interest. And provision is taken under this Bill by which applications for sums not exceeding £500 are to have priority. The advances are to be made as the Superintendent may require them, and the money to be raised is only to be used for the purpose of making advances, and not used for any other purpose. The Bill also provides for special accounts, and for the audit of accounts, and it further provides—which I think is one of the most important provisions in Part

Hon. Sir P. A. Buckley

VI.—for an Assurance Fund. Clause 62 deals with this question very clearly. It says,—

“One-tenth as aforesaid of all moneys received in respect of interest on investments under this Act shall, as and when paid into the Management Account, be thence transferred and paid over to the Public Trustee as an Assurance Fund.”

That, Sir, will be for the purpose of meeting any losses or contingencies that may arise. It is a very desirable clause, and one which I am sure will commend itself to the consideration of the Council. The currency of the loan is to be for a period of thirty-six years and a half. Upon this loan the borrower will pay 5 per cent. interest, which will be payable half-yearly, and 1 per cent. to pay off the capital, so that at the expiration of thirty-six years and a half the whole amount of the loan will be wiped out. In addition to that, the borrower is allowed at any time to pay off any portion of this money, with which he is credited, and for money so repaid he receives interest at the rate of 4 per cent. Now, as I have stated, the Bill, with the exception of the portions I have referred to, is of a mere machinery character; and the schedules are elaborate. The mode of dealing with mortgages is very simple. The mortgages, or dockets, as they are called here, are of the simplest character. The Bill provides that “In every mortgage docket there shall be implied on the part of the mortgagor, and in favour of the mortgagee, the covenants and the conditions” specially stated in the Bill itself. At the end of the Bill there will be found several schedules, but the most important of all is the Second Schedule, which shows the amount that is to be paid half-yearly in interest, and the amounts paid in reduction of the capital. The schedule has been certified to by competent actuaries, and I believe it will be found to be perfectly correct. As I have said before, it is our desire to afford facilities to people to borrow money at the cheapest possible rate of interest. We think this is one of the best means for doing that. There is a clamour from end to end of the colony for this method of advancing cheap money, and we should not be fulfilling the duty imposed upon us if we resisted the call that has been made upon us by the people. At the last election the matter was brought forward prominently upon every platform of the country—cheap money for the people—and we have endeavoured faithfully to carry out their wishes in this Bill. I move, *That this Bill be now read the second time.*

Debate adjourned.

NEW ZEALAND CONSOLS BILL.

ADJOURNED DEBATE.

The Hon. Mr. McLEAN.—Sir, when this Bill was before the Council yesterday I thought it was not getting that kind of consideration that was necessary for a Bill of such an important nature as this, and it was with the view of its getting more consideration, and to enable us to see what could be done with it, that I moved the adjournment of the debate. The

Bill coming at a period of depression like the present is a Bill of serious consequence to the colony, and therefore we must approach the subject from different points of view, to see whether it is good for the colony that this Bill should pass, or whether in the interests of the colony it is better that it should be thrown out. It has often been thought that a loan of about £250,000 might be safely floated in the colony. That has been discussed for a good many years now, but it has never yet been attempted. Now, whether the present is a good time to attempt this or not honourable members must judge for themselves. When you come to consider the condition of the finances of the colony, the interference of this Bill may be considerable, or it may create no difficulty at all. The main point is this: Many people have said that the banks are overflowing with money, and that this Bill is a necessity to find investments for the people. Well, Sir, I should like to say that the banks are not overflowing with money, and that there is plenty of employment for capital. And I would say this for the institution I am connected with: If we had had £500,000, £600,000, or £700,000 more we could have lent it very satisfactorily; so that it is a delusion to say that the banks are full of money. Of course it may be the case that other banks, which it may suit to take away money from here when there is good investment elsewhere, and to bring it back when there is a good chance of investment here, may be full of money. That is a matter we cannot control. There is no doubt the Colonial Treasurer, being a business-man, has read the signs of the times, and has seen that the Post-Office deposits are not quite as safe to keep as what Consols would be under a Bill like this. Some honourable gentleman was saying that the savings-bank deposits were quite safe. Why, it is not many years ago that a gentleman, declaring that they were insecure, created a run of £44,000 on the colony's savings-banks. When people get into a panic they are no more amenable to reason in regard to Government banks than to any other banks. So that I can see what the Treasurer is seeking to do is to change the investments from deposits at call to Consols for thirty-six years. All of us would like to follow the same course and to do the same thing if we could, for then the money would not be subject to withdrawal in times of panic. Now, will this Consols Bill do what is being done by the savings-banks? It will not. The savings-banks have deposits of very small amounts. They are added to by sums of 5s., 10s., or £1, and so depositors continue adding up. This Bill will not touch that class of deposits at all. Then, I come to another class it is supposed to touch, and that is the investment of trust money. Is it well that these trust moneys should be taken for this investment? How have they been invested hitherto, and what good have these trust moneys done? We know the trust moneys are confined to special investments. Take the North Island here: how far would it have been improved except for these trust moneys? These trust moneys have been lent on properties all over

the North Island—to do what? To enable the proprietors of that land to fell the bush, to sow the country, and to bring it into profitable occupation: so that it is not wise and not well for the Treasurer to seek that class of investment too much, and to bring it out of the employment to which it has hitherto been put. The question of Government investments cannot touch anything unless it touches the industries of the people, and while the Government is getting money it may do considerable harm to the investments. Now, Sir, people talk about getting cheap money. How does money become cheap? Money is cheap because of the distress all over the world. It is hoarded up and put in the Bank of England, and they get nothing for it, simply because they are afraid to trust it out. If the country became prosperous again, money would go up again quickly enough, you would find. Money would rise in value. When money rises in value it means that things are prosperous, and it is the opposite when money is at a very low rate. If you see money fetching a good price, as well as other articles in the market, we are succeeding, and everything is flourishing. So it is with the rise in price of grain and other produce. One honourable gentleman laid very great stress last night on the fact that the result of this measure would be to transfer money from the banks to these Consols. We must not forget that the more money that is taken away from the banks the more money is withdrawn from the trade of the country. The banks do not keep money locked up in safes. They accept deposits from all people, and they lend it out in the business of the country. It would be impossible for them to pay the shareholders a dividend, or to pay their expenses, if they locked it up. As for saying this money would go into the Government bank, how could the Government bank keep it, and pay the interest on it, unless they put it into profitable occupation? The thing is ridiculous. The bank would have to put it into profitable employment if it were put in the bank. Now, Sir, a great deal has been said about distrust, and it is said this Bill will draw money from people who have hoarded it up by putting it in the ground, or in stockings, as the saying is. Well, I doubt very much whether it will do that, or whether there is much hidden away in stockings. The difficulty that faces New Zealand is that we are not old enough yet to have acquired wealth, and there is very little acquired wealth in New Zealand. The Australasian Colonies are older, and the people there have acquired wealth, and have been able to lend money within themselves; but we are not in that position here. So far as this Bill goes, however, to take the place of larger deposits in the Post-Office Savings-Bank, I have no objection to it, and, if the Government would agree to reduce the amount to a moderate sum, I should have no objection to see the Bill given a fair trial.

The Hon. W. DOWNIE STEWART.—You do not want money, I expect?

The Hon. Mr. McLEAN.—I should be sorry

Hon. Mr. McLean

to profess that I did not want money. We all want money, and I should like to get some of it myself.

The Hon. W. DOWNIE STEWART.—And pay interest on it, of course?

The Hon. Mr. McLEAN.—Oh, yes, Sir, there is a point in this Bill I should like to draw the attention of the Government to, and I would also call the attention of the Council to it, and that is the portion of the Bill under which they can inscribe the stock so that it might be converted in England. Now, we are getting into a very dangerous position with this inscribed stock, and the difficulty may face us at any time. If the English public take note of the floating of inscribed stock privately, and getting it on the market privately, instead of putting it on the market publicly when every one would know that it was being put on the market, it will lead to complications. I should like to draw the attention of the Council to the fact that we had the Cheviot money floated in debentures. That was floated away into London. We then had other purchases. Under the Land for Settlements Act, for instance, debentures were issued, and they are finding their way to London, and are being sold privately. It will certainly be the same in this case. We shall one day have an awakening. People will see that our loans are increasing; and they will wonder how they are increasing, because they have not seen them put on the market. We might get into trouble in that way, and I hope serious consideration will be given to the matter by the Government before dealing with any more money in the same way. I have said that I am quite willing to see the system fairly tried; but I believe we cannot touch this Bill, as it is a money Bill.

The Hon. W. DOWNIE STEWART.—It is not a money Bill in the strict sense of the word.

The Hon. Mr. McLEAN.—I believe, Sir, it is a money Bill, and that we cannot touch it; but, if I am wrong in that, the Council can, of course, deal with the Bill as it thinks fit. I should like, however, to say that I cannot agree to vote for the Bill unless the amount is reduced. If it were reduced in amount, say, to £250,000 for the year, so as to enable the Government to test the system, I should not like to stand in the way of its being tested, because I think it is a fair proposition to make. If we agree to try £250,000 for the first year, then we could see whether it was a success or not; and if it was a success, then it could be extended. My own idea is this: that if everything were going well in the colony the Bill would be a failure, and it can only succeed through a lack of public confidence in other institutions. That is the only way success can attend it, and for that reason the Government themselves would be wise in not endeavouring to withdraw too much money out of circulation and out of the active trade of the country—not to destroy that trade for the purpose of getting this money. As for the Government employing this money, they have many ways in which they could do so. They have their loans to local bodies. They could take the Treasury

bills and reduce them, and I have no objection to their using the money in that way; but I would suggest that, if the Government would agree to modify their proposal, the Council should allow the Bill to be tested, so as to see whether it will prove a success or not.

The Hon. Mr. KELLY.—Sir, I cannot agree with the last speaker that dear money always accompanies prosperity in any country. My opinion is that dear money would cause industries to suffer by increasing the cost of production, which would be disastrous in face of the low prices of produce. With regard to the Bill itself, it seems to me that it is not a borrowing Bill in the ordinary sense of the term, because until the money is specially appropriated by Act of the Assembly it is simply a trust fund in the Public Account. When it is appropriated it will then partake of the nature of a loan for public purposes. I think this is a very convenient way for the Government to find money for the purposes of permanent Appropriation Acts that are already in existence, and it will be a great convenience for the public to be able to get safe investments for their money if they cannot do so at present, because some persons prefer to receive a low rate of interest when by accepting it they can get as near safety for their investments as possible—that is, the guarantee of the colony. Investment in banks is not always safe, because the banks have in some cases to come to the colony to guarantee their own existence. Only last session an Act was passed which gave power to the Government to make bank-notes a legal tender.

The Hon. Mr. OLIVER.—Have any of the banks applied?

The Hon. Mr. KELLY.—I do not know, but it was considered desirable in the interests of the colony to pass such an Act—an Act which is still in existence and available as a remedy against possible disaster, brought about by foolish commercial panics. Sir, this Bill has been denounced as a borrowing Bill, and it has been stated that the colony returned members pledged not to borrow; but what do we find? That those who cry out most against borrowing are the most anxious to get money out of the Treasury for the comforts and convenience of their own districts. But how are roads and bridges to be made unless we borrow in some shape or form? It cannot be done from the Consolidated Fund, because the Consolidated Fund is to meet the ordinary requirements of departmental administration. If the colony is to progress by settling our waste lands, money must be found for roads and bridges to make settlement possible. I think that is one of the most convenient means of finding that money. Then, with regard to Treasury bills, the amount we are authorised to raise by Treasury bills is about £1,300,000—over a million of money. Of course this money must be found in some way or other. It must be taken out of the Post-Office Savings-Bank, or the Insurance funds, or from the Public Trust funds. I think this could be worked very well if the Savings-Bank would limit their deposits to £200. This would

provide for small investors; and under this Bill larger deposits could be made, and then both systems would work in harmony. One of the greatest dangers in regard to savings-banks, as pointed out by the Hon. Mr. Bowen, is that the moneys are at call, and in times of financial disaster there may possibly be a run on the banks. In this respect I think the same safeguard should be taken with regard to savings-banks as has been already taken with regard to ordinary banks: that is, in times of panic, if there should not be sufficient gold to meet the demands made upon the Government, a legal tender should be established by law to supply the place of money. It seems to be the idea of some honourable members that because the Government will secure some of the money in the colony it will affect the industries of the colony. I do not see it, because the money will not be lost to the colony. It simply assumes the shape of a bank-note, and cannot therefore be diverted from industrial pursuits, if those persons who hold Consols wish to apply their money to such purposes. I do not think in that respect there will be any injury whatever. I think the Bill, as a whole, is a very useful one, and I hope it will be carried.

The Hon. Mr. OLIVER.—I should like to have some indication from the Government as to whether they are ready to adopt the suggestion of the Hon. Mr. McLean as to lessening the amount it is proposed to borrow under this scheme. I should have no objection to voting for a trial of such a method of raising money, and affording people some means of getting a certain investment with the Government, if the experiment were confined within reasonable limits. I have listened to several proposals made during past years in the colony for trying such an experiment, and I quite agree with the honourable gentleman that there would be no danger at all in trying such an experiment if it were confined within reasonable limits, and if we were permitted, before embarking in a very large scheme of this character, to ascertain its suitability to the circumstances in which we are situated.

The Hon. Mr. BONAR.—I feel, in common with many others, that the magnitude of this proposal demands our most careful attention, and I could not make up my mind to vote for a million to be borrowed in this way. I felt very much the force of the remarks of the Hon. Mr. McLean as to the withdrawal of capital from the banks, and the consequent withdrawal of that amount from the industries of the colony. I am sure, with him, also that there is not that quantity of spare cash which is supposed to exist, and which it is anticipated would be absorbed under the operation of this Bill. If there is a large amount of surplus cash it might be convenient to many to put their money into an absolutely safe investment, and get 4 per cent. for it. But I fear such is not the case, and from our general knowledge we may say that we know it is not the case. And therefore money in the colony may be withdrawn from useful employment in developing the colony. That is my great

difficulty. Whether, in the event of any modification as to the amount to be raised under the new scheme, I might support it, is a matter to which I might give further consideration, but I can be no party to agreeing to raising within the colony the sum of a million of money. There is one point which I suppose I am stupid enough not to understand, but I should be glad if the honourable gentleman in his reply would refer to it. It is in connection with clause 37:—

“The Registrar may, with the consent of the Colonial Treasurer, accept Government securities in lieu of cash for Consols under this Act, upon such terms as the Colonial Treasurer may think fit.”

I confess I do not know what this means. I understand the object of this is to get cash for the use of the Government, but if the Government are to issue Consols and accept Government securities in lieu of cash it is a great mistake. They may be taking Government securities at $3\frac{1}{2}$ per cent., and issuing Consols on which they are going to pay 4 per cent.

The Hon. Mr. KERR.—I never like to give a silent vote on an important question. I think the Attorney-General, in introducing the Bill, explained it very satisfactorily and fully. He pointed out that it was a Bill to encourage thrift amongst the people of New Zealand. I could not see much in the remarks of the four or five honourable gentlemen who followed him. The great objection to the Bill seemed to be that it was a borrowing Bill. They seemed to harp on the word “borrowing,” and had no other objection to urge against it except that it was a “borrowing” Bill. Now, is it any more borrowing than the Post Office taking deposits from their numerous customers, or than the banks taking deposits from their customers? I think not.

The Hon. Mr. McLEAN.—That is borrowing.

The Hon. Mr. KERR.—Surely. I always look on banks as borrowing from their customers; they give 4 per cent. and lend out at 8 and 10 per cent. But this system of borrowing is for a different object. It is to secure good investments for the people of New Zealand—investments that can be relied upon at any time. Has thrift been encouraged in the past? Judging from our history I do not think it has been. In the other colonies, if not in this, I think thrift has been very much discouraged. People have lived economically, and have put their savings into the banks and financial institutions, and if thrift has not been discouraged by the failure of banks and the “reconstruction” of financial institutions I do not know what discouragement is. This Bill, I understand, gives power to the Government to receive sums of money not only from individuals, but money held in trust: in fact, it will hold the money of those who during their lifetime have gathered sums up to £500 or £1,000 or £2,000, and wish to make provision for those they may leave behind them. The Government, looking, no doubt, at all the surroundings of our financial difficulties in the past, have

brought in this Bill to afford a safe and secure investment for these people who are desirous of securing their money safely in time to come. I have not a great deal to urge further than what appears on the face of it—that the Government, along with the other Bills they have introduced, is providing a safe investment for the poorer classes in New Zealand. It may be said that the Bill is not for the poorer classes. But it must also be taken into account that the Savings-Bank only takes money to about £500, and, if I am correctly informed, the Treasurer can reduce the interest to 2 per cent. at any time he chooses. By making a safe investment under this Bill 4 per cent. is secured to those who invest, and that is a fair amount to those who wish for a safe investment with small interest. A great deal has been said in reference to the amount of capital that is stored up in New Zealand, and it has also been stated that money is overflowing in the banks—that colonists are holding it, and would not invest in this country, and are sending it away to England and elsewhere for investment, because they have no confidence whatever in the Government of New Zealand. Let us see by this Bill whether there is money in the country, and whether the people are willing or not to invest it when they find safe security. I am sure those who have money in stockings or teapots, or hidden underground, when they find the Government willing to receive their money, will bring it forth and make it reproductive. I think, if it were for nothing else, that we should find this out. The want of confidence in the Government ought to be put to the test, and we could put it to no better test than by calling on those who have money to invest it by taking the Consols that are now offered by this Bill. I think it is only fair and reasonable that the Bill should be passed by the Council. It is a policy measure, and has been introduced to afford relief and protection to the people of New Zealand. This and the other money Bills have been brought forward, in my opinion, in the interests of the people, and therefore this Council should not hastily or hurriedly reject it. I believe that it is the wish and desire of the people that Bills such as the Consols and Advances to Settlers Bills and liberal measures such as these should be passed. I also believe that if these Bills are not passed the people of New Zealand will not rest satisfied, but will bring such pressure that this Council will have to pass them. It is all very well to say that we are sent here to check and revise. We are here not only to do that, but to assist in the legislation of this colony. I have heard a great many complaints this session with regard to the slovenly manner in which the Government have sent down Bills that required hours and days of labour to lick them, as it were, into shape. But, Sir, is it not the duty of this Council, and of the House also, to revise and to alter and to bring into proper form a Bill if it is not in the shape it should be in—to improve the machinery so that the Bill will

Hon. Mr. Bonar

be workable? If that is not our duty, what are we here for? That is one of the principal duties that we have to perform, and in doing so we only do our duty and no more. I really think honourable members overstep the mark when they malign and say ill things of the Government because a Bill may be a little faulty. We know well that the Government have onerous duties to perform, and that these duties occupy members of the Ministry day and night during the session, and it is no wonder that a Bill occasionally comes up framed in a manner that is not acceptable to the Council. I will simply conclude by expressing the great need there is, in the interests of the people of New Zealand,—I will not say the poorer classes, but in the interests of the well-to-do people also,—that some safe security should be given them to invest the funds that they are not prepared to put into enterprises, in buildings, or in companies. So far as my experience goes, I would say, keep away from companies: they are very awkward things to have anything to do with; and if people can get only 2 per cent. for Consols let them accept that, because they know they will get back the principal, and that is more than those who enter companies can depend upon. In some companies both the principal and interest go. I hope the Council will pass this measure, and show to the country that we have a real desire for progress.

The Hon. Mr. **WHYTE**.—I should like to say a few words on this Bill. It is, as we have been told, a policy measure of the Government, and therefore ought to be treated with due respect. Now, Sir, I am quite willing, unlike some previous speakers, to assume that the real object of this Bill is as stated in the preamble—namely, to afford safe investments for the savings of the people. I am also willing to assume that it is not for the purpose of obtaining a certain amount of money to play with, as has been suggested in the course of this debate. I am also disposed to agree with the Hon. Mr. Kelly when he says that the Bill is not, in the full sense of the term, a borrowing measure until appropriation is made for the purpose of using the money. But while looking at the Bill and its professed object it behoves us to consider whether it is likely to attain that object. What, then, does experience teach us in this respect? In 1882 Major Atkinson, the then Colonial Treasurer of the colony, introduced a precisely similar Bill with a precisely similar object. It was a Bill proposing to offer 5 per cent., and under its provisions sums of money from £5 upwards could be deposited by children of ten years of age and upwards who were desirous of becoming depositors. I think, if the Hon. Mr. Montgomery will look up *Hansard* of that year, he will see that he rather ridiculed the idea of children—boys and girls—being allowed to become depositors.

The Hon. Mr. **MONTGOMERY**.—I approved of it.

The Hon. Mr. **WHYTE**.—I think, if the honourable gentleman will refresh his memory, he will find that, while approving of the Bill, he rather ridiculed the idea of children of ten

years of age becoming lenders under that Bill without the consent of their guardians. Well, Sir, what became of that Bill, and what was its effect? The whole of the money was mopped up by the Post Office, and afterwards the bonds were turned into inscribed stock, and absorbed in the general debt of the colony, not a penny of it having been taken up by private persons. That was, moreover, a proposal to pay 5 per cent., while this is only one to offer 4 per cent. I am disposed to admit that there may be a certain amount of money in this colony that might be invested under this scheme. It would, however, run into no large sum—perhaps £200,000 or £300,000, not more; and, if that be so, we have already provided for it by the Lands Improvement Bill, which we have practically already passed, and thereby done away with any necessity for this measure. Touching the likelihood of ordinary people using this scheme and depositing small sums, I would ask, does any honourable gentleman present know of people who would put, say, ten-pound or five-pound notes into an investment of this sort, to be locked up for forty years? How could they get the money when they wanted it? I shall probably be told they could sell out at par. Could they do so? Could they sell a ten-pound Government debenture at par? Where would they find buyers without employing agents, to whom they would have to pay commission? I feel convinced that small sums will not be invested in this way. I may here say that I have listened with interest to the Hon. Mr. McLean's suggestion as to reducing the amount to be borrowed, and I have now reason to believe that the Government will consider that suggestion, and that the amount may be reduced to, say, £250,000. But, even if a compromise of that sort should be arrived at, I think there are other matters in this Bill which must be altered before I can vote for it. For instance, there is no limit in this Bill as to the price at which the Colonial Treasurer might sell these bonds. No doubt he would get the best price he could; but under this Bill he has liberty to sell at any price he pleases, and that is a power which no Treasurer should have. There is a clause in the Lands Improvement and Native Lands Acquisition Bill whereby bonds cannot be sold under a certain price. Now, a motion to insert a clause in this Bill to that effect was rejected by the other House, so that it is intended that there should be no limit as to the price downwards at which these debentures can be sold. I think that point should be looked to. There is also another and much more serious objection to the Bill generally, and that is that we are not told what is going to be done with the money; and that alone is enough in my eyes to utterly condemn the Bill. My own opinion is that the Bill will not attain the object it professes to aim at; and, even as an experiment, unless the amount is very much reduced—say, to a quarter of a million—I shall not be able to support it.

The Hon. Mr. **REYNOLDS**.—Before the last general election every member of the Govern-

ment declared against any further borrowing, and stated that the Government would confine its expenditure to its income, and that public works were to be provided for out of the revenue.

The Hon. Sir P. A. BUCKLEY.—They never said that.

The Hon. Mr. REYNOLDS.—I think I can prove that they said they were not going to borrow at all; and at the general election which followed almost immediately afterwards every member, or almost every member, of the House of Representatives pledged himself against any further borrowing. As that was the case, I think the Council will only be doing its duty in not allowing any further borrowing until the electors have an opportunity of again declaring their desire that the Government should borrow. On this ground—I am not going into the merits of the Bill—I consider it is my duty to vote against the Bill.

The Hon. Sir P. A. BUCKLEY.—I have never known a Bill to be introduced by the Government that was not found fault with by the honourable gentleman opposite, even when he occupied a seat here with me. In the first place, I have to express my acknowledgment to the Hon. Mr. McLean for what I think may be fairly considered the judicious action he took last evening in moving the adjournment of the debate for the purpose of giving time for further consideration. My honourable friend asked me to state whether the Government will be prepared to modify the proposal; and, after consultation with the Colonial Treasurer, my colleague wishes me to say that a Governor's message will be sent down reducing the amount to half a million, extending over two years, and limiting it to £250,000 per annum. I think this is a fair compromise, as there is no use trying to experiment with a smaller amount for a shorter time, because it could not be worked with a less amount or with a shorter term. I should like to say one or two words in reply to one or two of the remarks made by the Hon. Mr. McLean. He said it was the fact that when money is high things are prosperous. My experience is the other way. I have a lively recollection that in 1879 in this city, and in other places in this province, money was very dear; interest was 15 per cent.—certainly 12½ per cent.—and money could not be obtained at that: yet no one could call that time prosperous. My honourable friend further says that the absorption of this money will trouble industry. I do not know how that can be, because, of course, the Government is not going to keep the money locked up in an account. I can assure my honourable friend that it will be put to the best advantage for the purpose of encouraging every possible honest industry in this colony. I was rather surprised yesterday, and, I might say, pleased, that what the Council seemed about to do did not take place. This Bill was debated in a manner such as I have never witnessed before. The Council met the Bill with a cool determination, apparently, to kill it, and it seemed at one time as if there was going to be no debate at all, but the Hon. Mr. Bowen was told off to “bell the cat,” and

Hon. Mr. Reynolds

the manner in which he used the soft, velvety paw in attacking this Bill was very effective. I have again to thank my honourable friend Mr. McLean for coming to the rescue, and I trust that the compromise which I am now making will meet with the approval of the Council. Sir, this Bill has been characterized as a borrowing Bill by honourable members; but if the honourable member opposite, with his usual wit, had called it a lending Bill it might have been more appropriate. There is no “borrowing” in it; not one single word. It is permissive in its character. If any person has any money to spare he can take advantage of this mode of investment. I said in introducing the Bill that one of its objects was to meet some of the defects in the Post-Office Savings-Bank Act, under which sums beyond £500 do not bear interest. This Bill will give investors an opportunity of getting interest on their money, which may now be, and probably is, locked up. I am rather inclined to believe that there is a great deal of money locked up. The Hon. Mr. Bowen said that the Bill, considered seriously, presented a confusion of ideas. Why should it be called a Consols Bill, he asked? I say, why should it not be called a Consols Bill? On a former occasion there was another Bill placed on the statute-book called a Consols Bill. I do not know any more appropriate name for this Bill. My honourable friend endeavoured to be witty at my expense when he referred to the money which the Prussians forced the French to pay; and he said that was not done for the purpose of encouraging thrift. I tried to convey an entirely different meaning. I said that it was because of the existence of this thrift among the people in France that they were able to pay that large sum of money. As I have said, there is nothing in this proposal of a borrowing character. The Government have kept their promise to the people, and I trust the Council will keep faith, and accept the compromise which I have offered to the Council.

The Council divided on the question, “That the word proposed to be omitted stand part of the question.”

AYES, 16.

Acland	Jenkinson	Oliver
Bolt	Kelly	Richardson
Bonar	Kerr	Rigg
Buckley	McLean	Walker, L.
Dignan	Montgomery	Whyte.
Feldwick		

NOES, 13.

Barnicoat	Morris	Stevens
Bowen	Peacock	Stewart
Holmes	Pharazyn	Swanson
MacGregor	Reynolds	Williams.
Mantell		

PAIRS.

For.	Against.
Jennings	Shrimski
Whitmore.	Grace.

Majority against, 3.

Amendment negatived, and Bill read the second time.

RATING ON UNIMPROVED VALUE
BILL.

ADJOURNED DEBATE.

The Hon. Mr. McCULLOUGH.—The mover of the amendment, the Hon. Mr. Pharazyn, in his speech, quoted from several writers on political economy, especially writers on the land question; and I may say that the authorities quoted were all opposed to some of the newer or later ideas upon the taxation of land. The impression left upon my mind by the speech of the honourable gentleman was that he was opposed to this measure because he thought it was a step in the direction of what is known as the single-tax. He was also opposed to it because he believed it was a tax which would fall heavily upon the rich or wealthy.

The Hon. Mr. PHARAZYN.—I said, fall heavily on the poor.

The Hon. Mr. McCULLOUGH.—I understood the honourable gentleman to say that it would fall upon the rich, because I noticed the contrast when my honourable friend Mr. Stevens was speaking: he said he thought it was a tax which was likely to fall upon the poor. I have been in error, but that was the impression which I received. I am, however, correct in saying the honourable gentleman's opposition to the Bill arose from the fact that he thought it was a step in the direction of what is known as the single-tax, and as carrying out the views of Henry George and others of that school. It is well known the honourable gentleman is somewhat conservative when questions of taxing land are before the Council. That is the impression which his speeches have always conveyed to my mind. I think it may be said that he thinks that all new taxes are bad, and that all old taxes are good. He is inclined very much to allow matters to remain as they are. He is certainly opposed to some of the new ideas upon taxation, and some of the advanced ideas, such as those introduced by the present Liberal Government. That this is not a new tax I think the remarks of my honourable friend Mr. Kelly showed. He stated that a similar tax to that proposed in this Bill was in operation in Taranaki in 1858, and remained in operation there for twelve or fifteen years. That was a very good trial of such a tax in a country district, and in such a district as Taranaki. Another strange fact is that a present member of the other branch of the Legislature, Mr. Button, several years after the repeal of the Taranaki Act,—which was repealed, I believe, at the time of the abolition of the provinces,—suggested that a measure with this principle in it should be passed. Mr. Button cannot be said to be a Radical by any means, and he certainly is a barrister of very high standing in his profession, and is therefore a man who would naturally know a great deal of such a question. I may mention, too, that a measure of a similar character is in operation in Queensland. It was introduced in 1890, and, as far as I can understand, its operation has been found to be very satisfactory; it has answered its pur-

poses; it has been accepted readily, and without complaint from those who are most affected by it. I need only refer honourable members to the fact that the same principle underlies the Land-tax Act of New Zealand. I mention these facts to show that this cannot be considered a new idea or a new form of taxation. Therefore the objections to new forms of taxation should not be levelled against this Bill. I do not hold with the contention that this is a tax which will fall upon the poor. I will reply to that point later on. I should like to say that my honourable friend Mr. Stevens, in his remarks upon this Bill, spoke very fairly, as he always does, from his own standpoint. To me it is always a great pleasure to hear the honourable gentleman speak upon any measure. His remarks show that he has given considerable thought to the subject, and he speaks fairly and reasonably, in my opinion, upon most subjects with which he deals. He said that this tax was going to fall upon the poor, and therefore he thought it would not be a fair tax—that it would not fall evenly. The great object of all Legislatures is, of course, to devise some scheme of taxation which will fall as equally as possible upon all the contributors. Now, I should like to refer to the effect of the proposed law in the case of the cities. How does it affect the cities? It is said that the capital value of rated property in the boroughs and cities in the colony is about £36,486,000, and the improvements are put down at £18,445,000: that is to say, a little over half the whole value is in the improvements. Now, we will take the City of Wellington, and see how this measure would affect the ratepayers, supposing it were to become law. Assuming that the city is somewhat similarly situated to other cities and boroughs in New Zealand—that is, that half the value will be in the improvements—what would it mean to the taxpayer? There is provision in the Bill that there is to be no loss under this mode of taxation to the municipal authorities—that they are going to get an equal sum of money from the tax. It is only shifting or changing the incidence of the taxation. That is the whole object of the Bill. That is the only effect it would have on the ratepayers of the City of Wellington. They would have no larger amount of taxation to pay. Of course it has been instanced that in Wellington there are certain properties carrying very large and valuable buildings. They would be excluded from taxation. The less amount the owners would pay would mean practically that a present was made to them of the difference between the amount they would require to pay under this Bill and what they had been paying in the past. I think that is a very good thing, and I think they deserve this present.

The Hon. Mr. PHARAZYN.—Who is to make the present?

The Hon. Mr. McCULLOUGH.—I will show how it is to be made and by whom. I think that men who are enterprising, and who spend a large sum of money upon improvements, beautifying the city and improving the whole

of their surroundings, deserve not that a heavier burden for doing so shall be placed upon them, or that they shall be called upon to pay to the State for the services they have rendered, but rather that they shall be called upon to pay less than those men who do not expend money upon improvements. And under this Bill the enterprising men will be called upon to pay less. Therefore I say we are giving a bonus to industry, and I think, too, this is a very proper way to pay a bonus. I may be asked, If the local authority is not to have any less amount of rates, and the owners of the more valuable properties are not to pay so much as they did, and the poorer landowner is not to pay any more taxes, how can the local authority get a sum equal to that formerly received? I will tell you. The unimproving landowners, who are not now paying their fair share towards the revenue, pay a little more.

The Hon. Mr. PHARAZYN.—Some poor men have cottages.

The Hon. Mr. McCULLOUGH.—Yes, quite true; but the poor men are not touched. The owner of unimproved land is the man who will pay more—not the poor man with the cottage, and not the wealthy man with very good buildings, but the man who does not do anything with his land—the man who is lying by and allowing his neighbours to build cottages and residences to help to increase the value of his property. The very wealthy, who put up large storehouses and erect magnificent mansions, and by doing so beautify a city by their improvements, will escape. But the men who do nothing but lie by, allowing others by their work and outlay to increase the value of their property, will be called upon to pay a little more, and that is how the sum of taxation is made up. I will now take up the honourable gentleman's remark about the poor man with his cottage. Take an ordinary allotment with a house upon it: say it is worth £1,000, the house being worth £500. The owner of such a place will only pay upon £500. Now, is that not a fair illustration of the majority of cases in Wellington? Look through all the business places along the Quay, and through Newtown. How many of the buildings upon the allotments are worth more than what the land is worth? Not many of them, or very few. Therefore it cannot affect owners of that character. All those whose land and the improvements upon it are about equal in amount are not affected at all under this Bill, and those who have valuable buildings on their allotments are affected very much in a direction they will appreciate: that is, they will have to pay less, and the difference is made up by getting at those people who have unimproved land and allotments. For instance, look at the unsightly places along the Quay,—that large allotment lying between Kirkcaldie and Stains's and the Police Barracks. I think that is a blot upon the city. The owner of it should be made to pay such a tax upon it that it would not be to his interest to keep it unused. It is held, evidently, for speculative purposes—not built upon, but full of rubbish.

Hon. Mr. McCullough

The Hon. Mr. PHARAZYN.—Because it is unsaleable.

The Hon. Mr. McCULLOUGH.—It is not correct to say that. Probably the man who is the owner cannot get the money he wants for it; but that it is unsaleable I deny, because I am ready to buy it to-morrow at my own price.

The Hon. Mr. SWANSON.—It is reclaimed land.

The Hon. Mr. McCULLOUGH.—No matter. It is held for speculative purposes by the owner.

An Hon. MEMBER.—Who is the owner?

The Hon. Mr. McCULLOUGH.—I do not know who the owner is; I have no idea. I merely call attention to this as an illustration of my argument. I think I have said sufficient to show that the Bill cannot operate very injuriously upon the ratepayers and the inhabitants of the cities. Now I should like to go into the question of how it affects the country. It is said that farming, agricultural, and other lands in this colony are worth about eighty-six millions of money. The improvements, of course, are very much less than on city and suburban land: in fact, there are only twenty-eight millions of improvements upon the eighty-six millions which represent the capital value of property. Therefore the proposed scheme of taxation will not be any hardship to owners of land in the country. I think that has been accepted. Most of the speakers are of opinion that the Bill would be a favourable measure for agricultural lands, but that it would not be favourable for the cities. There will be no objection to its acceptance, I believe, in the counties and in the country at large, and I will state why. Any member of the Council who has had experience must know that one of the great hardships in the country with the small settlers is this: that those who have taken up land, who have fenced it, and who have improved it, find very frequently that they have neighbours who will not do anything in the way of improvements. The difficulty is to find the owner of the property and to make him pay half the cost of the boundary-fences. Therefore in all rural districts—and I have some experience of the country—the whole of the taxation falls upon the scattered settlers: that is, the whole cost of making roads and bridges in the neighbourhood falls upon those who have been hardy enough to take up land, and who, under the most unfavourable circumstances, are trying to make a living.

Debate adjourned.

The Council adjourned at two minutes to five o'clock p.m.

HOUSE OF REPRESENTATIVES.

Wednesday, 3rd October, 1894.

First Readings—Factories Bill—Government Railways Bill—Land for Settlements Bill—Native Land Court Bill—Public Works Bill (No. 2).

Mr. SPEAKER took the chair at half-past two o'clock.

PRAYERS.

FIRST READINGS.

Security of Homes Bill, Unclaimed Lands Bill, Distillation Bill, Stewart Island County Council Empowering Bill, Sea-fisheries Bill, Government Life Insurance Bill.

FACTORIES BILL.

Mr. REEVES moved, That the following reasons for disagreeing with the amendments made by the Legislative Council in the Factories Bill be referred to the Legislative Council for consideration:—

"The Committee appointed to draw up reasons for disagreeing with certain amendments made in the Factories Act beg to submit the following:—

"Section 20, new subsection (c): This amendment will be of service, but might be made much more useful if for 'wages' was substituted 'earnings,' as if the record only embraces wage-earnings there will be no record of rates paid to piece-workers, the latter being of more importance.

"Section 54, paragraph 5: Unless there is some unexplained reason why this cannot go in it should remain. It is contained in the English Factory Act; and, it must be remembered, the workpeople, in their ignorance of the laws of health, often need protection against their own acts.

"Section 56: This is rather dangerous as it stands at present, as it allows too much latitude to the Inspector, and exposes him to the possibility of social pressure. It would be desirable if the Council could see its way to limit such sanction of the Inspector to small factories carried on by families, and even then not for continuous work of children.

"Section 63: It would be preferable to allow the new proviso (line 10, p. 18) to be reversed in its permission—that is, for an employer owning both shop and factory to be allowed to close his shop on the factory-holiday, instead of closing his factory on a shop-holiday. This alteration would also seem to meet the case of some shopkeepers who have always given Saturday half-holiday, and object to alter to any other. It would also tend to work for the Saturday-closing movement.

"In subsection (c) of subsection (3) of section 63 some words have been added by the Council, viz., 'fish-preserving factories.' It is evident that a slight alteration is needed in the wording (such as leaving out the word 'fruit,' in line 33), in order that the intention of the framer of the amendment should be carried out.

"Clause 64: It is a very general practice for all workpeople, male or female, employed in factories to have a weekly half-holiday. This section, which has been excised by the Council, only gave legal sanction to a common practice, and one almost necessitated in many trades during the time women and youths are compulsorily absent. The deletion of the section denies to workers in manufactories the right to a time of recreation which is now enjoyed by shop-assistants, men as well as women."

Motion agreed to.

GOVERNMENT RAILWAYS BILL.

A message was received from His Excellency the Governor transmitting amendments in this Bill.

Mr. SEDDON explained that the first amendment was found necessary upon looking carefully into a matter after his attention had been called to it by the member for Wellington City (Sir R. Stout). Otherwise they would be putting the whole of the Civil servants back, as it were, into the Civil Service for all the time they had been under the Commissioners. By the original Act they ceased to be Civil servants, and their rights as Civil servants had been maintained up to the time they entered the service of the Commissioners. By repealing the Railways Act—unless they passed this amendment—their rights accrued before they entered the service of the Commissioners would not be maintained. Consequently they would continue under this Act the same as they were under the Railway Commissioners, and their rights as Civil servants up to the time they entered the service of the Railway Commissioners would be maintained. Practically, this was to keep things as they were. As to the other amendment, at the time they passed the Bill they were discussing it in the month of September, and unless the words "October next" were struck out it would mean that the time of office of the Commissioners would not expire before October of next year. That was a necessary amendment to make.

Mr. BELL suggested that honourable members ought to have time to consider the first amendment. He had no doubt that what the Premier had said was correct, and that the draftsman had endeavoured to carry out the objects mentioned by the honourable gentleman; but honourable members had not had time to see the amendment, and, as the matter was a very important one, it should not be hurriedly dealt with. It could not be a party question in any sense, as honourable members on both sides had the same interest in seeing the rights of these Civil servants maintained; and he would ask the honourable gentleman to allow the matter to stand over, and, with that object, he would move the adjournment of the debate.

Mr. SEDDON said he had no objection to the debate being adjourned.

Debate adjourned.

LAND FOR SETTLEMENTS BILL.

Mr. SPEAKER said it was his duty to draw attention to two amendments which had been made in this Bill by the Legislative Council. The Standing Order of the House of Representatives was very clear. It was a *fac-simile* of the House of Commons order, and he might as well quote it before expressing an opinion. Standing Order No. 406 was as follows:—

"All aids and supplies, and aids to Her Majesty in Parliament, are the sole gift of the House of Representatives; and all Bills for the granting of any such aids and supplies are to begin with the House of Representatives; and it is the undoubted and sole right of the

House of Representatives to direct, limit, and appoint in such Bills the ends, purposes, considerations, conditions, limitations, and qualifications of such grants, which may not be changed or altered by the Legislative Council."

Now, in the new proviso of section 21 the acquisition of land in any one year was limited to the sum of £250,000, *plus* any balance in hand. And in section 5, instead of leaving the purchases to be made under the Act to the Governor with the consent and advice of the Executive Council, it said they might not be effected unless recommended by the Board. These amendments appeared to be limitations which the Legislative Council were barred from effecting by the rules of Parliament both in England and in New Zealand. He had nothing to say with regard to the other amendments made in the Bill by the Legislative Council.

Mr. J. McKENZIE intended to ask the House to refuse to agree with the amendments made in section 5 and section 21. He might explain to the House that he did not object to the other amendments in the Bill; but he thought it right that the privileges of the House should be retained, and, if the House agreed to exclude these amendments at present, he would have them made by bringing down a message from His Excellency. He disagreed with some more of the amendments; but he merely wished to intimate that to the House, in connection with the ruling which Mr. Speaker had given.

Sir R. STOUT said it seemed to him that section 39 provided for dealing with money appropriated, and cast a burden on the revenues of the colony. Section 39, as amended, was this:—

"'The Land for Settlements Act, 1892,' is hereby repealed; but all directions of the Governor to the Board shall be deemed to be made under this Act, and may be proceeded with under this Act, and all proceedings or other matters begun or undertaken under that Act may be continued and perfected under this Act."

By that clause it was provided that things done under the repealed Act were deemed to be good in reference to this Act. That was certainly dealing with moneys appropriated under this Act; consequently he submitted that this amendment also was violating the privileges of the House, because it provided that certain sums which had been appropriated by this Bill were to be spent in a particular way. It was taking the right of appropriation from the House of Representatives; and the Council said this: that this money might be appropriated to deal with past transactions arising under a previous statute. He submitted that this clause also was one which the Council was barred from enacting. He understood Mr. Speaker to say that the Council could make the other alterations, and therefore he would not raise any question with regard to them.

Mr. SPEAKER said the honourable gentleman could move that this amendment be also disagreed with.

Mr. Speaker

Sir R. STOUT said that was not his function; it was the function of the Government.

Mr. SPEAKER said he confined his objection to the amendments made in clauses 5 and 21. These amendments he considered were a clear invasion of the privileges of the House, and he made it a rule only to take up such breaches of privilege as were quite transparent.

Sir R. STOUT said he would, then, move to add section 39 to the clauses disagreed with.

Amendment agreed to.

Motion, as amended, agreed to.

Mr. J. McKENZIE moved, That the whole of the remainder of the amendments made by the Legislative Council be agreed to, with the exception of the words "one block," in new clause 8. There was a proviso, when the Bill left the House, to the effect that one block could be secured in each holding—that certain areas could be reserved by the owner of the land in one block. Certain words had been struck out by the Council, and the Bill as amended would enable an individual owner of property to divide his land into as many blocks as he liked, to secure the retention of certain areas within that block. He was not very sure how the amendment would apply, and he therefore asked the House to disagree with it in the meantime. He would also ask the House to disagree with the new proviso added to section 8. This proviso was put in the Bill in connection with the maximum area which one individual could hold when his land had to be taken compulsorily. He did not think this new proviso described what even the drafters of the proviso meant. He had asked several people how they would read it, and nobody had been able to give him a satisfactory answer. In the meantime, he would ask the House to disagree with it, so that the Conference might discuss the matter with the Legislative Council and see what was meant by the proviso. There was another new clause—clause 40. To that he did not object. Honourable members would see that sections 6 and 7 of the original Bill had been struck out, and had been redrafted in sections 6, 7, and 8, and so on. To a large extent, the redrafting had been agreed to not only by the Legislative Council, but also by the department. On the whole, he thought it an improvement on the original drafting of the Bill. Therefore he did not offer any objection to that. He might point out to the House that there was no principle involved in the amendments made in the Bill since it had left the House further than that in the sections he had dealt with and in the new proviso to new section 8.

Sir R. STOUT hoped that, as to section 8, the honourable member would not press his motion, because he would ask the House to consider what was involved in it. Suppose a man had 250 acres in the Auckland District, 250 acres in Wellington, 250 acres in Canterbury, 250 acres in Otago, and 250 acres in Nelson. According to the provision they could take any of the 250 acres. The man might be holding the land for his sons' benefit. He

understood this provision was only to apply to large blocks. If a man had, say, 250 acres in one provincial district, he had no right to have that 250 acres taken from him. If an amendment was made as suggested by the honourable member, that land could be taken from him. He did not think that was what the House desired. The House surely did not want to take land from a man if he only had a small area. Therefore he thought the House should agree to section 8. He could see no harm in it. It simply said that if a man owned more than a thousand acres in one continuous block you could take what he had over the thousand acres. If this amendment were objected to, he did not know what it would mean. He did not really think the Minister wanted to take land from any man who had not his land in a big block. Therefore he did not see why they should not allow section 8 to stand as it was now. It did not alter what were supposed to be the principles of the measure when it passed through the House. He might just add that the Bill had been greatly improved in its language in another place.

Mr. ALLEN hoped clause 8 would be left in, because it seemed to him very necessary. He was sorry that the Bill left the House in such a state that it had to be amended. This clause now was readable and understandable, but he did not know any clause which was readable and understandable when the Bill was sent away from the House. The clause simply meant this: that if a man owned 1,500 acres of first-class land, 4,000 or 5,000 acres of second-class land, and a larger area of third-class land, he would be permitted to select portions of first-, second-, and third-class land so long as they were contiguous to one another, which was a right thing for him to do—he would be able to select, in one area, first-, second-, and third-class land which was contiguous. That was the original intention of the Bill. It was not right that all the slovenly and dirty work which had been done by the House should have to be put right by members in another place. He ascribed the errors in this Bill to the fact that the Minister would not accept any amendments put forward by the Opposition side of the House. The result was that when the Bill was sent to the Council it was not worth the paper it was printed on. He thought the thanks of the country were due to the Council for making the Bill readable and understandable.

Mr. BUCHANAN said they had not had time to really understand the amendments made by the Legislative Council, but from the little attention which he had been able to give to it he thought clause 8 really only carried out what the Minister himself intended; but it was not properly drafted as it left the House.

Mr. J. MCKENZIE.—It is not described now.

Mr. BUCHANAN said, perhaps not. That would only mean a further amendment of the language. He therefore hoped the Minister would not insist upon disagreeing with the clause.

Mr. J. MCKENZIE said he proposed to disagree with the proviso with the view of having it amended. Notwithstanding what might be said to the contrary by the senior member for Wellington City and the honourable member for Dunedin City, the clause as amended did not describe how much land any individual could keep out of a block of land which was about to be taken by the Government. He asked the gentleman who moved this amendment in the Council if he could say, in an estate of 20,000 acres, how much land the owner could keep, and the answer was that he could keep 8,000 acres—1,000 acres of first-class land, 2,000 acres of second-class land, and 5,000 acres of third-class land.

An Hon. MEMBER.—No.

Mr. J. MCKENZIE said that was the intention of the promoters of the clause. He would tell the House this, further: He gave one member of the Council an amendment to put in its place, to the effect that a man could keep, say, 600 acres of first-class land, 1,000 acres of second-class land, and 1,500 acres of third-class land; or 500 acres of first-class land, and 2,500 acres of third-class land. But none of these proposals would please them.

Sir R. STOUT had never referred to the proviso at all. He had dealt solely with section 8.

Mr. J. MCKENZIE said there was no intention on the part of the Government to take land in such blocks as the honourable member referred to, and at present a large landowner could devise means to so cut up his estate as to retain any block of a certain area. He wished to discuss the matter in conference with the Legislative Council, so as to ascertain its intention in regard to the proviso. With reference to the remarks of the honourable member for Bruce, who had stated that the Bill was slovenly drawn, and that no amendments were accepted by the Government in Committee, he might inform the House that he had accepted amendments in the Waste Lands Committee, and that those amendments were the very ones which had destroyed the Bill, and made it necessary to have it further amended in the Council. Did the honourable gentleman think that the other House had made those amendments of its own accord? He might tell the honourable gentleman and the House that one and all were provided by himself. All the amendments he was prepared to agree to were drawn up by himself, with the assistance of the Law Draftsman. He had discussed the matter with two Legislative Councillors, and agreed to make the amendments, and therefore they were not made in another place, as had been suggested by the honourable member for Bruce. It had been stated in the public Press that the Bill in its original shape when it passed the House was unworkable; but he would tell honourable members that, had the Bill been kept in its original state and so passed by the House, no amendment would have been required.

Mr. BUCHANAN asked if the honourable gentleman could tell him how the word "pro-

portionately" could be used, and how many acres it would give power to a landowner to retain.

Mr. J. McKENZIE would ask the honourable gentleman another question. If he (Mr. Buchanan) had an estate of 20,000 acres, how much could he retain if the estate were resumed? He had put that question to an honourable member in another place, and he would like to have an answer from the honourable gentleman. One honourable gentleman thought a landowner could retain 8,000 acres. Some plainly-worded provision was required to show what amount of land could be retained. His endeavour was to make the Bill as clear as possible, but he had found considerable objection to it in another place, and he had consequently prepared the amendments mentioned, and which the honourable member for Bruce said had been prepared in another place. He would now tell the honourable gentleman, the House, and the country that those amendments were not made by the Upper House, but were prepared in his own department, and submitted by him as Minister of Lands to the Waste Lands Committee of the Legislative Council, and introduced there.

Motion agreed to, and Messrs. Montgomery, Duncan, and J. McKenzie appointed a Committee to draw up reasons.

Sir R. STOUT desired to say, as a matter of explanation, that when the Bill was before the Waste Lands Committee not a single amendment was made but what was moved by the Minister of Lands himself.

Mr. SPEAKER asked if the honourable member for Wellington City (Sir R. Stout) would make it clear to him, either by verbal explanation or in writing, that clause 39 was really an infringement of the privileges of the House. He would not like to send the matter to the Committee appointed to draw up reasons for disagreeing with this particular amendment, and from them to the Legislative Council, unless the case was clearly an infringement of the privileges of the House.

Sir R. STOUT said he was quite willing to do so.

NATIVE LAND COURT BILL.

IN COMMITTEE.

Clause 15.—Jurisdiction.

Subsection (7).—"To determine all claims to land based on any alienation heretofore or hereafter to be made by a Native, and all questions arising between conflicting claimants."

Mr. HOUSTON moved, That the words "heretofore or" be struck out.

The Committee divided on the question, "That the words proposed to be omitted stand part of the clause."

AYES, 35.

Buddo	Carroll	Graham
Buick	Collins	Hall
Button	Duncan	Hall-Jones
Carncross	Earnshaw	Heke
Carnell	Flatman	Hogg

Mr. Buchanan

Hutchison, W.	Montgomery	Stevens
Larnach	Morrison	Steward
Mackintosh	Parata	Stout
Maslin	Pirani	Tanner.
McKenzie, J.	Reeves	<i>Tellers.</i>
Meredith	Seddon	Lawry
Mills	Smith, G. J.	Pinkerton.

NOES, 18.

Bell	McGowan	Thompson
Green	McGuire	Willis
Kelly, J. W.	Newman	Wilson.
Kelly, W.	Russell, W. R.	<i>Tellers.</i>
Lang	Smith, E. M.	Allen
Mackenzie, T.	Te Ao	Houston.
Massey		

PAIRS.

<i>For.</i>	<i>Against.</i>
Cadman	Duthie
McLachlan	Hutchison, G.
McNab	Buchanan
Ward.	Mitchelson.

Majority for, 17.

Words retained.

Clause 16.—Appointment of sittings.

Sir R. STOUT moved an amendment to the effect that the times and places of the sittings of the Court should be appointed by the Chief Judge, and not by the Minister.

The Committee divided on the question, "That the words proposed to be omitted stand part of the clause."

AYES, 32.

Buddo	Houston	Morrison
Buick	Hutchison, W.	Parata
Carncross	Kelly, J. W.	Pinkerton
Carnell	Lawry	Saunders
Carroll	Mackintosh	Seddon
Collins	Maslin	Smith, E. M.
Duncan	McGowan	Stevens
Earnshaw	McKenzie, J.	Tanner.
Flatman	Meredith	<i>Tellers.</i>
Hall	Mills	Hogg
Hall-Jones	Montgomery	Kelly, W.

NOES, 18.

Allen	McGuire	Stout
Button	Newman	Te Ao
Fraser	Pirani	Wilson.
Graham	Russell, W. R.	<i>Tellers.</i>
Heke	Smith, G. J.	Bell
Hutchison, G.	Steward	Massey.
Lang		

PAIRS.

<i>For.</i>	<i>Against.</i>
Cadman	Duthie
McLachlan	Green
McNab	Buchanan
Reeves	Mackenzie, T.
Ward.	Mitchelson.

Majority for, 14.

Amendment negatived.

Sir R. STOUT moved, That the following words be struck out: "Before the time appointed for the commencement of a sitting, the Minister may order such sitting to be adjourned to such time and place as he may think fit."

The Committee divided on the question, "That the words proposed to be omitted stand part of the clause."

AYES, 38.

Buddo	Harris	Mills
Buick	Houston	Montgomery
Carncross	Hutchison, W.	Morrison
Carnell	Kelly, J. W.	Parata
Carroll	Kelly, W.	Pinkerton
Collins	Lawry	Saunders
Duncan	Mackintosh	Seddon
Earnshaw	Maslin	Tanner
Flatman	McGowan	<i>Tellers.</i>
Graham	McKenzie, J.	Smith, E. M.
Hall	Meredith	Stevens.
Hall-Jones		

NOES, 16.

Allen	McGuire	Willis
Button	Newman	Wilson.
Fraser	Pirani	
Heke	Russell, W. R.	<i>Tellers.</i>
Hutchison, G.	Smith, G. J.	Bell
Lang	Te Ao	Stout.

PAIRS.

<i>For.</i>	<i>Against.</i>
Cadman	Duthie
McLachlan	Green
McNab	Buchanan
Reeves	Mackenzie, T.
Ward.	Mitchelson.

Majority for, 17.

Words retained.

Clause 20.—"No person may appear or be assisted in Court by counsel or agent without the assent of the presiding Judge first obtained. Such assent may be at any time withdrawn."

Mr. HOUSTON moved to strike out all the words after "agent."

The Committee divided on the question, "That the words proposed to be omitted stand part of the clause."

AYES, 35.

Allen	Joyce	Russell, W. R.
Bell	Lang	Seddon
Buchanan	Larnach	Smith, E. M.
Buddo	Mackintosh	Stevens
Buick	Maslin	Stout
Button	Massey	Tanner
Carncross	McGuire	Te Ao
Carroll	McNab	Ward
Earnshaw	Mills	Willis.
Graham	Morrison	<i>Tellers.</i>
Hall-Jones	Pinkerton	Fraser
Heke	Pirani	Russell, G. W.

NOES, 22.

Carnell	Kelly, J. W.	Newman
Collins	Kelly, W.	Parata
Duncan	Lawry	Saunders
Flatman	McGowan	Thompson.
Hall	McKenzie, J.	
Harris	McKenzie, R.	<i>Tellers.</i>
Hogg	Meredith	Houston
Hutchison, W.	Montgomery	Hutchison, G.

PAIRS.

<i>For.</i>	<i>Against.</i>
Cadman	Duthie
McLachlan	Green
Reeves.	Mackenzie, T.

Majority for, 18.

Words retained.

Clause 27.—Authority to valuer.—"The Court may authorise any valuer or other person to enter upon any land the subject of a proceeding; and any person impeding any one acting under such authority shall be liable to a penalty not exceeding fifty pounds, and in default of payment to imprisonment for a term not exceeding one month."

Mr. HEKE moved to strike out "fifty pounds," and insert "twenty-five pounds" in lieu thereof.

Amendment agreed to.

Clause 52.—Restrictions, how removed.

Mr. HEKE moved to strike out the word "one-third," and insert "one-half," in order to provide for the assent of one-half of the owners, instead of one-third, being necessary before the restrictions are removed.

The Committee divided on the question, "That the word proposed to be omitted stand part of the clause."

AYES, 27.

Bell	Houston	Seddon
Buddo	Kelly, J. W.	Smith, E. M.
Button	Mackintosh	Stevens
Carnell	Montgomery	Tanner
Carroll	Morrison	Ward
Duncan	Pinkerton	Willis.
Earnshaw	Pirani	<i>Tellers.</i>
Fraser	Russell, G. W.	Lawry
Graham	Saunders	Mills.
Harris		

NOES, 27.

Allen	Kelly, W.	Newman
Buchanan	Lang	Parata
Buick	Maslin	Russell, W. R.
Carncross	McGowan	Stout
Collins	McGuire	Te Ao
Flatman	McKenzie, R.	Thompson.
Hall	McNab	<i>Tellers.</i>
Hall-Jones	Meredith	Heke
Hogg	Mitchelson	Massey.
Hutchison, W.		

The CHAIRMAN gave his casting-vote with the "Ayes."

Word retained.

Mr. R. MCKENZIE moved to strike out the word "number," with the view of inserting "value."

The Committee divided on the question, "That the word proposed to be omitted stand part of the clause."

AYES, 47.

Allen	Carroll	Fraser
Bell	Collins	Hall
Buick	Crowther	Hall-Jones
Button	Duncan	Harris
Carncross	Earnshaw	Houston
Carnell	Flatman	Hutchison, W.

Joyce	McNab	Seddon
Kelly, J. W.	Meredith	Stevens
Lang	Mills	Steward
Lawry	Montgomery	Tanner
Mackenzie, T.	Morrison	Thompson
Mackintosh	O'Regan	Ward
Maslin	Pinkerton	Willis.
Massey	Pirani	<i>Tellers.</i>
McGowan	Russell, G. W.	Graham
McGuire	Saunders	Smith, E. M.

NOES, 11.

Buchanan	Mitchelson	Te Ao.
Heke	Newman	<i>Tellers.</i>
Hogg	Parata	McKenzie, R.
Kelly, W.	Russell, W. R.	Stout.

PAIRS.

<i>For.</i>	<i>Against.</i>
Cadman	Duthie
McLachlan	Green
Reeves.	Hutchison, G.

Majority for, 86.

Word retained.

Clause 60.—Judge may authorise survey of land.

Mr. HEKE moved the addition of the following proviso: "Provided that such Judge first obtains in writing the consent of the majority of the owners of such block."

The Committee divided.

AYES, 9.

Duncan	Parata	<i>Tellers.</i>
Hogg	Stout	Heke
Mackenzie, T.	Te Ao.	Newman.
Massey		

NOES, 38.

Buick	Kelly, J. W.	Pinkerton
Button	Kelly, W.	Reeves
Carnell	Lang	Russell, G. W.
Carroll	Mackintosh	Russell, W. R.
Collins	Maslin	Saunders
Crowther	McGowan	Seddon
Earnshaw	McKenzie, J.	Smith, E. M.
Flatman	McNab	Stevens
Graham	Meredith	Steward
Hall	Mills	Thompson.
Hall-Jones	Montgomery	<i>Tellers.</i>
Harris	Morrison	Pirani
Joyce	O'Regan	Tanner.

PAIRS.

<i>For.</i>	<i>Against.</i>
Bell	Millar
Duthie	Cadman
Green	McLachlan
Mitchelson.	Ward.

Majority against, 29.

Amendment negated.

Clause 61.—Surveyor-General may authorise survey of Native land.

Sir R. STOUT moved the insertion of the following words after "Minister": "and with the consent of five persons claiming to be interested in any Native land."

The Committee divided on the question, "That the words proposed to be inserted be so inserted."

Allen	Montgomery	Te Ao
Buchanan	Parata	Wilson.
Heke	Pere	<i>Tellers.</i>
Mackenzie, T.	Smith, G. J.	O'Regan
McKenzie, R.	Stout	Tanner.

NOES, 36.

Buddo	Hall-Jones	Pirani
Buick	Houston	Reeves
Button	Kelly, J. W.	Russell, G. W.
Carncross	Kelly, W.	Russell, W. R.
Carnell	Lawry	Saunders
Carroll	Mackintosh	Seddon
Collins	Maslin	Stevens
Crowther	McGowan	Thompson
Duncan	McKenzie, J.	Willis.
Earnshaw	McNab	<i>Tellers.</i>
Fraser	Meredith	Hogg
Graham	Mills	Morrison.
Hall		

Majority against, 22.

Amendment negated.

Mr. HEKE moved the addition of the following proviso: "Provided that the consent of the Native Committee or Commissioners, and the majority of owners claiming to be interested in such land in the district where the land is situated, is first obtained in writing."

The Committee divided on the question, "That the proviso be added."

AYES, 10.

Allen	Montgomery	<i>Tellers.</i>
Hall	Stout	Heke
Mackenzie, T.	Te Ao	Parata.
McKenzie, R.	Wilson.	

NOES, 37.

Buchanan	Hogg	Russell, G. W.
Buddo	Houston	Russell, W. R.
Buick	Kelly, J. W.	Saunders
Carncross	Kelly, W.	Seddon
Carnell	Mackintosh	Smith, G. J.
Carroll	McGowan	Stevens
Collins	McKenzie, J.	Tanner
Crowther	McNab	Thompson
Duncan	Meredith	Willis.
Earnshaw	Mills	
Graham	Morrison	<i>Tellers.</i>
Hall-Jones	O'Regan	Button
Harris	Pirani	Lawry.

PAIRS.

<i>For.</i>	<i>Against.</i>
Bell	Smith, E. M.
Duthie	Cadman
Fraser	Reeves
Green	McLachlan
Hutchison, G.	Pinkerton
Mitchelson	Ward
Newman.	Flatman.

Majority against, 27.

Amendment negated.

Clause 64.—Land to stand charged with cost of survey.

Mr. HEKE moved to add the following words to the clause: "but all such costs shall not bear interest."

The Committee divided on the question,
"That the words proposed to be added be so added."

AYES, 9.

Allen	McKenzie, R.	<i>Tellers.</i>
Buchanan	Te Ao	Heke
Hall	Wilson.	Parata.
Hogg		

NOES, 37.

Buddo	Lang	Russell, G. W.
Buick	Lawry	Russell, W. R.
Carnell	Mackenzie, T.	Saunders
Carroll	McGowan	Seddon
Collins	McGuire	Stevens
Crowther	McNab	Stout
Duncan	McKenzie, J.	Tanner
Earnshaw	Meredith	Thompson
Graham	Mills	Willis.
Hall-Jones	Montgomery	
Harris	Morrison	<i>Tellers.</i>
Houston	O'Regan	Button
Kelly, J. W.	Pirani	Smith, G. J.

PAIRS.

<i>For.</i>	<i>Against.</i>
Bell	Smith, E. M.
Duthie	Cadman
Fraser	Reeves
Green	McLachlan
Hutchison, G.	Pinkerton
Mitchelson	Ward
Newman.	Flatman.

Majority against, 28.

Amendment negatived.

Clause 106.—Time for appealing, within thirty days.

Sir R. STOUT moved, That the word "thirty" be struck out, with the view of inserting "sixty."

The Committee divided on the question,
"That the word proposed to be omitted stand part of the clause."

AYES, 29.

Buchanan	Hogg	Morrison
Buddo	Houston	O'Regan
Carnell	Kelly, J. W.	Russell, G. W.
Carroll	Lawry	Russell, W. R.
Collins	Massey	Seddon
Crowther	McGowan	Stevens
Earnshaw	McKenzie, J.	Tanner.
Graham	Meredith	<i>Tellers.</i>
Hall	Mills	Button
Harris	Montgomery	Smith, G. J.

NOES, 18.

Allen	Maslin	Willis.
Buick	McKenzie, R.	
Hall-Jones	McNab	<i>Tellers.</i>
Lang	Parata	Heke
Mackenzie, T.	Te Ao	Stout.

PAIRS.

<i>For.</i>	<i>Against.</i>
Cadman	Duthie
Duncan	Wilson
Flatman	Newman
McLachlan	Green
Pinkerton	Hutchison, G.

Reeves
Smith, E. M.
Ward.

Fraser
Bell
Mitchelson.

Majority for, 16.

Word retained.

Sir R. STOUT moved to strike out the word "seven," with the view of inserting "fourteen."

Amendment agreed to.

Progress reported.

PUBLIC WORKS BILL (No. 2).

IN COMMITTEE.

Clause 31.—Compensation.

The Committee divided on the question,
"That the following subclause stand part of the Bill: 'Any public reserve, or any land vested in any local authority for any purpose whatsoever, or any land vested in trustees for any public purpose whatever, whether local or general, taken or set apart, or over which any power is exercised under this Act, for any Government work; except for improvements made thereon.'"

AYES, 20.

Buddo	Harris	Montgomery
Button	Hogg	Morrison
Carnell	Houston	Russell, G. W.
Carroll	Kelly, W.	Seddon.
Collins	Lawry	<i>Tellers.</i>
Earnshaw	McGowan	Mills
Hall	Meredith	Tanner.

NOES, 14.

Buchanan	Maslin	Smith, G. J.
Buick	Massey	Willis.
Crowther	McKenzie, R.	<i>Tellers.</i>
Fraser	McNab	Allen
Lang	O'Regan	Pirani.

PAIRS.

<i>For.</i>	<i>Against.</i>
Cadman	Duthie
Duncan	Wilson
Flatman	Newman
Hall-Jones	Mackenzie, T.
McKenzie, J.	Russell, W. R.
McLachlan	Green
Pinkerton	Hutchison, G.
Reeves	Te Ao
Smith, E. M.	Bell
Ward.	Mitchelson.

Majority for, 6.

Subclause retained.

Progress reported.

The House adjourned at three o'clock a.m.

LEGISLATIVE COUNCIL.

Thursday, 4th October, 1894.

Shops and Shop-assistants Bill—Factories Bill—
New Zealand Consols Bill—Foreign Insurance
Companies' Deposits Bill—Government Advances
to Settlers Bill—Shops and Shop-assistants Bill.

The Hon. the SPEAKER took the chair at half-past two o'clock.

PRAYERS.

SHOPS AND SHOP-ASSISTANTS BILL.

The following reasons for insisting on the amendments made by the Legislative Council in this Bill were agreed to:—

"Clause 2: There appears to the Council to be no reason to interfere with the right of individuals or families in the disposition of their own time in relation to the keeping of shops; and, as that is all that is intended by the amendment, there is no objection to keeping this clause.

"The Council has every reason to believe that there are a very large number of small shopkeepers whose interests will be harassed by a compulsory closing on certain days, and they think there is no reason for the proposed interference with their rights and liberties as individuals. If, as is suggested in the 'Reasons' of the House of Representatives, the number of such shopkeepers is very small, the fact that they do not close their shops on a given day will not affect the general interests of the shopkeeping class.

"The general principle of a compulsory closing of shops for the benefit of shop-assistants was more or less accepted in large constituencies at the last general election, and the Council has accepted the general principle of the Bill, but questions of detail were not, and could not then be, dealt with.

"It is the business of the Legislature to prevent hardship and injustice to minorities.

"Clause 3: The convenience of the public requires that hairdressers' shops should be open on Saturday afternoons.

"Clause 9: If the paragraphs mentioned are not sufficiently clear, they can be made so.

"Clause 16A: The point raised is open to consideration."

FACTORIES BILL.

The Hon. Sir P. A. BUCKLEY moved, *That the Legislative Council do not insist on its amendments made in the Factories Bill.*

Motion negatived.

The Hon. W. DOWNIE STEWART moved, *That the Hon. Mr. Oliver, the Hon. Mr. MacGregor, and the Hon. Mr. Stewart be appointed Managers to draw up reasons for insisting on the amendments of the Legislative Council in the Factories Bill.*

Motion agreed to.

NEW ZEALAND CONSOLS BILL.

On the question, *That this Bill be committed,*

The Hon. Mr. REYNOLDS said this Bill should be considered together with another Bill on the Order Paper—namely, the Advances to Settlers Bill. That Bill, he thought, should be read a second time before the Council went into Committee on the New Zealand Consols Bill. His reason for asking this was that a number of petitions were being sent to the Council praying that this Bill be not agreed to.

The Hon. Mr. MACGREGOR suggested that they should be discussed on the third reading.

The Hon. Mr. REYNOLDS thought the Bill should not be carried through Committee until the other Bill was before them. He thought the matter required a little more consideration,

and he hoped the committal would be adjourned until, say, Monday.

The Hon. Sir P. A. BUCKLEY thanked his honourable friend for the suggestion, but he had never taken the honourable gentleman's advice, and he was not likely to do so now. He had the regulation of the Order Paper; and there were many other Bills to be discussed besides the Advances to Settlers Bill. This matter had been fully discussed, and he thought the honourable gentleman had had sufficient time to consider it.

The Hon. Mr. PHARAZYN would like to ask the Hon. the Speaker how far this Bill was a money Bill. It seemed that a dispute had arisen in another place with regard to the Land for Settlements Bill. Certain clauses of that Bill had been there considered to be money clauses, and apparently the Council had no power to deal with them.

The Hon. Sir P. A. BUCKLEY said they were not supposed in the Council to notice what took place in another place. He understood that the question which had come up in another place was a rather serious one, and he thought his honourable friend should not discuss it until the matter was referred to the Council, which it would be, no doubt, in due course.

The Hon. Mr. PHARAZYN said it might not be right to discuss the matter so far as the other Bill was concerned, but it was right to discuss it so far as this Bill was concerned, and he was only asking the Hon. the Speaker's ruling on the point.

The Hon. W. DOWNIE STEWART said, as there were several Bills coming before the Council which involved this same question, the sooner the matter was put on a proper footing the better. He submitted that this was not a money Bill in the true sense of the word, as laid down in May. In England cases could scarcely arise of the same sort, because they did not borrow there in the sense we did here, and, according to Todd's "Parliamentary Practice in the Colonies," he submitted that these borrowing Bills were not supply or aid Bills within the meaning of the term "money Bill," and it was competent for the Council to make amendments in them. He was not aware of any distinct ruling upon the question whether a mere borrowing Bill was a money Bill. In principle he submitted this was not a money Bill, because it did not deal with a question of taxation, or aid or supply to the Queen. It would therefore be necessary to consider this question and settle it if there was any doubt about it.

The Hon. Mr. KELLY would suggest that as the Consols Bill was a means of aiding revenue it was a money Bill. Under the Bill money obtained by the sale of Consols was to be paid into the Public Account and appropriated by Parliament, and that certainly was a distinct aid to revenue, and, as Bills which provided aids to revenue were money Bills, consequently the Consols Bill was a money Bill.

The Hon. Mr. OLIVER would like to call the honourable gentleman's attention to the preamble of the Bill, in which it stated that

the Bill was introduced because it is expedient to encourage thrift in the people of New Zealand by providing safe investments for their funds. It was therefore not a Bill in aid of revenue. On the contrary, they had the assurance of the Government that the intention of the measure was to provide means for thrifty people to invest their savings in safe securities; and therefore it appeared to him that the power of amendment possessed by the Council could be exercised, because the Bill could not be held to be a measure imposing a charge upon the people. It seemed to him that, if this Council was to forfeit its right to amend such Bills as this, then the usefulness of the Council would be considerably diminished, and one could hardly see what use it would be to have a Council at all. He would be the last person to claim for the Council any right of interfering with the taxation of the people; but this Bill would not have the effect of imposing a charge on or increasing the taxation of the people. Therefore, if they, in the course of their examination of the Bill, should see fit to alter or modify some clauses of it, it appeared to him that they would only be performing their manifest duty.

The Hon. Mr. McLEAN submitted that, with the exception of clauses 3 and 36, the Council had full power to alter any part of the Bill.

The Hon. Mr. MACGREGOR said it was necessary that this question should be tested, and it seemed to him that the sooner it was tested the better. Now that they were going into Committee, he thought the Council should have the ruling of the Hon. the Speaker on this important question. He was aware that there was a very general impression that it was not in the power of the Council to alter this Bill in any particular at all, but he was quite sure in his own mind that there could be no question as to whether or not it was within the province of the Council to alter the clauses referred to by his honourable friend Mr. McLean—clauses 3 and 36. At any rate, it was a point upon which they should have a ruling as early as possible. The principle seemed to be that a money Bill in the sense in which the Council had no right to amend it must be either a Bill levying taxation or an appropriation Bill, but it seemed to him that this Bill was not a money Bill in either of those senses. In the eye of the law every section of an Act of Parliament was considered as a distinct enactment, without preliminary words, and, whether or not clauses 3 and 36 were money enactments in that sense, at all events other sections of the Act might be dealt with by the Council as the Council thought proper. Even with regard to the two sections he referred to, he should think they were not money enactments, because they neither appropriated revenue nor levied taxation. But all the other clauses of the Bill except those two were not in any sense money Bills. Therefore all the sections except these two, he thought, should be dealt with by the Council as the Council might think proper.

The Hon. Mr. WHYTE said if this Bill could not be amended by the Council he would be

compelled to vote against it, and he fancied there were two or three other members in the same position. In addition to the compromise which they arrived at on the previous day regarding the amount to be borrowed, and which the Colonial Secretary agreed to, there were two other points in regard to which he would require to be satisfied. The first was regarding the price at which the bonds could be sold.

The Hon. Sir P. A. BUCKLEY.—Which bonds do you refer to?

The Hon. Mr. WHYTE thought honourable members understood what he meant—the bonds referred to in clause 3, and afterwards in clause 14. He had been told that this was provided for in clause 3, and perhaps that was so. However, he would like that point to be made a little more clear. The other point was as to the term of forty years for which these bonds could be issued.

The Hon. Sir P. A. BUCKLEY.—“Not exceeding.”

The Hon. Mr. WHYTE said, Yes, it was true that the term “not exceeding forty years” was used in the Bill. But, as an honourable member had said, the Council would be giving up its functions if it left it to the Minister to do what he pleased, as was proposed in this clause, without laying down definite lines of action for him. In view of the general outlook of the money-market, even to suggest that the bonds should have a term of forty years' currency was simply folly. They did not seem to learn anything by their past experience. Even in the old plunging days they used to provide for the liberty of paying off their loans at the end of a given number of years. For instance, there were the loans called the Five-thirties and the Ten-forties, which meant that power was taken in those cases to repay the money at the end of the shorter periods if the colony decided upon doing so and if money had become cheaper. Those were two points upon which he would require to be satisfied before he could vote for the Bill.

The Hon. Mr. BOWEN would only like to point out, with regard to the question as to the power of the Council to deal with this Bill, that in the case of Bills which were a new departure in legislation—Bills proposing to borrow without declaring what the money was to be borrowed for—it would be difficult to find a precedent to guide them. Therefore he thought they should be exceedingly careful in dealing with a question like this; and, as there was no precedent to follow, they must be guided by principle. The principle underlying the limitation of the powers of an Upper Chamber was that it should not interfere with provisions for taxation or appropriation. It could not be said that the question before the Council affected either.

The Hon. Mr. BONAR said it appeared to him that the position of the Council in dealing with such Bills was laid down clearly. He would read the following, bearing on the point, from Todd's “Parliamentary Practice,” page 705:—

“But neither the New Zealand nor the

Canadian laws can be so construed as to warrant a claim by the Upper Chamber of either Parliament to equal rights in matters of aid and supply to those which are enjoyed and exercised by the Commons House of Parliament of the United Kingdom; for such a claim, if insisted upon, would to a like extent derogate from and diminish the constitutional rights of the representative Chamber."

The question was, Was this a Bill of aid and supply? To his mind it was not. As had been pointed out by the Hon. Mr. Oliver, the preamble of the Bill stated that it was a Bill to encourage thrift. That was the object of the Bill as set forth in the preamble, and upon that they must go. He thought, certainly, it was not clearly a matter of aid and supply. Standing Order 322 said,—

"It shall be the duty of the Speaker to see that, in all Bills initiated in the Legislative Council, imposing fees, fines, and penalties, and made payable into the Colonial Treasury, for the public uses of the colony, the clauses imposing the same be distinguished by being underlined."

If the Council had power to insert such provisions and send them down to the other House in italics, surely they had similar powers to amend a Bill coming from the other Chamber, when such Bill was not a Bill of aid and supply.

The Hon. Mr. PHARAZYN thought it would be a rather dangerous doctrine to say that the preamble governed a Bill, because in that case it would be perfectly easy for a Government, or any one else, to put anything which they thought proper in the preamble, whereas the body of the Bill might be quite different. He wished to explain that he had not the slightest desire to limit the powers of the Council in dealing with this or any other Bill. He only wished to know exactly what their powers were. He thought their powers ought to be as extensive as they could possibly make them, especially when dealing with Bills of this novel and extraordinary character.

The Hon. Sir P. A. BUCKLEY might explain to the Hon. Mr. Whyte the position of clause 3. After the question was raised by the honourable member on the previous day he made inquiry at the only possible quarter where information could be obtained—from the Treasury Department—as to what was meant by "Consols-certificate," mentioned in section 3. He pointed out, when moving the second reading, what that certificate meant. A man went to the Treasury and deposited his money and got a receipt for it. On the inscription of the party's name in the register the amount became inscribed and he received a receipt. There was no authority whatever by which the Treasurer could sell or interfere with that receipt or inscription. He had been puzzling his mind to know what his honourable friend meant. There was no such thing as any authority to sell the Consols for a less sum than the amount which had been subscribed. Then, as to the "Consols-certificate," he explained that matter also. Assuming that a

person had inscribed his money for £1,000, and afterwards wanted £100, he went to the Register and received the £100, and then he was inscribed for £900, and for that he got a certificate, which bore upon its face the value and the rate of interest.

The Hon. the SPEAKER said this question was surrounded with difficulty. Unfortunately there were precedents which, if he were to follow them too closely, would compel him to rule that this was a money Bill; but to declare this a money Bill would be to control the powers of the Council to such an extent as to deprive it of its proper value as a branch of the Legislature. He therefore ruled that the Council had the power to amend such clauses as were not appropriation clauses.

Bill committed.

IN COMMITTEE.

Clause 4.—Date of repayment and interest to be fixed.

The Hon. Mr. WHYTE moved, That "forty" be struck out, with the view of inserting "fourteen."

The Committee divided on the question, "That the word proposed to be omitted stand part of the clause."

AYES, 14.

Barnicoat	Jenkinson	Montgomery
Bolt	Jennings	Rigg
Buckley	Kelly	Walker, L.
Dignan	Kerr	Whitmore.
Feldwick	McCullough	

NOES, 21.

Acland	McLean	Richardson
Bonar	Morris	Stevens
Bowen	Oliver	Stewart
Holmes	Ormond	Swanson
Kenny	Peacock	Taiaroa
MacGregor	Pharazyn	Whyte
Mantell	Reynolds	Williams.

Majority against, 7.

Word "forty" struck out.

The Hon. W. DOWNIE STEWART moved, That the word "twenty" be inserted, in lieu of the word "forty."

The Committee divided.

AYES, 24.

Acland	Jennings	Richardson
Barnicoat	Kelly	Rigg
Bolt	Kerr	Stewart
Bonar	McCullough	Swanson
Buckley	McLean	Taiaroa
Dignan	Montgomery	Walker, L.
Feldwick	Oliver	Whitmore
Jenkinson	Pharazyn	Williams.

NOES, 11.

Bowen	Mantell	Reynolds
Holmes	Morris	Stevens
Kenny	Ormond	Whyte.
MacGregor	Peacock	

Majority for, 13.

Word "twenty" inserted.

The Hon. W. DOWNIE STEWART moved, That the words "or places in the colony" be inserted after the word "place."

Hon. Mr. Bonar

The Committee divided on the question, "That the words proposed to be inserted be so inserted."

AYES, 22.

Acland	Mantell	Richardson
Barnicoat	Morris	Stevens
Bolt	Oliver	Stewart
Bonar	Ormond	Swanson
Bowen	Peacock	Walker, L.
Holmes	Pharazyn	Whyte
Kenny	Reynolds	Williams.
MacGregor		

NOES, 13.

Buckley	Kelly	Montgomery
Dignan	Kerr	Rigg
Feldwick	McCullough	Taiaroa
Jenkinson	McLean	Whitmore.
Jennings		

Majority for, 9.

Words inserted.

Bill reported, with amendments, and read the third time.

FOREIGN INSURANCE COMPANIES' DEPOSITS BILL.

The Hon. Mr. MONTGOMERY.—The object of this Bill is to protect the public from companies which are doing business, or may do business in the colony at some future time, and which may not be able to meet proper demands that may be made upon them. The Bill deals entirely with foreign companies. The interpretation of "company" is,—

"'Company' means any association, person, or persons, corporate or unincorporate, registered or established for the purpose of carrying on (whether concurrently or not with any other class of business) any one or more of the following classes of insurance business, that is to say,—the business of (1) life assurance, or (2) fire and marine insurance concurrently, or (3) fire insurance only, or (4) marine insurance only, or (5) accident insurance, or (6) insurance of any class not hereinbefore mentioned; and includes mutual associations as well as proprietary; but does not include the Government Insurance Department established under 'The Government Insurance and Annuities Act, 1874':

"'Foreign company' means a company, as hereinbefore defined, registered or established out of the colony, and includes a local company whose chief office is situated out of the colony."

It has been found that some of these companies have not made payments after they have got money from the people, and this Bill is to provide a security that they shall not make default. Part I. deals with life assurance companies. These companies must deposit with the Public Trustee a sum of not less than £5,000 nor more than £50,000, in cash or approved securities, according to the scale in the schedule.

"Approved securities" mean—

"(a.) Government securities of New Zealand or any of the Australian Colonies;

"(b.) Debentures issued or mortgages executed by any local authority within the colony, under any law now or hereafter in force, secured upon general or special rates, or upon real estate within the colony held in fee-simple;

"(c.) Mortgages on the security of any real estate held in fee-simple within the colony and free from all encumbrances: Provided that no mortgage be accepted as a deposit for a sum exceeding two-thirds of the value of the security therefor;

"(d.) Real estate held in fee-simple or leasehold interest within the colony and free from all encumbrances;

"(e.) Fixed deposits in any bank of issue established by or under any Act of the General Assembly or by Royal Charter, and carrying on business in the colony: Provided that such deposits be made in and be payable in the colony;

or any of such securities."

The Government do not insist at all upon having deposits of money. All they want are such securities as will be a guarantee to the people who are insured with these companies that their policies will be paid. I mention this specially because I see it stated in southern papers and elsewhere that the Government are anxious to get hold of a lot of money. Now, the Government do not want any money at all.

HON. MEMBERS.—Oh!

The Hon. Mr. MONTGOMERY.—I say the Government do not want any money at all. They want securities to be given for the protection of those who may be insured with these companies. There is nothing else in the Bill; there is nothing that can be construed into anything else. In the case of fire and marine insurance companies,—

"Every foreign company which at the time of the passing of this Act is carrying on any such business as aforesaid within the colony shall, within six months from the passing of this Act,

"Obtain from the Public Trustee a certificate in form to be prescribed by the Governor authorising the company named therein to carry on such business within the colony for the period of twelve months from the date named in such certificate."

These companies are to furnish to the Public Trustee statements of their affairs. The object of the Bill is simply to prevent bogus companies from victimising the people of New Zealand. I beg to move, *That the Bill be now read the second time.*

The Hon. Mr. STEVENS.—I am not quite certain that I perfectly understand the intention of this Bill. The first thing to remark is that by "The Life Insurance Companies Act, 1878," life insurance companies were, to the best of my recollection, obliged to deposit £20,000, and I have not heard from my honourable friend exactly the reason why this has been varied. The minimum here appears to be £5,000, and the maximum £50,000. The other point is this: Are we clearly to understand that

no deposit is to be required from foreign fire and marine insurance companies? It does not seem to me that the Bill does impose any responsibility upon them, nor did I understand my honourable friend to say that it did. In the definition of "foreign company" it does not say exactly what companies they shall be, further than that they are registered and established out of the colony, and will include local companies whose chief offices are situated out of the colony. From the fire and marine companies being dealt with in a separate part of the Bill, and the certificate being obtainable in the form indicated there, it would appear to me that it is not intended to exact a deposit from them. That being so, I was going to inquire whether the Government were aware that there has been for a considerable time in the colony, especially among those carrying on insurance business, a feeling that there should be some pecuniary guarantee to the public that the stability of a company is reasonably good—I mean in the case of foreign fire insurance companies. It has often come to my knowledge that there is a strong feeling that foreign companies are sometimes started with insufficient capital, and carry on business under circumstances which are not sufficient to warrant their doing so.

The Hon. W. DOWNIE STEWART.—There is one point in connection with this Bill which, I think, might deserve attention, and that is this: With regard to foreign companies carrying on business here it is extremely difficult sometimes to prove that they are companies at all. There is a provision in the Foreign Companies Act which is not complied with, or which may be evaded to a certain extent. I think the Public Trustee should satisfy himself, before he issues a certificate, that the company is a properly incorporated body, and if sued in that name the person suing would not require to do anything further. That is a very necessary provision. There is another point to which I would direct the honourable gentleman's attention, and that is this: Supposing a person gives a mortgage to a company for £10,000, he has no knowledge of what becomes of that mortgage; and if he pays off the mortgage—that is, to the company—the mortgage will not be worth the paper it is written on so far as the Public Trustee is concerned, the person having paid off the money. I mean that the deposit of the mortgage will probably afford no security whatever.

An Hon. MEMBER.—Why?

The Hon. W. DOWNIE STEWART.—Because it is not transferred to the Public Trustee in any way. It is merely lodged with the Public Trustee. The deeds lie with the Public Trustee, but he may know nothing of the paying-off of the loan. So far as the Public Trustee is concerned, his security has vanished, because the person has paid his money to the company or person from whom he borrowed it. Section 18 seems to me rather drastic. It provides, in case of any default in complying with any of the requirements of the Act, the "attorney, general agent, or other agent are respectively and

severally liable to a penalty of not less than five pounds nor more than fifty pounds for every day during which such default continues." There may be a slight technical non-compliance with the Act, to which the Public Trustee may have assented—for instance, in not giving notice, and so forth. The Act may not be strictly complied with in a slight technical respect, and this penalty may be inflicted. There is no discretion given to the Court to deal with such technical breaches of the Act, and the penalty of £5 a day might amount to a considerable sum in course of time. I think some discretion should be given to the Court to say whether the non-compliance is purely technical in its character.

The Hon. Mr. BONAR.—I think, myself, that this will afford very considerable protection. I think the points mentioned by the Hon. Mr. Stewart are worthy of notice, because, I say, looking at the foundation of foreign companies, they are duly incorporated in accordance with the laws of the countries in which they were formed. Then, provision is made by which they shall have an attorney here before they begin business, and I think we ought to make some provision that that attorney shall be appointed without delay. The other points referred to by the Hon. Mr. Stewart I agree with.

The Hon. Mr. MONTGOMERY.—Sir, I am not able, of course, to discuss the legal points raised by honourable gentlemen in connection with this Bill, but I would point out that any company means an association of persons, corporate or unincorporated, with a security from the company carrying on business, quite regardless of whether or not it is incorporated according to the law of the country in which it has its headquarters. With regard to what the Hon. Mr. Stevens said about fire and marine insurance companies—that some guarantee should be given to the public that the stability of the company is reasonably good—that is provided for by the 4th, 5th, 6th, and 7th clauses of this Bill, a certificate from the Public Trustee being required. With regard to clause 18, and the question of whether or not the penalty is too high, I think that is a matter to be considered in Committee.

Bill read the second time.

GOVERNMENT ADVANCES TO SETTLERS BILL.

ADJOURNED DEBATE.

The Hon. Mr. STEVENS.—Sir, the Bill just now before the Council, which was moved by my honourable friend, is one of the very greatest importance, and one which will be found to be exceedingly far-reaching in its application, and its consequences will, in my judgment, be of the most serious character: so serious, indeed, that I propose, during my remarks, to give to honourable members an opportunity of expressing an opinion in a particular direction, which I shall indicate by amendment. Sir, it is proposed to borrow no less a sum than three millions on the public credit of the colony for the purpose of lending

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it out, to persons owning property, at 5 per cent interest, with a sinking fund of 1 per cent. per annum, payable half-yearly. Now, let us review the origin of this measure. It may be perfectly true that during the last general election some considerable amount of attention in certain quarters was drawn to the subject, and it is even possible that, as my honourable friend the Colonial Secretary has said, on every platform opportunity may have been taken to speak upon it. But this also is what took place at the last general election: that a most unmistakably determined opposition to increase the public indebtedness by way of loans was expressed from one end of the country to the other. Upon that fact there can be no manner of doubt. If, therefore, it can be shown that this measure increases the public indebtedness, it will, I think, be a fitting subject for the consideration of the country, and, if it has been considered at all, a fitting subject for reconsideration. Sir, the original proposal was to give loans to farmers. Now, what we are at the present time proposing to do is to make loans to any one who has a security, subject to certain limitations, to which I shall make reference presently. My honourable friend the Colonial Secretary has informed us that this system has been successfully tried in France, Germany, and other European countries. Now, I am going to show the Council what has been tried in those countries, and then they will be able to judge whether the view put before the Council by my honourable friend is a correct one. Mention has been made of the *Crédit Foncier* of France; but what is the position of that? It is a State institution, there is no doubt, but it has not State aid. Not one farthing of the national resources is in that great institution. It is, however, supervised by the State. Its governors are appointed by the President of the Republic, and, as I say, its affairs are supervised and investigated by the Administration, which is really a board of directors. The control of the whole of the affairs is under that board, which is elected by the shareholders. It is not, as I shall point out presently, the same case as in some other countries in Europe. It is not even an association of persons for the purpose of enabling moneys to be obtained on their properties through the medium of associated capital. It is simply an association of money-lenders, and no doubt their operations in France have been not only gigantic, but extremely beneficial to the country. But do not let it be supposed for one moment that the system proposed at the present time by this Bill has any resemblance whatever to the *Crédit Foncier*. The position of that institution in relation to the Government is very similar to that which has recently been established by the Shares Guarantee Act between the Bank of New Zealand and the Government of this colony—that is to say, the superior officers have to be appointed by the Government. Let us take the case of Germany. Similar institutions throughout Germany, which are very extensive, and, no doubt, very

beneficial, are in no sense State-aided. In the case of some of the older ones, I suppose that, somewhere from a hundred to a hundred and twenty years ago, a few of them were in their earlier stages assisted, with regard to the cost of their establishment, by the Government. In one case there was an institution which was supported, I think, to the extent of 200,000 thalers. A thaler, I think, in Germany is equal to 3s. With regard to business of this character in Germany, there is no case in which it is supported by Government capital, or where it has received any aid whatever. But I would more particularly like to call attention to one which has produced very good results in Hungary. Some of them are founded as associations of landed proprietors. Now, in Hungary, when enforced labour was done away with, the condition of the landed interest was such that it was found necessary for a great effort to be made to enable the owners to improve their properties and make them productive, and the landed proprietors adopted the method of associations amongst themselves, by which their property was, more or less, liable to be mortgaged for the necessities of the institution; and by that means they obtained sufficient capital to improve their properties and make up the losses which had been caused to them by political and other causes. In no case did the institution resemble the one we have now under consideration. In no case has the State gone into the market to borrow money, either in large or small amounts, for the purpose of lending to the proprietors of the country. It is perfectly true that in a few of the cantons of Switzerland there is a system of lending money entirely by the State, or, at all events, to such an extent that nearly all money has been removed from the market, and it is said that this is beneficial. But they have no institution, as far as I can discover, by which the State undertakes large engagements in the way of borrowing money for the purpose of lending it to persons so situated. It appears to me that the whole pith of the question in regard to this Bill is this: We are now asked to pass a measure by which the State credit shall be used for the benefit of private individuals, and there is no question about it whatever. When you come to examine it with any degree of care or consideration, the proposal is that persons who have not more than £5,000, which is the maximum, down to a minimum of £25 only, are to receive these loans. Then preference is to be given to those who have applied for sums under £500. Now, it is not pretended that all the applicants can be satisfied. Those who cannot give sufficient security will not get the money. Those who have insufficient security will therefore be rejected; whilst the larger proprietors will be left out by reason of their being over the maximum of £5,000. I should like the Council to consider whether the credit of the colony and its benefits are not just as much the property of one person in the community as of another. For what uses is the credit of the colony to be legitimately applied? Defence is the primary and most important

one, as we knew in New Zealand to our cost in old times, as also does any other country that has ever engaged in war. In this country, where we own the railways, the Government railways are also a legitimate subject for the application of borrowed money. They are public property, and the advantages go to every one who uses the railways. They are a piece of national property of the highest importance. The same principle can be applied to telegraphs, and other numerous subjects to which I need not now refer. Even in the case of our harbours it is in only two instances that we have departed from the principle of treating them as local concerns. But, Sir, this proposal is exactly of the nature I have stated. It is actually proposed now to borrow money upon the credit of the whole people of this country for the sake of those who are fortunate enough to get it. If that is considered to be the right principle, then there is nothing more to be said with regard to it. In my opinion it is an exceedingly wrong principle. I consider it as bad a principle as could possibly be conceived. What does it mean? It means that the country is going to borrow money for no purpose by which the State could be directly aided, or by which the inhabitants of the colony are going to derive any benefit or convenience whatever. It simply means that the credit of the country is going to be used, and more or less invaded,—I think that is the proper term to use,—for the purpose of assisting persons who have got more land than they can pay for; and that is the sum and substance of the whole of this business. It seems to me to be a matter of great importance, in thinking over this question, to see what this Legislature is doing at the present time, what it has done this session, and the burdens which have been imposed upon the public for which this session will be held responsible. We have given, or are directly responsible for,—for it is neither more nor less than direct responsibility, and the sooner we recognise it the better,—£2,000,000 for the support of the Bank of New Zealand. There is another sum which will be borrowed of £250,000 for lands for settlement. We have under the present Bill £3,000,000 for advances to settlers, putting aside any question which might be raised as to the two sums we are going to authorise by the Bills that we are just passing, which involve an expenditure of £500,000, which may find its way to London before long—the Consols and Native Lands Acquisition and Lands Improvement—which are supposed to be loans domiciled in this colony. We know also that a proposal before the Legislature involving £700,000 or £800,000 for the Midland Railway Company has to be considered; and I ask honourable members this: In the wildest days of this colony, at the period which it seems now to be the fashion to look back upon as the period of the most abandoned recklessness, did we ever reach the height of recklessness we have reached this year? I state the position now and the position then, and it will be found there is a great difference. Take the days of the never-to-be-forgotten Vogel proposals—and, in calling attention to them, do

not let it be supposed that I personally ever regarded what was done then as more than a speculative enterprise, and one that was going a great deal too fast. Let us look at the position then and compare it with these days. In those days we had the world before us. The lands of the colony were undeveloped; vast areas of territory were waiting to be opened and improved; railways and every conceivable species of public works were undertaken by means of Government expenditure, for the benefit of the settlers. We may have gone too fast, but, as I say, we had then the world before us. I say that our position now is different. There is a great economical difference between the two positions, and it seems to me that what we are doing now to get money will never cause prosperity to attend our footsteps. We have now placed before the world—a world which is neither more nor less than the financial world of London—a most extraordinary spectacle of our operations this session. We have of late found the necessity of raising money from all sorts of sources—and, in fact, I need not dwell upon that, for it will be admitted in every direction, I presume; but, having done all that this session, we are absolutely, through the medium of this Bill, letting out a regular flood-gate of liabilities, and what is to be the position I am quite at a loss to understand. Where the limit is to be fixed nobody has the least idea. You have undertaken to lend enough money to everybody who has sufficient security in one year or another. You have entered into this to any extent that their demands may reach; for can any one suppose that, when the Government have undertaken to borrow £3,000,000 for purposes of this kind, they can satisfy the demands, or that those people who are disappointed—the man with five thousand pounds' worth of land, and the man who has got no loan allotted to him, also the man who has property to the extent of £500—are going to sit still and allow themselves to be ridden over by the people who have been successful in getting funds? It is an obvious absurdity; and I do not see how we can imagine that such proposals could be entertained for a moment, or that such a state of things could be allowed to exist. What will be the upshot of these proposals? You are going now to face the London market, and we have got to place before the financial public of London very plainly our position, and the position we are going to take into our hands next year. I remember, in London, when I was there on the 15th April, 1887, when taking up a newspaper, there appeared before me this terrible sight: that the 4-per-cent. New Zealand stocks were down to 94.

The Hon. Sir P. A. BUCKLEY.—What are they up to now?

The Hon. Mr. STEVENS.—It is not what they are to-day, but it is what they are going to be through the misuse of a restored credit. And what I was going to point out to the Government is that these kinds of proceedings must inevitably reduce the credit from what it is now.

The Hon. Sir P. A. BUCKLEY.—The stocks

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are at 109 now, and they have never been so high.

The Hon. Mr. STEVENS.—It is exactly for that reason that I am making these few remarks, by way of urging the honourable gentleman and his colleagues to stay their hands before danger comes upon us through the recklessness which is already allowed to be the leading characteristic of the Government. Now, I have to say again what this is that we are taking before the eyes of the financial public. Are we exhibiting to them a favourable state of things? We are going to them to say, "Lend us money in order that we may open a loan-office." That is what we are going to do by this Bill. And, in connection with that, we are unfortunately obliged to lay before them diminishing productions—not by any means a proof of prosperity. It is extremely painful to me to have to lay before this Council these returns, but I would ask honourable members to refer to the reduction in values of products and the main articles of export as disclosed by the statement which has been made before Parliament. I find that, taking the items where there had been an increase in export value in the year 1891, we have not less than about half a million of decrease in value between the position of two years ago and the period with which the parliamentary paper deals in 1893. I do not know whether honourable gentlemen would like me to give them the figures in relation to half a dozen items, but they are to me very important, and I think they ought to be generally understood. The value of the wool exported this year, as compared with the value two years ago, is £354,948 less; gold was £91,251 less; grain was £72,000 less; and, unhappily, I have to notice that last year it was only about one-half in value of what it was in the year 1890, the year before the time of my starting-point; then, we have New Zealand flax, which is £60,000 less in value; and frozen meat, £109,907 less; making a total of £687,795. On the other side must be taken items where there was an increase. I find that in kauri-gum there was an increase of £73,000, which is, so far, satisfactory, although I regret to say that, compared with former years, the return shows very indifferently. There was on butter and cheese an increase of £117,313, making a total of £190,000 and a few hundreds as against the large reductions to which I have made reference. One of the most unfortunate features in the whole of this review is the practical disappearance of wheat-growing to a very large extent. It means that an amount of employment has been displaced which is almost beyond estimate in our small concerns. I think it may be regarded generally in the colony as a subject of the greatest importance, because it seems to me to mark very strongly the view which I have endeavoured to place before the Council. My object in mentioning these facts is this: to show that no time could be worse chosen to increase the liabilities of the colony than the present, and that there evidently is very strong danger of important subjects of

the kind in relation to our financial affairs being utterly ignored. We have been in the habit of late of taking immense comfort to ourselves in the presence of a surplus in the revenue of the country. No doubt a surplus is an exceedingly desirable thing, and no doubt at all times it should be a subject of rejoicing; but, at the same time, I must say that it appears to me that we are so far from marching to a deficit, we are galloping to it. In looking at the Statement of the Hon. the Colonial Treasurer, I find that he estimates that he will only have £91,000 at the end of the financial year in the way of surplus; and from that sum will have to be taken the supplementary estimates, which will have to be passed before the session closes. I see a very small surplus indeed, and one which I fear, in the presence of what we are now doing, will very soon become a very shadowy surplus. Let me also ask the attention of honourable members to this fact—one which, I believe, is scarcely recognised by members of the Legislature generally: It is that in our revenue we have been taking for some years past, and are still taking, a very large addition to revenue in the form of money which is rendered available through the operation of the Consolidated Stock Act of 1884. And that is not a permanent thing; it is rapidly diminishing and rapidly approaching the point of extinction; and in all the calculations which I should ever make with regard to the strictly sound financial position of this country I should invariably allow for that. I regret to say that it never is allowed for. I see also that in the estimate of the Colonial Treasurer for this year there is an allowance for diminution of revenue from Customs, and to a smaller extent from the railways. It appears to me that the Customs revenue will, in all probability, in view of the general depression of the country, and of the large amount of unemployed labour, diminish more or less during the current year. No doubt one very much avoids giving one's individual opinion in place of official estimates; but it appears to me that we cannot expect a return from the Customs revenue larger than estimated by the Colonial Treasurer, and it would not surprise me in the slightest degree if we found his estimate was scarcely realised. I am now going to mention two or three points with regard to the details of this Bill. They will not be placed before the Council in any such elaborate form as to make them tedious, or otherwise than readily understood. The first I will mention is that we are going to lose on all these loan operations under this Bill the whole of the land-tax which is now payable on the land on which the money will be advanced. I should have thought that, at all events if the public credit is to be used for the benefit of special individuals who are to be granted loans on their property, the least that could have been expected would have been that the tax would be made good by them. Not so, however. Now we come to another point, and, so far as I am able to understand the Bill, it is intended to go on

reinvesting the sinking fund in the form of what, I think, is called the Sinking-fund Debentures Fund. Therefore, so far as I can see, this loan will never be paid off. It will be a perpetual burden upon the colony, and will be perpetually renewed—that is to say, unless it should be called in and paid off. In such case, of course, the accumulated sinking fund will be used for that purpose. Another point has reference to the fact that the Bankruptcy Act is brought into play in this Bill in a very extraordinary manner. The borrower, it is true, is to have great advantages conferred upon him at the public expense; but there is something on the other side. In the event of his being unfortunate in the race of life, in the event of his failing to meet with that success which we should desire, should he have the misfortune to seek the benefit of the Bankruptcy Act he never will be released: he will be a Crown debtor, if not from the cradle, at all events to the grave. Then, we have another very extraordinary proposal, which I thought might be put down, if not to imperfect drafting, at all events to an imperfect application of the ordinary care which is supposed to accompany the preparation and passing of Bills. I find in the 69th clause this: A heavy penalty is imposed—not less than £50 nor more than £200; and one of the offences for which this penalty is to be imposed is—what? What do honourable members think? “Having any pecuniary interest in any land tendered as security for a loan under this Act.” So that if a person has sold a piece of land to another, and the purchaser borrows the money from this Government loan-office, the person who sold him the land would be liable to a penalty; and it would be precisely the same if an individual held a mortgage from another and he was paid off out of a loan raised from the Government loan office: they would be equally liable in the two cases. I will say no more upon that point, nor do I propose to occupy the time of honourable gentlemen in discussing generally the closer details of the Bill. Let me, however, call attention to one of the most important items in the whole detailed structure of the Bill. In reviewing these institutions on the Continent of Europe, to which reference has been made, I think I mentioned that they never lend to the extent of more than 50 per cent.—one-half the value of the property which is offered to them. That is an invariable rule. It is so with the *Crédit Foncier*, and with the German and other institutions of this character, and I believe there is not one single exception in the whole list of them. What is proposed in this measure is that in the case of urban and suburban property one-half only of the value of the property may be lent, as in the cases I have mentioned in Europe; but in the country two-thirds may be lent. It is very commonly supposed that a one-third margin is enough, but I submit that it is not enough. I submit that experience shows in every direction that one-third is not sufficient, and I undertake to say that is the experience of every one who has had any considerable

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acquaintance with the subject of lending money upon mortgage. Now I propose to make a few remarks on the general effects of the scheme. My honourable friend the Colonial Secretary informed us that in the past, and even now, interest was too high. Does my honourable friend really mean to offer to us the suggestion that money is not like any other commodity, which goes where it is profitable to it to go, and goes away from a place when it ceases to be a productive field of investment for it? Surely every one must know that. And that is precisely what will happen with regard to this scheme. I would ask honourable gentlemen to consider what is going to be the case in the event of this scheme succeeding so far that the Government obtain the money in England, and are successful in lending it to their satisfaction in this country. Loans which are at present in existence here will be displaced. England being the safest place in the world to keep money in, it naturally remains there, and the rate of interest falls with the increase of its volume. What will happen here will be what has happened before, and what is happening every day of our lives here, and that is, when money is displaced it leaves the country. I know vast sums of money, relatively speaking, which, unless they can produce a certain return here, will leave the country to a certainty. When I was in England, in 1887, I was brought into close communication with a number of the largest money-lenders in England, principally some of the large insurance companies; and the authorities of those institutions informed me that a certain given rate of interest was absolutely a condition of their sending money out to these colonies at all; that, unless they get a certain net return, which will be appreciably more than will be got, so far as I can see, in the colony if this scheme is carried out, money will certainly return. Speaking with absolute authority on the subject, these gentlemen say that this money will not remain in New Zealand if it does not bring in a certain net return; and therefore, if the money is displaced, it will certainly return Home. That will be one of the most completely unsatisfactory results of this proposal. It seems to me that no regard is had to the fact that money is a flowing thing, which will go where it suits it best to go, and will stay where it pays it best to keep it. I have now but a little more to say upon this subject. It has been often said that when one strongly complains of a particular proposal it is desirable that he should suggest an alternative. I will suggest an alternative, and one founded upon what I consider a thoroughly sound principle. It is exactly the one upon which the European institutions are founded, and upon which they operate. It was one which was embodied in a measure which was introduced by Sir Julius Vogel, and it is known as the “mortgage-bond system.” That was to be brought into operation only by companies—in fact, by companies which might have loan undertakings in this country—and it had at its root this sound principle: that

the strength of an institution should be in its own possessions, that its loan operations should be conducted with its own loan-moneys only, without any State guarantee, and without the interference of the State for the purpose of keeping it alive. I submit to my honourable friends that they really might—and I will lend them a hand in doing it—establish a system of that kind, which might in time, not immediately, operate in two ways very beneficially. It might on the one hand take any private funds which they desired and find a perfectly secure State investment; and on the other hand it might supply in a measure funds for the object they have in view in this Bill. But, Sir, when I think of the Government's proposal as it now stands, and as I have reviewed it to the Council—when I think that it is calculated to produce the consequences I think it will, I feel it is not right that it should be allowed to pass this Legislature in its present form. I have endeavoured to place before the Council the fact that it is not founded upon the principles which regulate the European institutions to which I have referred. I have also endeavoured to show that it contains this immense fault, this radical and utterly defective principle: that the public credit is to be used for the benefit of private individuals—that it leaves out of its scope all benefit both to the rich over the £5,000 limit and to the poor who are unsuccessful in obtaining money, either from want of security or through the general competition for the loans. I have shown also that it is absolutely beyond any reasonable limits to which we could go in the direction of burdening the colony, with the engagements we now have, and the immense liabilities which we have not only now existing, but with also those liabilities we have recently assumed. I have also shown that the revenue of the colony is in no condition to sustain further engagements. I have likewise endeavoured to show, and I think I have successfully shown, that the productions of the colony are not in that condition which we desire; that, so far from their showing any sign of redundancy, the tendency is backwards. Another point which we have to consider is the large quantity of labour that is unemployed; and I have further shown that we have no expectation whatever of continued surpluses. I pass by the defective details of the Bill, which are always subject, of course, to remedy. Now, looking at the position, and that we have before us a measure containing these great faults, and one which, I believe, is radically wrong in itself, and, above all, that it has not been submitted to the country in any practical shape, or in any form in which the country could have any opportunity of expressing an opinion upon it, or of in any sense expressing an opinion for the guidance of this Legislature, I feel it incumbent upon me as a public duty to move this amendment: *Whereas this Bill proposes to initiate a policy of unlimited borrowing, which must be attended with great risk and commercial responsibility, and whereas no opportunity has been afforded to the*

people of the colony to express an opinion thereon, this Council is of opinion that the Bill should not be proceeded with until the subject has been maturely considered, and that therefore it should be read the second time this day six months.

The Hon. Mr. RIGG.—It was easy, Sir, to see from the tone of the honourable gentleman's remarks what his conclusion would be. The first thing that strikes us is this: that that conclusion might have been stated in fewer words. As regards the speech we have just listened to, I consider it an exceedingly able and comprehensive one; but it is the speech of a strong individualist—a disciple of the *laissez-faire* school—one of those who look with alarm upon any innovation such as this, or upon any bold and progressive policy. That being so, it must follow that I, being a firm and strong State socialist, must disagree with many of the conclusions of the honourable gentleman, although I admit that many of his facts are correct. The first point with which the honourable gentleman dealt was the *Crédit Foncier*, and he explained what it was and how it was governed, and then he proceeded to tell us that this Bill in no way resembled such an institution. Now, Sir, had we proposed to establish such an institution in this colony his remarks would have been *à propos*. But what we propose to establish is something entirely different, and therefore there was no necessity to tell us that the Bill now before us in no way proposed to establish an institution resembling the *Crédit Foncier*.

The Hon. Mr. STEVENS.—I think I ought to say that the Government claimed that it did, and therefore I made the remark to which the honourable gentleman refers.

The Hon. Mr. RIGG.—I heard the remarks of the honourable gentleman who introduced the measure, but I did not catch that portion. Of course that would account for the honourable gentleman's remarks. Then, Sir, he said that it could not be shown that any State had gone so far as we proposed to go in this direction—that is, in lending money to private persons. Now, I would ask, Because no other State has gone before us in this direction, is that any argument why we should not do so? If it were so,—if we are never to do anything but what has already been done by somebody else, and every one else is to act accordingly,—then we should have no progress whatever. It is necessary that some one should first make an advance, and then allow others to judge of the judiciousness or otherwise of following in his footsteps. Then, the honourable gentleman told us it was right to borrow money for the purpose of establishing telegraphs and railways, for the reason that they were State property: and he quite approved of that. Now, the prosperity of these institutions depends also on the prosperity of the colony; and if by doing as the Government are doing in this matter they are encouraging enterprise and production, and so increasing the prosperity of the railways and the other Government institu-

tions, approving as the honourable gentleman does of money being used directly for that purpose, I should not expect to find him objecting to its being used indirectly for so laudable a purpose. Now, I look upon this measure as proposing one of the greatest experiments in State socialism that have probably ever been attempted. And, Sir, I look with a certain amount of confidence to the result. I know there is an objection on the part of the Individualist school to people receiving any benefits whatever from the State, for they talk a great deal about self-reliance. Now, from the point of view from which the State socialist looks at the question, he sees that in depending on the State he is depending upon himself, for the people are the State, the State as a whole, and therefore their dependence upon the State is in itself the very essence of self-reliance. The economical effect of a measure such as this is easily foreseen: it will be to reduce the rate of interest on money throughout the colony. The Bill purports to be a cheap-money Bill, and a low rate of interest is cheap money. Cheap money provides facilities for persons to use their labour and their industry for the very best purpose. It was well said by Turgot, the French economist, that a low rate of interest resembles the receding sea—it leaves behind it a fertile plain, fertile lands which afterwards become productive though previously covered by a waste of waters. That is his view, though, perhaps, those are not his exact words; and that is what will happen under the effect of such a law as this. Then we come to this question: Do the farmers require cheap money? And here I have to call attention to some remarks which fell from the Hon. Mr. Stevens, when he dealt with low prices. They all go to show the necessity there is for this cheap money. Probably at no time in the history of New Zealand, or, I might say, in the history of the world, was the condition of farmers worse than at the present time. Owing to these fallen and falling prices, the farmer is now required to pay, in many cases, 50 per cent. more produce as interest than he had to pay twenty years ago. The consequence is that the whole lifeblood of the farming community is being sapped by the money-lenders. Any reduction in the rate of interest must therefore relieve the farmers to a certain extent, and commensurately improve their position. Under this measure farmers who are now borrowing money at 7 and 8 per cent.—perhaps more—will be able to convert their mortgages, and borrow at 5 per cent. The consequence will be, that a certain amount of money, that is now placed on mortgage, will be set at liberty. Either one of two things will then happen: Either this money so released will be invested in other directions, in some reproductive enterprise—perhaps in manufacture—and so add to the prosperity of the colony, and give employment; or it will, as stated by the Hon. Mr. Stevens, float to some other place, where it can get better investment. But supposing the three millions we propose to borrow displaces three millions of English

capital already invested in the colony, and the money so brought in is to bear interest at 4 per cent., as compared with the other which has been gaining interest at 8 per cent., would not that be a distinct advantage to the country? I say it would, and any one who looks at the matter from this point of view will see that the exchange would be enormously in our favour. I must say that I also look with some dissatisfaction at the large increase proposed to be made in the colony's indebtedness. Still, under the circumstances, I think it is justifiable; but I am afraid, with this drain of interest that is going on, in face of the fallen and falling prices I have already referred to, the day is not far distant when that interest-charged will become more than we can bear; and so, I say, I view with dissatisfaction any increase in that direction. At the same time, I think, had the Government—of course, they have acted as they think best, and probably are better informed than I am—started by establishing a State bank in the place of appointing a Board to deal with a matter like this, the wants of the settlers might have been better attended to, and at the same time a certain amount of paper money could have been issued without any risk, and advanced to the settlers to meet their necessities, without the necessity of going on the London market. Then, the Bill provides that this money must be lent on mortgage; but I would point out this: that, while the farmer requires assistance, he does not always want to mortgage his land. He requires temporary assistance, very often an advance on his clip; and were a State bank established, and these necessary advances made, I think there would be an improvement on the present proposal. Had we had such an institution in the past we should never have had people fleeced as they have been by many of the financial institutions of the colony, which first had a lien on the clip; then they had the clip; sometimes they had the second year's clip; then they had the sheep, and then they had the farm: in fact, they had everything in payment of interest. Had we had, as I say, a State bank able to make these advances, and deal with the settlers on a more considerate basis, we should not have had so much distress as we have at the present time. The honourable gentleman did not say in plain words that he doubted our ability to get this money, but he pointed out that the fact of our going on the London market for a large amount of money would have the effect of injuring our credit. I do not know whether he wished to convey the impression which was left on my mind, that we might have some difficulty in obtaining this money. Upon this point I do not think we need to trouble ourselves at all. I do not think the London capitalist is at all sentimental. I believe that wherever he can get a good and safe investment for his money he will accept it; he will not consider that the effect of lending this money to New Zealand will be to reduce the rate of interest in this colony: that is not a matter he will concern himself about—the

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big fishes eat up the little ones—he will leave the local capitalists to look after themselves. He will see that we have here a population of three-quarters of a million, and that the people possess private wealth to the amount of £154,917,000, without considering our public wealth at all, and that is the point of view he will take; and he will see that the mere fact of our asking for a certain number of millions—six, eight, or ten millions—need give him no cause to fear as to the soundness of the security, or our ability to pay, if it should come to that ultimately. I shall not take up the time of the Council any longer. I think it will be seen, from what I have already said, that I see much in the Bill to approve of. I am altogether in sympathy with its object, and I trust that the day is not far distant when the Government will do something in the direction of establishing a State bank and a paper currency, instead of going on the London market for money, and then I shall feel perfectly satisfied. Taking everything into consideration, I shall support the Bill.

The Hon. Mr. PHARAZYN.—Sir, the honourable gentleman who has just sat down has told us that he intends to support the Bill; but a great many of his arguments were directed against it to this extent: that, however much he might approve of the Bill, he thought a Bill which would establish a State bank or some similar institution would be infinitely preferable, and he said that because he considered a very large number of persons who wanted money objected to mortgaging their properties for it, and he thought that by the substitution of a State bank for the proposals contained in this Bill they would in some undefined manner obtain money without giving this particular kind of security for it to which he objects. We can understand the view he takes, because he said he is a pronounced State socialist, and a State socialist, we all know, has very peculiar notions as to the rights of property, and as to what may be done by the State in altering the relations of property and distributing the property of the whole amongst different members of the society of which the State is composed. An official definition of State socialism was, if I remember rightly, given at a meeting held last year at Zurich. I have just jotted down from memory what the definition was, so that I may not be absolutely correct in the wording, but to the best of my recollection it was this:—

“A State socialist advocates the nationalisation of all the means of production and exchange, the abolition of individual capitalists, and the substitution of State and municipal enterprise in their stead.”

That is a very broad platform, and one on which this country has not professedly taken its stand, although I think, substantially, we have gone very considerably in this direction. I noticed in this morning's *New Zealand Times* a remarkable article advocating the Undesirable Immigrants Bill, evidently approving of that measure. The writer said, “We are now engaged in a great experiment of State social-

ism.” I can understand this is a part of that great experiment, and, as I am as strong an individualist as the honourable gentleman is a State socialist, I altogether disapprove of continuing this experiment any further than we have gone already: in fact, I should very much like to see the process stopped, and that we should go back to the old system under which the country was so prosperous many years ago. My main objection to this Bill is, that it is not desirable to increase the functions of Government—that is to say, I am opposed to State socialism in every shape and form; and, although the Colonial Secretary argued very strongly in its favour, because, he said, the banks and capitalists had charged enormous rates of interest, and had always demanded their pound of flesh—in fact, the Bill was, to a certain extent, a kind of punishment for those wicked persons—

The Hon. Sir P. A. BUCKLEY.—No; I did not say that.

The Hon. Mr. PHARAZYN.—The honourable gentleman did not use the word “punishment,” but I think the whole meaning and intention of his speech went in that direction.

The Hon. Sir P. A. BUCKLEY.—Allow me to correct the honourable gentleman, as I do not think he would wish to misrepresent me. I did not say that they kept up the rate of interest, but that if they had reduced the rate of interest the Government would never have introduced this Bill.

The Hon. Mr. PHARAZYN.—Exactly; because they did not reduce the rate of interest, and because they did not treat the people in a fair way, therefore they are to be punished by this Bill. I think it can only be looked upon as a punishment when people who have been in the habit of obtaining a high rate of interest are, by the action of the State, deprived of that power; and to that extent I consider it is a very considerable punishment. If a man who was in the habit of getting 10 per cent. is forced by the State to take 8 per cent., I consider myself that he is punished to the extent of 2 per cent. With regard to this question, I should say that the rate of interest depends entirely upon the supply and demand of money, just as the price of anything else depends upon the supply and demand. It is utterly absurd to say that any one should not demand the rate of interest which he can obtain. I can remember the time when I had to pay 10 or 12 per cent. interest, and I think I was making a great deal more profit at that time than when I paid as little as 6 per cent. There was a time when things were so prosperous that we could afford to pay that rate of interest, and I really cannot see that any blame attaches to any individual or corporation for demanding as high a rate of interest as can be obtained. Could anything be more ridiculous than for the manager of a bank to say to the persons who had borrowed money, “Well, it is very hard to charge you 8 per cent. when I am sure you cannot make a very large profit out of your property, and therefore, on account of good feeling, I will reduce it to 6 per cent.”? What

would the shareholders of that bank say? They would say that the manager was not fit for his position, and they would dismiss him as quickly as possible. It is perfectly absurd to blame any man, or any set of men, for obtaining the highest rate of interest they can possibly obtain. It is well known that money-lending is a special business, and one which involves frequently a very considerable amount of risk. I do not think it is the kind of business in which the Government ought to enter, as I do not think the Government is at all fitted for business of that sort. We have seen great companies, such as the Bank of New Zealand and the Loan and Mercantile Agency Company, making a tremendous mess of their business all over the country; and why should it be thought that a similar mess would not be made by the Government? On that account I think this proposal is likely to be injurious to the country, because I think a very considerable loss may arise at any moment from the injudicious management by the officers of the department, prudent as they may be. Then, supposing this scheme is gone into, and supposing we plunge the country into this vast speculation by raising three millions of money and lending it at the rate of 5 per cent., what will be the necessary result of that lending upon the value of property? We know that the value of land varies inversely with the rate of interest, and directly you reduce the rate of interest to 5 per cent. you cause something in the nature of a boom in landed property. The consequence will be, if you lend, as proposed in this Bill, on country properties to the extent of two-thirds of the estimated value, and in the case of towns to one-half, you are likely to find the whole of your margin cut off, almost before you see the first year's interest. That is a very probable result. The security will be necessarily exaggerated; and what has been called bed-rock has been by no means reached yet. I heard only the other day of a case where a person some few years ago purchased a country-town section from the Government for the sum of £30, and a few months ago he found he had been rated, for land-tax and other purposes, at £3 on his property, say, one-tenth of the value it was at the time he purchased it. That shows the danger of lending on property without the greatest circumspection. Then, it appears to me that, so far from the farmers to whom this money is proposed to be lent being necessarily gainers, it will very often happen that the man who owns land which he is prepared to cut up into farms will be the real gainer. When the people can get money at 5 per cent. they will, of course, be prepared to give much larger sums than when they had to pay 7 or 8 per cent. upon mortgage. So, instead of the poorer class of the community being benefited, as proposed under this Bill, it is exceedingly probable that the comparatively rich will be benefited. So, even on the principle of State socialism, that can hardly be called an advantage. But I consider that the greatest danger that is likely to arise under this proposal is that under it you will have an enor-

mous number of State debtors, and in the course of time, if they are not successful with their properties, they will demand a reduction of interest. They will even insist upon interest being foregone altogether; and, when the country will be prepared to lend larger sums on these properties, there is nothing to prevent a political reaction taking place. As the Hon. Mr. Stevens pointed out in the course of his speech, it is ridiculous to suppose that this is going to stop at the three millions now proposed, because when once we begin this system we shall have pressure brought to bear by persons who have not got money under it, and we shall gradually find, instead of having on our hands three millions of money for this purpose, we may have a loan of fifteen millions. There will be perpetual pressure brought to bear, and the liabilities of the colony in the future will be perfectly enormous. Then, there are other curious arrangements in the Bill. At present we only talk about borrowing these three millions, to be spread over two years; but, then, we are to issue land-bonds up to the amount of the existing mortgages, and that, it appears to me, will become a sort of paper currency, and it is very difficult to see what the effect of that currency will be. I quite agree with the Hon. Mr. Stevens that one effect of the land-bonds will be to drive the existing money out of the country. You will find that directly people in England or elsewhere are aware that the State may interfere with the investment of money they will cease to send it to this country. They will never be sure what they will get for it, or, at any rate, they will know that they can only get 5 per cent.; and I believe the effect will be that a large amount of money will be withdrawn, and, what is possibly still worse, a large amount of money that would otherwise be available will be locked up. Then, if some of the mortgagees are unable to pay, the market will be immediately flooded as regards land, and the depreciation of that land will be such that it will be utterly impossible for the Government to recover the money advanced upon it; so that we have no security against the colony being saddled with a large portion of this debt which we are going to incur for the purpose of lending to settlers and others. I may say, too, that it appears to me extremely unfair that any particular class of the community—farmers and other landowners—should be selected as the only persons who are to derive any benefit from this measure. I do not see at all why the manufacturers in towns should not be equally entitled to these extremely good things which are going. I have no doubt that in the course of time there will be an amendment to this Bill, if it is once put in operation, and that we shall have demands not only from farmers of all classes, but from every class of the community that may want to borrow money and that can show any sort of security for it. Sir, it is very easy for a man to lose a very considerable amount of money in endeavouring to work land. Every one must know of people who have done that

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with various amounts of capital. I know of numerous instances where a man who began with from £5,000 to £10,000 dropped the whole of that capital in land. In the course of a few years the whole of their capital is gone from them, and they become absolutely penniless. And that has not been from borrowing, but it is partly from misfortune and partly from mismanagement. Just as in an ordinary business, a man requires a certain amount of special skill to make anything out of the land at any time: and then, cheap money will certainly be a very great temptation to many persons who never contemplated going upon land to go upon it, in the belief that with money at 5 per cent. they will certainly be able to do well; and this system is certainly encouraging a large class of persons to spend money, and who will be State debtors for all time—they will not be producers, or be of any real service to the country in the way of production or of the increase of exports. I think that is a state of things exceedingly likely to arise. It has arisen to a large extent already, owing to the way we are dealing with our lands. We are attempting to settle people on the land on all kinds of fancy tenures. They go upon the land, and we know that many of them are in a state closely approaching starvation; and, as we are aware, it is this class of people it is proposed to help by this Bill. I think we are making a huge mistake. Sir, we have, of course, to consider that the working of the Act will cost a considerable sum of money, no estimate of which has yet been laid before us. But I understand it is admitted that it will cost a considerable sum of money per annum to pay the officers who will be engaged in working this Act. I notice that a large number of appointments are to be made under the Bill, and it is difficult to see how the work which these gentlemen are supposed to do can be performed by anything but a very large staff. There is one thing which I think ought to be considered. Clause 16 states that the members of the General Board are to be the Superintendent, who is to be Chairman of the Board, and six other persons holding the offices for the time being of Colonial Treasurer, Public Trustee, Government Insurance Commissioner, Surveyor-General, Solicitor-General, and Commissioner of Taxes. They are to be *ex officio* members of the Board. It seems to me that we are piling an enormous amount of work on to those officers, especially the Surveyor-General. It seems to be supposed that he can do anything the Act directs him to do. We have already thrown a considerable amount of work upon him under the Land for Settlements Bill, and now it is proposed to throw this additional work upon him. I think it will be impossible for these gentlemen to attend to this business properly, and the probable result will be that the work will be done in a very perfunctory manner, or not done at all, and the Act will become inoperative. It is said that whatever we may think about it the country has approved of the scheme; but, as the Hon. Mr. Stevens said, the country has never had this scheme

before it, or anything like it, in a definite shape, and has not expressed approval of it. There was a general statement or something of that sort made that cheap money was to be given to settlers, but the country has never had this proposal before it. I am convinced if it had that it would take much the same view as was taken only the other day at a meeting of the National Association of New Zealand in Auckland. The Colonial Secretary may laugh, but I may state that the National Association is doing very good work. No doubt it is extremely distasteful to the Government, but unquestionably the country will be benefited by it. I read their report this morning with very great interest, and I think what they say is perfectly correct. One of the delegates, Mr. Kirkbride, speaking of the advances to settlers, moved,—

“That, as the electors at the last general election declared against increasing the liabilities of the colony, and inasmuch as the borrowing proposals of the Government will greatly augment the public debt, and will eventually result in grave disaster, this meeting is of opinion that a respectful petition should be presented to the Legislative Council urging it to reject the proposed measures until they have been submitted to the people for consideration.”

Mr. Kirkbride said a meeting of farmers had been held the previous evening at Mangare. He believed nine out of ten farmers, if not a greater proportion, were entirely against the proposals of the Government, and particularly so against the Advances to Settlers Bill, because they looked upon it as a sop—a mere class bribe. They also objected to the proposal because it would be sure to lead to a very great deal of corruption. Mr. Kirkbride then went on to read a letter which, at the meeting he had referred to, it had been resolved to send to the Hon. Mr. Swanson asking him to oppose the Advances to Settlers Bill. He also said,—

“The new department to be created would mean additions to officialism, and the people who would benefit would be those of the right ‘colour,’ or those of a ‘wobbly’ kind. Farmers considered the margin allowed for advances was not sufficient. He knew a gentleman who a few years ago bought a small farm in the Waikato for £900. Only last week he had to sell it for £300. Where, then, was the margin for risk? It would be very unwise to advance more than half the value of the land. At the present time plenty of money could be got on undeniable security at 5½ per cent.”

I understand that Mr. Kirkbride referred to a petition which it was proposed to send to the Hon. Mr. Swanson, asking him to oppose the passing of this Bill. This petition was unanimously adopted at the meeting, and I expected to see it here this afternoon; I understand, however, it has not arrived. It is an indication of the feeling of the country at the present time. The National Association represents a very considerable section of the community, and is certainly doing good. I am convinced that when the people of the country thoroughly

understand what is proposed in this measure they will entirely agree with the resolution proposed at that meeting. There may be a different opinion, of course, as to whether the country will approve of it, but this is a matter which remains to be seen. I hear that on all sides there is a very considerable amount of distrust produced by this enormous borrowing policy, and the people of the country are beginning to wake up to the fact that we have already this session committed the country to a borrowing policy to the extent of five and a quarter millions. This is a very large sum, and we are, as the Hon. Mr. Stevens has pointed out, entering upon a borrowing policy at a time when, owing to the low price of produce in other countries, this colony is in the worst possible condition to enter into such a policy. I must say, also, that the whole thing is an entire departure from the pledges of the Government during the election, when they professed to be carrying out the policy of the late Mr. Ballance, who, in his Financial Statement of 1892, said that the policy of his Government was a policy, financially, of self-reliance. I particularly noted that at the time, because it was an adaptation of the old phrase. It was used in reference to our war policy in the old days, and I was glad to see that he, at any rate, had adopted this system. The Government has professed all along to go on the same lines: in fact, this has been their platform all through; but they have suddenly jumped into a sea of troubles, as far as this country is concerned. The Government a short time ago proposed a policy of self-reliance, but it has now become a sort of "Jubilee plunger." They seem to be perfectly reckless of the amount of debt which they accumulate on the country, and they go about in the most light-hearted way borrowing money in all directions. I call it sly borrowing; and it would be far better, if it is necessary that the amount should be raised, that we should go to the London market and raise it on the best possible terms for a specific purpose, for I say that this is certainly not one. The proposal is really one to convert the colony into a vast pawnshop, and I think the Government will go down to posterity as the authors of the great pawn policy, if this Bill is carried. I shall certainly support the amendment of the Hon. Mr. Stevens, believing it to be essential to the good of the country that this sort of thing should be stopped; but, if the Bill passes, I shall ask my honourable friend the Colonial Secretary if he will substitute for the Southern Cross in the flag of New Zealand the three balls of the pawnbroker.

The Hon. Sir G. S. WHITMORE.—Regarding this Bill, much will depend upon the way in which the scheme is administered, but I am not prepared to say that the officers who are to compose the Board are the best business-men we could get to carry out a scheme of this kind. Nor do I altogether think it is likely to contribute to good feeling among the people of the country that we should perpetuate this abominable system of class legislation, of

which we have had too much during the last few years. As to what has been said to the effect that we should restrict in any way the amount that we may properly lend, I understand the largest amount that may be lent to one person under the provisions of this Bill is £5,000. Nor can I see that our sympathies should be allowed to go all in the one direction—that is, in the direction of one class. There is another point in regard to this Bill which should be mentioned. I doubt whether the one-third margin is sufficient, because there are no valuers who are really reliable, and there is nothing upon which people differ so much as upon the question of the value of land. That is my experience, and therefore I must say that I have great hesitation, and some little doubt, with regard to this point, and I think it will have to be modified. This is not a scheme for indefinite borrowing, as the limits are definitely specified in the Bill—namely, two years, and £1,500,000 to be raised each year. That is all, and it is merely a flea-bite in the private indebtedness of the colony. It means, so far as the persons who have to pay are concerned, a very great reduction in the amount of interest they are now paying. For instance, the institutions which have had for many years the supplying of money have received high rates for it, and they are the people who are opposing this scheme. It appears to me a reasonable thing, and I think, as far as my experience goes, it is not an unwise scheme at all, if properly carried out. I am quite willing that it should be tried. It cannot be called borrowing, because we have an asset at hand, if the margin of one-third is sufficient. I am not prepared to say whether the Government is taking a safe course in bringing down the rate of interest in this colony. Although the settlers of the colony have certainly had to pay too much for the accommodation they have received from their agents, the question of borrowing should not come into this matter. I differ from the Hon. Mr. Rigg, who said this is State socialism, because I do not think it can be called a socialistic measure unless we make it so. I differ from him in regard to State socialism, as I think it is an improper thing. And to show how little State socialists agree with this measure, in another place a gentleman who is looked upon there as a great State socialist has voted against the Bill consistently, and this only shows that this question of State socialism has not been half thought out, and I doubt very much whether State socialists really know what they require, or the proper way to get it. It seems to me that they have no distinct idea about the matter, and that at present they do not agree upon almost any point. As regards the principle of assisting the country settlers, who have all along had a very heavy burden in the shape of the interest they have hitherto been paying, I think there is a very good argument. In a late number of the *Nineteenth Century* I read an article arguing out this question as to whether it was a fair thing for the Government to carry out or not. This prin-

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ciple has been followed for some years in England. For instance, in England the draining of lands is now carried on on this principle, by the Government lending the money at a rate of interest which in time works out both principal and interest. If some little improvement were made in the Board, I think there is very little to find fault with in the Bill. The Hon. Mr. Stevens, I grant, delivered a well-thought-out speech against it from his point of view, and probably he was right from his point of view, but he generally takes a pessimistic view, and he does not admit anything to be right at all in the direction in which this effort is going to be made. It has been urged that the money might also be lent to business people as well as to farmers, but I can assure honourable members that there is ten times more likelihood of the money being lost in business than if it were lent to farmers. There is no similarity between the two classes. The one is a producing class, and the other is not a producing class. If proper persons are intrusted with the carrying-out of the scheme and the advancing of the money, the one is a class which, if money is lent to it, is likely to do well. The other class may do well, but most probably would not. I may mention that the Globo Assets have, as security, all kinds of properties, such as flourmills, sawmills, and even, it is said, racecourses. How have these fallen into their hands? Simply because the speculations have not prospered. I very much object to the Bill being used to advance money on such speculations as those I have indicated. If we are going to begin, let us begin by lending on land, and, if nothing else comes of it, the produce of the country will be increased by it. I am disposed to support the Bill for that reason. I think it will bring down the price of money.

The Hon. Mr. PHARAZYN.—It will bring down first-class securities, but not second-rate.

The Hon. Sir G. S. WHITMORE.—I do not presume that a properly-constituted Board would for a moment lend money except on first-class security. I shall vote for the Bill, but I hope, under your ruling, Sir, we shall have an opportunity of amending in Committee some of the minor provisions to which I object.

The Hon. Mr. SWANSON.—I should not have risen to say a word about this measure but for some remarks which have fallen from the last speaker. The honourable gentleman said that no people outside farmers are producers. I felt rather tickled at that. It strikes me that, in the case of the gum-digger, a loan would be very useful to him, and I venture to say he has produced as much, man for man, as any of the farmers have done lately.

An Hon. MEMBER.—He has got no security.

The Hon. Mr. SWANSON.—He has got his lease of the gumfields. Then, does the gold-digger or the coalminer produce nothing? Why cannot they be assisted also? I contend that, in spite of the failure of some sawmills and timber companies, not many farmers have brought as much money into New Zealand as these in this industry have done—supposing

we confine it to the northern end of the colony. The kauri and the timber industry generally has brought millions into the country. If these people are not to be encouraged I should like to know why they should not be. There are a great many industries which I could also name in this connection. If this scheme turns out to be a disaster, those are the people who will have to pay for it.

An Hon. MEMBER.—They will go away.

The Hon. Mr. SWANSON.—Who is going to pay then? They will have to do so. If the scheme fails they must pay, because there will be nobody else left.

Debate adjourned.

SHOPS AND SHOP-ASSISTANTS BILL.

A message was received from the House of Representatives asking for a conference on the amendments made by the Council in this Bill.

On the motion of the Hon. Mr. BONAR, the Hon. Mr. Reynolds, the Hon. Mr. Bowen, the Hon. Mr. Swanson, and the Hon. Mr. Bonar were appointed Managers on behalf of the Council.

The Council adjourned at five minutes to nine o'clock p.m.

HOUSE OF REPRESENTATIVES.

Thursday, 4th October, 1894.

First Reading—Extra Clerks—Bellamy's—Shops and Shop-assistants Bill—Land for Settlements Bill—War Stores—Criminal Code Bill—Public Works Bill.

Mr. SPEAKER resumed the chair at half-past two o'clock.

PRAYERS.

FIRST READING.

Land and Income Assessment Bill.

EXTRA CLERKS.

Mr. MCGOWAN brought up the following report from the Goldfields Committee, and moved, That the report be laid on the table:—

"THE Correspondence in connection with the Clerkship of the Goldfields and Mines Committee.

"I am directed by resolution of the Committee to lay upon the table of the House the attached correspondence *in re* the above matter."

Motion agreed to.

Mr. GUINNESS moved, That the correspondence be read by the Clerk.

Mr. SPEAKER did not think the correspondence ought to be read, at present at least, as it reflected on the conduct of the Clerk of the House for doing his duty in reducing the number of extra clerks when there was not sufficient work for their employment. He understood from the Clerk of the House that it was the usual custom towards the end of each session to reduce the number of extra

clerks; and that course had been followed on the present occasion.

Motion negatived.

Mr. GUINNESS moved, That the report and correspondence be printed. He thought it was as well that the House should be placed in possession of the facts in relation to this matter. The Goldfields Committee, which was a standing Committee set up every session by the House, had had appointed to it a clerk who had conducted the business of that Committee for several years. About a fortnight ago the members of the Committee were very much surprised to find that that gentleman's services had been dispensed with, and that a new clerk had been sent there to carry on the business of the Committee. The Committee, wanting the services of a clerk who was acquainted with the petitions that had been partly dealt with, and with documents in connection with those petitions, had a clerk sent to them who knew nothing about these matters. A resolution was then passed,—

"That, in the opinion of the Committee, the services of the clerk of the Committee, Mr. Clinton, should be retained until the end of the session; that Mr. Clinton has always given entire satisfaction to the Committee, and has conducted his duties with despatch and accuracy; and I am directed to ask the Government to accede to the Committee's request, and to allow Mr. Clinton to remain until the business of the Committee is concluded."

That resolution was sent to the Premier. To it a reply was sent by Mr. Friend, Clerk of the House of Representatives, to the effect that the letter had been sent to him, and the answer went on to state, "I regret to say that I am unable to retain Mr. Clinton in the service of the department until the end of the session. The staff of extra clerks is being reduced as opportunity offers." That answer was not considered satisfactory by the Committee; and the following resolution was passed:—

"That, in the opinion of this Committee, the answer forwarded by Mr. Friend to the Committee's resolution requesting that Mr. Clinton's services be retained as clerk of the Committee to the end of the session is most unsatisfactory, as it simply expresses Mr. Friend's regret that he is unable to retain Mr. Clinton's services to the end of the session. The Committee therefore desire to place on record its opinion that, if the services of any of the clerks must be dispensed with during the session, the services of those clerks who have been employed for the first time this session should be dispensed with before a clerk who has well and efficiently discharged his duties for many years. That a copy of this resolution be sent to the Premier."

That answer was sent to the Premier on the 27th September, seven days ago, but up to the present had been totally ignored by that honourable gentleman, and no answer had been received by the Goldfields Committee. The Committee met this morning, and it was resolved that these facts should be reported to the House. He contended that the system

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which was disclosed by the facts brought before the Committee with regard to the services of these clerks was most unsatisfactory, inasmuch as new clerks were appointed nearly every session; and he maintained that where it became necessary to dispense with the services of any of the clerks towards the end of the session the suspension or discharge of these clerks should be of the clerks who had been more recently appointed, and that with regard to an old and efficient officer, who had performed his duties satisfactorily, who had got the run of the whole of the facts in connection with the working of the Committee at his fingers' ends, it was unfair to discharge that clerk, and send to the Committee a new clerk who knew nothing about its business. He had therefore great pleasure in moving that this correspondence be printed. He regretted the Premier was not in his place, so that he might offer some explanation in regard to the manner in which these discharges had taken place, because he held the Government were responsible for the proper carrying-out of engagements, and the discharge of these duties. If the Government delegated those functions to the Clerk of the House, and he did not carry them out in the manner in which they should be carried out, then he hoped the House would agree with him in saying that the responsibility fell upon the Government which so delegated its authority to an officer.

Sir R. STOUT desired to second the motion: but he could not understand what the honourable gentleman had to complain of, as he was one of those who last session voted for the control of the officers of the House being taken out of the Speaker's hands and left to the Minister. He understood that it was now looked upon that the officers of the House from the highest to the lowest were simply objects of patronage, and he did not see why the honourable member should complain of a system he helped to inaugurate. He must put up with it.

Mr. SPEAKER did not understand why the Committee should have made any application of the kind to the Premier. If the Committee had any complaint to make on the subject of clerical assistance, or on the conduct of officers of the House, the Speaker should have been addressed on the subject. Application was, however, made to the Premier, who had referred the correspondence to him, saying, as this was a matter of detail, he did not see his way to interfere, and that he had every confidence in Mr. Friend.

Mr. W. HUTCHISON said, so far as he could see, this matter had been left to Mr. Friend to arrange. He had nothing to say on that subject, but he wished to say, in reply to the senior member for Wellington City, that the ground taken up by him was indefensible. He had stated that the House had handed over the control of its officers to the Premier, and therefore they would have to put up with it. But, although the Premier had got this control, if he used it improperly the House would not put up with it. That was the recommenda-

tion of Ministerial control: the House itself was supreme; and they could certainly bring the Premier to book for any irregularity, and would do so.

Mr. SEDDON understood that complaint had been made owing to a recommendation of the Goldfields Committee not having been complied with. That Committee had sent a recommendation to him to the effect that a certain clerk should be retained, and he had treated that recommendation in the same way as the House would have treated it: it was by him sent on to the Speaker and Clerk, as in matters of detail they were conversant with every particular, and were the proper ones to advise the Government in such matters. Had he done otherwise he would have been accused, as he had been accused before, of dealing with everything according to his own sweet will; and because he had refused to do what was wanted, and take an improper course, then fault was found. He thought that in matters of this kind they should be advised, unless there were very strong reasons to the contrary, by the officers of the House. He had, however, laid down a rule that, if there was no work, then no clerk was required, as they had a right to study economy.

Major STEWARD thought that the motion for the printing of the papers would serve the purpose the honourable gentleman had in view, but, as Chairman of the Printing Committee, he might point out that the Appendices had grown enormously, and many of the papers printed simply went to the butter-shops. There was no objection to the motion being made simply as a means of ventilating the question, but in the interests of economy he hoped it would be negatived. The honourable gentleman would see the necessity for that.

Mr. DUNCAN said this was a very simple matter. The Committee had thought that when an old clerk had been for some time engaged on this work, and was a man with a family, he should have the preference over a young man who had no family. That was the real grievance in connection with the dismissal of this clerk, and had it not been for this there would not have been a word said further than that the Committee would not perhaps be as well served by a new man as it would be by the old one. In retrenchment questions of that nature, he thought they should consider whether a man was in need, or whether a single man with no family should be given the position. He would advise the honourable member for Wellington City (Sir R. Stout) to forego the attacks he continually made on the Liberal party. Whenever the honourable gentleman got an opportunity he had a dig and a slap at the Liberal party and the Government, and he objected to the honourable member doing so. He thought the Government had done the proper thing. They were responsible in the first instance to the House, and therefore could be held responsible for their action. That was the very reason why such matters should be brought up. But he would advise the honourable gentleman not to

be too elaborate in his snubs, as he had been during the session. The honourable gentleman would find that if he continued to attack the Liberal party in that way he would not add to his own dignity or to the dignity of the House, and that two could play at that game.

Mr. GREEN sincerely hoped the honourable member for Wellington City (Sir R. Stout) would take the advice offered by the honourable member for Oamaru; but he thought it would be well in cases of the kind that the advice should be tendered by people who carried out the principle. It was within his recollection that the position the Premier took up now was entirely different from the position he took up a few weeks previously. The Premier then said that he would exercise the powers conferred on him as Premier irrespective of the opinion of any officer. Then they had been reminded that the House had handed over to the Government the power of making such appointments, and the Premier had made an appointment disregarding the recommendation of the same officer whom he now said it was desirable he should be guided by in his action. It had now been stated officially by the Premier on the floor of the House that he would always retain the services of the senior officer when one of two had to be dispensed with. If the Premier would always adhere to that, the House, he felt confident, would invariably approve.

Mr. SEDDON said that he never denied the responsibility. He had accepted it, for the House had placed the responsibility upon the Government.

Mr. GREEN said the honourable gentleman had done so before, but he had now said that he should consider it to be his duty not to interfere with the recommendation, because it was a matter of detail. It appeared to him, so far as the present discussion was concerned, the exception that had been taken to the Premier's action now was not that the Committee wished to retain an extra officer when there was no work to do, but they considered the officer to be retained should be the one who had been longest in the service—that his services should be retained rather than the services of the one who had been last appointed. That was a point that honourable members had not referred to, and it left the House exactly in the same position as before. The Committee were entirely satisfied with the officer who had been dispensed with. He agreed with the honourable member for Waitaki that there was no necessity for printing these papers, as the object for which the motion had been brought forward had been attained—namely, that of ventilating the reason why the services of the last-appointed officer had been retained in preference to the services of the officer who had been previously appointed, and who had discharged his duties to the satisfaction of the Committee.

Mr. SPEAKER said it might enable the House to comprehend this matter if he stated that none of the Committee clerks had been appointed either by the Premier or at his sug-

gestion. They were most of them engaged by the Clerk of the House before the Speaker was appointed, and he had not been consulted in regard to them. In this particular case he understood that the clerk referred to had been taken on after the session was opened and when occasion arose for his services being required, and they were only dispensed with when the work of the Committees was nearly over.

Mr. McGUIRE asked if the Premier, in his reply, would state what was to be done with reference to the case of Mr. Kinsella—whether the recommendation of the Committee was to be carried out.

Mr. SEDDON said he would answer that question when the supplementary estimates came down. He had been asked the question whether a clerk who was in the middle of an inquiry into a particular work should be sent away and another clerk appointed to his place. He agreed that this was undesirable, as the clerk appointed in the middle of an inquiry would not know what had taken place before, and would have to start *de novo*, and it was a great mistake to do so.

Mr. ALLEN said that applied to more cases than one; but in this particular case the clerk referred to was not in the middle of any specific inquiry, but as the result of his removal the Committee had been hampered in getting the run of papers. For instance, in the case of one petition it took a great deal of time to find out where it was, as the new clerk had not the run of things, and was not aware what had been done with it by the previous clerk of the Committee.

Mr. GUINNESS, in reply, said that, in reference to the remarks of the honourable member for Wellington City (Sir R. Stout), to the effect that he (Mr. Guinness) had supported the motion for handing over the control of the officers of the House to the Government, he did not retract one step from the action he then took and the vote he then gave. Power having been given to the Premier to exercise his authority in this matter, if he delegated that authority to any one else they had the right to call his action in question if the authority so delegated was exercised improperly. The Premier had stated that he could not interfere with these matters, but that they must be left to the executive officers of the House to deal with, and, when there was no work requiring the services of any clerk, of course that clerk must go. That, however, was not the question in the case of this clerk of the Goldfields Committee. The honourable gentleman, as an old goldfields member, must know that towards the end of a session there was always a great deal more work than at the commencement of the session. The Goldfields Committee would have more work to do during the next ten days than they had early in the session; and it was absolutely necessary that the clerk to that Committee should have the

3.0. run of the business. The main objection he (Mr. Guinness) urged against

the manner in which this had been dealt with

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was that, if a clerk had to go, the proper course had not been taken, inasmuch as the new clerk, who was not so well acquainted with the business of the Committee, but had only been appointed during the present session, had been retained, and the old and efficient clerk, who had done the work for many years—and for the present session up to a fortnight ago—had been discharged. He hoped the Premier would look into the matter—he was responsible for what his executive officer did; and if the honourable gentleman thought it was just and right to discharge an old and faithful servant, against whom no fault could be found, and to keep on a new servant, all he could say was that he could not agree with him, and he believed that most members of the Liberal party would not agree with him. He did not wish to press the motion, and would ask leave to withdraw it.

Motion, by leave, withdrawn.

BELLAMY'S.

Mr. G. HUTCHISON brought up the following report of the House Committee:—

"I have the honour, by direction of the House Committee, to report the following resolution come to by the Joint House Committee—namely, that, on the motion of the Premier, it was resolved that the usual order for supplies for Bellamy's be sent."

In moving that the report lie on the table, he would take the opportunity of stating that the resolution of the Joint Committee was come to at an emergency meeting held on the 28th of last month. He was himself not present at that meeting, and knew nothing of it till after it was over.

Mr. SEDDON rose to a point of order. This was not a report brought down by order of the Joint Committee. It was the House Committee reporting what the Joint Committee had done. He questioned very much whether a separate Committee could bring down a report of a Joint Committee, though a Joint Committee could certainly report to both Houses.

Mr. SPEAKER, on the point of order, thought, if the Joint House Committee came to a certain decision, which the Committee of this House wished to draw attention to, it was in order for the Committee of this House to bring under consideration such proceedings of the Joint House Committee as our Committee thought this House should be made acquainted with.

Mr. G. HUTCHISON said the position of the matter was this: The House of Representatives in the beginning of the session set up a House Committee, which met separately and elected a Chairman. A House Committee was also appointed by the Legislative Council, which met separately and elected a Chairman. The Committees of the two Houses had been in the habit of meeting together and discussing matters that were of common interest, but each Committee remained a separate entity. The resolution come to by the Joint Committee on the 28th of last month was considered by the House Committee of the House

of Representatives, and it was resolved that it should be reported to the House, as relating to a matter which had before been under the attention and direction of the House, when, early in the session, a resolution had been passed to the effect that the sale of liquors at Bellamy's be discontinued, and when, six days after,—in view mainly, he believed, of the fact that arrangements had been made for the session by laying in stock,—it was resolved that the necessary permission be given to continue Bellamy's for this session only. In consequence of these resolutions he had felt it his duty to move in the Joint Committee to rescind the resolution ordering supplies for next session, and on his motion being rejected he asked that the resolution be reported. That was objected to by the Premier and some others. Consequently this was not the report of the Joint Committee, but of the House Committee of the House of Representatives, which met separately afterwards and resolved to report the resolution come to by the Joint Committee. He considered the subject was one the House ought to be consulted on. If this order were sent, it meant, taking the experience of the past as a criterion, that they would order supplies to the value of nearly £300 during the recess, to be stocked for next session. If he understood the resolutions of the House aright they meant that Bellamy's should not be opened next session. As the law stood it was quite clear that until a resolution of each House had been come to authorising the opening of Bellamy's no business could be carried on there. In view of what had occurred, it seemed to him that it was unbusinesslike to go to the expense of ordering supplies that might have to be disposed of at a sacrifice. Probably the intention of the Premier and others interesting themselves in this matter was, by ordering supplies and making all the arrangements for carrying on Bellamy's next session, to so commit the House as to make the resolutions come to practically nugatory. He would move, That the report do lie on the table.

Mr. SEDDON moved, That the report be referred back to the Committee. The honourable gentleman was not doing himself much credit in assuming the character of Paul Pry.

Hon. MEMBERS.—Oh, oh!

Mr. G. HUTCHISON.—I do not object to it—coming from you.

Mr. SEDDON said, when he told the House what had been done in respect to this matter honourable gentlemen would see that he was justified in exposing the honourable member's tactics in respect to this question. First of all, he would give the whole history complete. Some fortnight or three weeks ago the Joint House Committee mooted the question of sending for supplies, and the matter was postponed till there should be a full meeting of the Committee, notice of which was given. At that meeting the question arose as to whether or not the usual orders should go Home, leaving the matter to be dealt with when Parliament met next session. If the orders were not sent Home as usual, and if Parlia-

ment determined that Bellamy's should go on as it had gone on since its creation, then they would not be in a position to go on. The whole question was considered, and it was unanimously determined that the order should be sent. It would not amount, as the honourable gentleman had stated, to £300, but would be about £200, and it did not at all trammel the action of the House or Parliament in respect to the matter, because it was good value, and, if the House decided that Bellamy's was to be closed, then they would realise the amount it had cost. There would be no loss whatever; it was purely a matter of business—a matter of detail. At all events, it seemed to him that the almost unanimous decision of the Joint House Committee ought to be respected. Never before had the decision of the Joint House Committee been brought before the House in the same way as that now for the first time inaugurated. He challenged the honourable member, who had been for some years a member of the Committee, to say when the decision of the Committee with respect to sending orders had been brought before the House. Such a thing had never occurred in the past, and there was no reason why in this case there should have been a departure from the usual practice. The honourable member had appeared at the meeting of the Joint House Committee and had protested against the minutes being confirmed. That was also an unusual thing, for the minutes were merely a correct record of what had transpired. Then the honourable member gave notice to rescind the resolution previously agreed to. He appeared to move his resolution, and moved it without remark; the matter practically went by default, only the honourable gentleman and the honourable member for Franklin voting for it. The honourable member for Franklin had moved the resolution that Bellamy's should be closed, and he was therefore acting consistently with his motion to stop the sale of liquors at Bellamy's. Then, he would describe the next scene. His honourable friend the member for Patea had stopped him as they were going down the passage, and said, "Come in here"; like the spider to the flies, he said, "Come into my parlour." Well, they went in: there were four of them—himself, the honourable member for Patea, the honourable member for Franklin, and the honourable member for the Thames. Immediately they got into the parlour his spider-like friend the honourable member for Patea closed the door, and said, "We will make this a meeting of the House Committee." There had been no notice of this sent to members, but they were coming from the meeting of the Joint House Committee, and at a moment, without any notice, they were to form themselves into a meeting of the House Committee. There were only four of them; his honourable friend the member for Patea was Chairman, and with the honourable member for Franklin voting with him he had the casting-vote. He (Mr. Seddon) therefore came to the conclusion that he

would have to play the part of the wasp on this occasion. Wasps, in their encounter with the spider, generally tore the web and the spider got the worst of it, and the wasps flew away. He said to the honourable member, "This will not do: you have the casting-vote, and if myself and the honourable member for the Thames walk out you have got no quorum,—and you had better not try it on." The honourable gentleman saw that he (Mr. Seddon) was master of the situation, and he said, "Oh, very well"; and they took their departure and were not caught. What was the next move? A meeting was called for that day. He had no notice of it, and he knew other members had not the slightest idea of it, and it was not on the cards that the meeting was for the specific purpose of reviewing what had been done by the House Committee. It would have been consistent with a fair course if that had been put on the notice. But the honourable gentleman took very good care that no proper notice was sent.

Mr. SPEAKER presumed the notices had been sent out by the clerk. He himself, being a member of the Committee, had received notice to attend the Committee.

Mr. SEDDON asked, would the honourable gentleman say that he told the clerk to let the members of the House Committee know what the business was?

Sir R. STOUT said that was not usual.

Mr. SEDDON said, where it was a matter of such importance as the honourable member wished to make out, it was his duty to have a notice put on the cards as to what the business was. He did not do so, but he brought a motion down telling the House that the House Committee had come to a conclusion, and he was in the position of having placed before the House the very wrong course taken by the Joint House Committee. What was the position of the honourable gentleman? Was he one of those who supported the closing of Bellamy's?

Mr. G. HUTCHISON.—Yes.

Mr. SEDDON said the honourable gentleman forgot. When the question of keeping Bellamy's open this session was before the Joint Committee the honourable gentleman moved a resolution. He (Mr. Seddon) asked that one word should be put in—the word "only." That was accepted as a compromise, and the resolution was passed.

Mr. G. HUTCHISON said it was not a compromise at all.

Mr. SEDDON said it was a compromise, and the result was that the honourable gentleman's motion to keep Bellamy's open was carried. Now, however, he had changed front, for this reason: Because he (Mr. Seddon) moved this motion, he thought he was going to play upon the feelings of the temperance party in the House, and hold up the Premier as a shocking example. He desired to make a little capital as against the Premier in respect to the matter. But the honourable gentleman would make no capital out of it at all. He (Mr. Seddon) would be commended, on the other hand, for taking a straightforward, business-

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like course. And honourable members were as free as ever next session, as they were at the beginning of this session.

An Hon. MEMBER.—They were not free; they had the liquor in hand, and had to drink it.

Mr. SEDDON said the liquor sold in Bellamy's evidently proved good liquor, as members generally looked none the worse for it. What was the position? They had a Bill before the House called the Licensing Bill, and if the honourable member had been attending to his duties he would have heard him say that when that Bill was before the House they could determine by that Bill what was to be done as regarded Bellamy's. Then, he was told that he would not get the Bill through; but he had been told that with regard to other Bills. Only the previous day he had been told he would not get the Public Works Bill through, and yet, with the help of his friends and the consideration of his opponents, he had done so. He had pointed out that the clause dealing with Bellamy's was almost at the commencement of that Bill, and whatever decision was arrived at by the House might be taken as an indication of the wishes of the members. Then, they must not forget the other branch of the Legislature, which had a right to be taken into consideration, and they had been almost unanimous in the Committee about sending the order Home. And, after all, what was there in it? As he had said, if the order went Home and the liquors came out here, they could realise its cost, and there was no loss; and if, on the other hand, the House agreed that Bellamy's was to be kept open, then everything was provided. If they were not in that position they would be told they did not understand their business; and if the result was that they had inferior liquor, and it had a baneful effect on the health of honourable gentlemen, who would be blamed? Those members who refused to send the order Home. When they realised what had taken place they would commend the Joint House Committee and the Premier for having done what any businessman who looked to details would do under the circumstances. As regarded the House Committee, was it fair that they should be placed in the position of receiving no notice? He would move, That the report be referred back to the Committee; so that they might discuss the matter and advise the House accordingly. He looked upon the meeting of the House Committee with only three out of ten members present, as a hole-and-corner proceeding, for the purpose of making capital against himself, and he thought, if the honourable member for Patea could get nothing better out of which to make capital against him he should leave it alone.

Sir R. STOUT regretted that Parliament should have this question discussed at all. He had hoped the House would see that it was better for its dignity not to have Bellamy's. The only way to get rid of such a discussion was not to have a licensed house on the premises. He could not understand what the Premier meant by finding fault with the report. What

had the Committee done? They had only reported to the House what the Joint Committee did; and the Joint Committee, if they had done their duty, ought to have sent a report, as soon as the resolution was carried, to both Houses. What had the Committee done? Well, the House Committee had only told the House what was going on, which the House had a right to know, and therefore he could not see that there was anything to blame in the matter. The only other objection was that there was no notice given, on the back of the card inviting members to the Committee, as to what was coming on. Now, he had two cards before him for Committees on the following day: on the one there was a mark on the back, but on the other there was none. Any one who attended Committees knew that it was only occasionally that what was to happen in the Committee was marked on the back of the notice-card. He thought the Premier had all along been playing with the House on this question. He would explain the position. When the resolution was carried that Bellamy's should be closed, what happened? The Premier was not pleased at that being carried, and set about to get it defeated. What did he do? He brought down, with a great flourish of trumpets, a Bill to deal with the question. Where was that Bill? It had never been heard of; it was never intended to be brought up. And what was done? The Premier went to the Joint Committee and got that Committee to agree to a resolution—practically to do what? To rescind the resolution of the House. That was brought up, and he used his majority to carry, practically, the rescinding of a resolution carried previously by the House, and, having got that carried, they heard nothing more of the Bellamy's Bill. The honourable gentleman said it could be dealt with in the Licensing Bill. How could it be? The Bill as proposed by him left everything practically as it was now, so that the license might be issued, and he apprehended that might be the verdict of the Legislature. How could this, therefore, be an instruction to the House Committee? It would be nothing of the sort. He submitted the proper course would be to affirm that the House would not consent to Bellamy's being continued, and if anything happened the Premier would be to blame, because he had not acted straightforwardly with the House, but had tried to get behind the House, and the opinion of the House, on every occasion. He could not see that the House Committee did wrong in allowing the House to know what was going on.

Mr. MCGOWAN said the discussion seemed to have widened out into the continuance of Bellamy's. The real question was the report of the House Committee, and he would say that he could not admire the method by which that report had reached the House. He said distinctly that the resolution as read in the House was not placed before the House Committee. When the Joint House Committee drew up a report he thought it was the usual thing to direct that the Committee of each House

should report their finding to the House whose Committee they were. In this particular case no such finding was come to. The House Committee met after the usual invitation, and it was some time before a quorum assembled, and then as soon as it was there the statement of the Chairman was, "Should we make a report as previously?" There could be no objection to doing so in the ordinary course, and, of course, that was assented to. But he said the report as read was certainly not a report that the House Committee had any knowledge of.

Mr. WILSON said that, as he was a member of the House Committee, he would like to give his version of what took place at the meeting referred to. At half-past twelve the meeting of the Railways Committee closed, and at twenty minutes to one the clerk of the House Committee came to him and asked him to attend its meeting, so as to make a quorum. He went to the Committee for that purpose, and his arrival there constituted the quorum that was required. The Minister was present, and the Chairman of the Committee informed those present that the Joint House Committee had passed a resolution ordering supplies for Bellamy's for next year, and he wished to know whether the House Committee should report to the House. It seemed to him (Mr. Wilson) that the House should be made aware at once of what had taken place at the Joint House Committee, and for that reason he moved, "That this Committee report to the House the motion which has been passed by the Joint House Committee." He did not draw out the motion, because he had not the motion with him, and he left it to the Chairman to do so. Probably he would have drawn it up himself had he had the opportunity. The motion he made was that a report be handed to the House embodying the resolution passed by the Joint Committee.

Mr. G. HUTCHISON said that what the honourable member had just stated was exactly correct, and what the report said was exactly what occurred. The statement of the honourable member for the Thames was not correct. No such reference was made at the last meeting. The business was distinctly confined to reporting the resolution arrived at by the Joint House Committee—neither more nor less. He would like to say a word as to the Premier's statement of what had occurred after the Joint Committee meeting. The Premier was not celebrated for accuracy. The Premier's fanciful sketch could only go to confirm the distrust every one must feel at the account which he had been rash enough to give of what had occurred. It was largely made up of imagination. Throughout this matter he (Mr. Hutchison) had taken what he thought was a consistent stand. He voted for the general resolution of the honourable member for Franklin, in the early part of the session, that the sale of liquors at Bellamy's should be discontinued; but, seeing that the whole of the supplies for the session were in stock, he proposed at a meeting of the Joint House Committee that permission be

given for this session to carry on Bellamy's. The "compromise" which the Premier indicated as having been come to did not suggest itself to his mind as a compromise at all; it was merely a further affirmation of the position indicated by the resolution he (Mr. Hutchison) had moved as to the permit being for this session, emphasizing the point that no permit should be given for another session, which should open under different conditions from those of this session. As to what occurred on the 28th September at the meeting of the Joint House Committee, he (Mr. Hutchison) could only speak from the minutes, as he was not present; but the next ordinary meeting he did attend and moved the rescission of the resolution previously come to on the motion of the Premier for the ordering of the supplies for Bellamy's for next session. There were four members of the House Committee present on that occasion.

Mr. SEDDON.—You were there at the time of the confirmation of the minutes of the preceding meeting.

Mr. G. HUTCHISON said, Yes, and he took exception to what the Joint House Committee had done at their previous meeting. He took exception to the Joint House Committee having, as they had done, taken to deal with certain internal arrangements of this House, as he considered it was not in the province of the Joint House Committee to interfere in such matters, which were properly under the control of the House of Representatives Committee. That, however, was by the way. It had nothing to do with the Bellamy resolution, which, being a matter affecting both Houses, he admitted was properly a subject for the Joint Committee. He also objected to the resolution come to in the Joint House Committee on the motion of the Premier ordering supplies for Bellamy's. He objected on the ground that the Joint Committee should not have so acted, although the matter was within their province. He was told that he must give notice of his motion. He accordingly gave notice of motion. On the Joint House Committee meeting a few days afterwards, to consider the motion of which he had given notice, four members of the House were present—the Premier, the honourable member for the Thames, the honourable member for Franklin, and himself (Mr. Hutchison). He and the honourable member for Franklin voted for the rescission of the previous resolution; the Premier and the honourable member for the Thames voted the other way, the whole of the members of the Legislative Council who were present voting with the Premier. He (Mr. Hutchison) then suggested that the resolution of the Joint House Committee should be reported to each House. That was objected to by the Premier, who was supported by the other members of the Committee. It was evidently desired that the resolution which had been come to should not be made known to this House at any rate. He (Mr. Hutchison) then suggested that, as there was a quorum of the House of Representatives Committee pre-

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sent, they should meet separately and decide whether or not they should make a report of the resolution come to by the Joint House Committee; and, as indicated but not quite accurately detailed by the Premier, he (Mr. Hutchison) invited the members of the House to go into another room, and they accordingly went there. He then asked whether it was not proper that the House should be informed of the resolution come to and confirmed by the Joint Committee, which traversed, as it appeared to him, the resolutions previously come to by the House this session. The Premier objected, and said, "If I leave, and Mr. McGowan goes with me, you will not have a quorum." That was perfectly true; and they accordingly went out, and left no quorum. He then directed the clerk to summon another meeting for the next day, leaving the issue of the cards, in the ordinary course, to the clerk, and he had no doubt the clerk had done all that was proper. Such was the position, and it was only right the House should know what was being done.

Mr. MCGOWAN wished to make a personal explanation, as the honourable member for Patea had said his (Mr. McGowan's) statement was incorrect. He merely wished to say that the honourable gentleman was in error, and ingeniously inaccurate.

Mr. ALLEN agreed with the Premier that the action taken by the Joint House Committee was businesslike, and could not possibly result in any loss to the House Committee, more especially as he believed the House would next session rescind the resolution which was carried in the early part of this session. He agreed with the amendment which the Premier moved this afternoon, and he thought for one or two reasons this matter should be referred back to the House Committee for further consideration. In the first place, it seemed that the record was not quite correct. Surely, if the record of the Committee was not correct, it ought to be referred back to the Committee in order that it might be corrected. He agreed with the Premier also for this reason: that it seemed to have been a hole-and-corner meeting, and he was afraid his honourable friend was like the proverbial fly which had been caught by the wiles of the spider. He was not quite so "fly" as the Premier was the other day, and consequently had been caught. He thought there were very good reasons why the report should be referred back to the Committee, and he hoped the House would agree to the amendment moved by the Premier.

Mr. CROWTHER said this was a go-as-you-please debate. Debates of this kind were very educating to the young members. As far as Bellamy's was concerned, they had been told that if they consented to Bellamy's being allowed to remain open this session the contents of the cellar could be consumed, and no loss would be sustained; that if they did not sell the stores great loss would be sustained, which the House could not afford. Now, however, they were told that if they ordered a large stock for next session, and if after all

it were not required, it would all be sold, and no loss would be sustained. How convenient it was to meet circumstances as they arose! He had no objection to Bellamy's remaining open, and he took no objection to the report, but, still, he thought there was one feature in it that deserved consideration. The House had no right to assume that the House Committee of this House were the only people in the colony who were able to import whiskey fit to drink. That really was the inference. Surely, if the House Committee wanted liquor for the supply of Bellamy's, it could be bought in the colony, and they had no right to assume that they were the only people able to import it. They need not spend the whole time of the House in discussing this matter. All that was required for Bellamy's could be got in the country without importing it.

Mr. W. HUTCHISON wished to ask the Premier if he would accept an addition to the amendment—if the report were referred back to the Committee to add these words: "but no order for alcoholic liquors be in the meantime given." If it were not accepted, he presumed he could move it as a further amendment.

Mr. SPEAKER said the honourable gentleman could move those words as an addition to the amendment that certain words be added to the word "That" of the original question.

Mr. SEDDON said that it looked like the device of an old spider. He had escaped being caught by a young one, and must give the seeming proposed entanglement a wide berth.

Mr. W. HUTCHISON had listened to the long speech of the Premier, but it all amounted to this: that he was the instigator and mover of the motion passed by the Joint House Committee to send Home for a further supply of alcoholic liquors. He thought there could be no question about that, and he was very sorry to know the honourable gentleman had done so. He said in the most friendly spirit that, looking at the resolution of the House in the early part of the session, and the tendency of public opinion, it was altogether unfortunate that the Premier should have taken up such a position. He told them that if they shut up Bellamy's they could dispose of these supplies and get the money back again, and that, the honourable gentleman said, was quite a businesslike way of looking at it. It was quite the reverse. Would any merchant send Home an order for goods that he would not be sure to dispose of in the ordinary way, but might be forced to sell by auction or in some other exceptional manner? The true business method was to wait until they saw whether they could accomplish the shutting-up of Bellamy's or not. If it was to be kept open they could at least get drink that would not be so very much worse than the drink that would be imported by the House Committee; and it would not be quite a bad thing to encourage their own trade and commerce to the extent of buying these supplies in the colony. The whole question was, whether they should have Bellamy's continued or not, and he would test

the feeling of the House upon the addition he had proposed to the Premier's amendment.

Mr. TANNER said that during the whole of this discussion, and during the discussion on previous occasions in the present session, there appeared to be, on the part of a large number of members, a supreme disregard of the rights which undoubtedly belonged to another Chamber. He considered the present gathering of members to be more advanced on the particular line of temperance than the one that sat there during the previous three years; but he could not help pointing out that the continued discussion on this subject—this was the third time this session—was not calculated to enhance that feeling of respect that ought properly to be entertained in the country for members of both Houses. Bellamy's was assuredly a dying institution, and it was not consistent with the dignity of that House to waste time in repeated discussions over it. But, aside from that, he regretted the disposition to ignore others who had a right to be consulted, which was being manifested by a considerable section of members of the House. He did not know whether that was intended to be incorporated as an article of faith in the creed of the New Liberalism. If it were, he utterly dissented from it. This was the third occasion this session on which a number of gentlemen in that House had undoubtedly attempted to arrogate to themselves the functions which belonged to both Houses. That was the point on which he wished to insist. The Second Chamber was not to him the most cherished institution in the world, but it was a Chamber with nearly co-equal powers and rights with the Lower House, and the decision arrived at earlier this session was come to, he believed, under a misapprehension as to the powers of the House of Representatives. He believed a large number of new members assumed that the institution known as Bellamy's was entirely under the control of that House alone, and they certainly acted as they had done under that impression. He did not care in which way the question might be settled, so long as the rights of the other branch of the Legislature were not infringed, and all the parties interested were duly consulted. The question ought to be settled by a vote of both Chambers, and he did not think any person could object to that. The very best solution of the matter was a notice of amendment which stood in his name—that the opinion of the whole of the members of the Legislature ought to be taken on the subject.

Mr. G. J. SMITH said the honourable member who had just sat down spoke of the rights of the other Chamber; but they had to consider that they had certain rights in that House. In the early part of the session the House passed a resolution which was deliberately ignored for the time being by the House Committee, and the Steward was allowed to continue selling liquor after that resolution was carried. The honourable member for Avon had said that they were attempting to arrogate to themselves certain functions that belonged to the other

House. Now, they had no right to constitute a special licensing district for the benefit of the legislators of the country. If members wanted liquor, let them go out to the ordinary licensed houses and procure it. It was time these privileges should be clipped, and in that House there was a general feeling that Bellamy's was not required. When the report of the House Committee was read, he for one was exceedingly sorry that the Premier had moved the motion referred to in the report. He had come to think that the Premier had some sympathy and feeling in favour of temperance reform; he had come to think that the honourable gentleman's sympathies with the temperance party were genuine; but when he found that in a Committee of that House the Premier was the one who moved that a continued supply of liquor should be obtained, his belief in that honourable gentleman was again threatened. In the early part of the session a vote was passed to close Bellamy's. That vote was afterwards rescinded, because they were told the Steward had got in a large stock of liquor, and that if Bellamy's were closed there would be a large loss incurred: the House, in view of these circumstances, agreed to rescind that resolution. If there was a desire for Parliament Buildings to continue as a special licensing district the House should take a vote on the question, and if the vote were taken in that House as to whether Bellamy's should be open next session or not that vote would go in favour of closing Bellamy's by a very large majority. Let that vote be either an open vote or a vote by ballot; he was not particular which way. It was time now that this question should be dealt with by the House, and dealt with definitely. They had had it before them on two or three occasions, and if they were not careful they would be landed in the same place as they were at the beginning of this session. He hoped the report would be referred back to the Committee, with the addition proposed by the honourable member for Dunedin City (Mr. W. Hutchison).

Mr. MILLS said the honourable member for Christchurch City seemed to overlook the fact that the circumstances of that House were very special when he spoke of this being a special licensing district. Was there any other House or club whose members had to remain in harness from the time they started in the evening at half-past seven until four or five o'clock the next morning, and sometimes later? Of course some people liked tea, but there were others who preferred a glass of beer, and honourable members should be allowed to have any kind of refreshment they pleased. Some members, he knew, liked sherry in their soup, and it was perfectly right for them to have it if they enjoyed it. They should not overlook the fact brought under their notice by the honourable member for Avon. The members of the Legislative Council had just as much right to give their voices in this matter as the members of the House of Representatives, and if a poll was to be taken it should be taken at the end of the present, not at the beginning of a new, session. There were a

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great number of members who came away from their homes for three or four months, and he ventured to say there was not a member who would not extend the right hand of hospitality to any one who came to visit him, and he ought therefore to be in such a position that he could ask his friends to accept a cup of tea, a glass of wine, or anything else which was to be procured when they came here. It was unfair and most ungenerous for some members to persist in saying, "You shall not take this, and you shall not take that." No one said, "You shall not take a cup of tea"; and why should they insist on saying that people were not to take something else which they preferred to tea? Let everybody take what he most enjoyed, and had most inclination for, in the way of refreshment.

Mr. PIRANI said it seemed to him that a great many members of that House were using "the other place" as a stalking-horse. It was ridiculous to say that members of the other place, who sat there for two or perhaps four hours a day at the utmost, were being deprived of some enormous privilege by the closing of Bellamy's. He thought that such misplaced ideas should be dissipated. They should recognise and admit that those members who supported the continuance of Bellamy's in that House wanted to use it for their own purposes. If they were anxious to retain it they should say so, and not say it was kept there for the members of the Legislative Council. The honourable member for Avon told them that the new members of the House were not aware that Bellamy's was under the control of the other branch of the Legislature as well as that House. It seemed to him the honourable gentleman was not aware that if that House did not pass a resolution in favour of the continuance of Bellamy's it had no legal existence, and that liquor ought not to be sold there. He was sorry indeed that this matter should come up in this way, or that there should be any irregularity; but if there was any fault to be found he thought it was the Premier's in not having this resolution reported to the House directly it was carried by the Joint House Committee. It was not many months since the Premier told them in the House that they should pass a vote before the end of the session directing the Custodian not to give any orders for supplies for Bellamy's next year, if there was a desire that Bellamy's should be discontinued. If a resolution was passed in Committee authorising these orders, and the House was not to know until the orders were sent away, how could they prevent the orders from being sent Home for the supplies? The House should take a straight issue as to whether Bellamy's should be continued or not. If members of the Legislative Council wanted to have a Bellamy's of their own, let them have it, and joy go with them; but as long as the House of Representatives was against it the members should not countenance any evasion of its wishes.

Mr. DUTHIE quite sympathized with the object of the Premier, but the House having re-

solved to only keep Bellamy's open for one year, he thought the motion passed in Committee ought to have been brought before the House for discussion, and he did not think the Premier was justified in committing the House, by acting on the Premier's Committee motion, before bringing the question before the House for consideration. There was a marked inconsistency in the action of the Premier in moving the motion referred to, so committing the House to the continuance of Bellamy's, while early in the session he led the House in agreeing to keep it open this session only.

Mr. SEDDON.—I am not the House Committee;—only one of thirteen.

Mr. DUTHIE said the honourable gentleman moved the resolution, and he was speaking of the honourable gentleman's responsibility in moving that resolution, looking to the position in which the question stood in that House.

4.0. The question ought, however, now to be dealt with straightforwardly on the floor of the House, and decided one way or another. It ought to be brought forward by a direct resolution, and the question settled once and for all.

Motion, That the report do lie on the table, negatived.

On the question, That the report be referred back to the Committee for reconsideration,

Mr. W. HUTCHISON moved, That the following words be added: "with an intimation that no order for alcoholic liquors be in the meantime given."

Mr. SEDDON desired to take the opportunity of putting his position clearly before the House. If he were a member of a Committee he was entitled to use his discretion on that Committee, and he was not one of those who did things clandestinely. It would have been quite easy for him to have suggested to some other member to move this motion, and then to have voted for it; but he preferred to take the responsibility, and to act in a straightforward and open manner, rather than go behind the scenes, as some members he could name generally did. He had asked the question on the Committee whether it had been the practice to report to the House when orders were sent Home, and the Steward had said No, it had not, and there never had been an instance, as regarded carrying out details and sending orders, of the matter being reported to the House. He had then stated that in this case he did not see any necessity for reporting it specially to the House. He had said to the Committee at the same time that the orders must not go until the House had dealt with the Licensing Bill, when there would be an indication from the House of what they desired to be done in regard to Bellamy's. The Committee had raised the question, however, that the Licensing Bill might not go through; but he had replied that they would get past the clause in the Bill relating to Bellamy's. He hoped the Licensing Bill would go through, and that would finally settle the question. Then, there was another question. If that were done before the House dispersed the

House could pass a resolution, which, as the law at present stood, had to be done at the commencement of each session. This had to be done by both Houses; otherwise there was no power given to the Steward to act at all. It had been asserted with some force that during the first fortnight of this session the Steward was liable to be proceeded against unless he had some permit, even a temporary one, and he had thought it would be necessary to alter the law, so as to enable the Speakers of both Houses to issue a temporary permit until the House had come to a conclusion upon the matter. He would take the whole question on the Licensing Bill: he could not do more than that; and it would be unfair not to give consideration to the members of the Legislative Council. There were thirteen members present at the Committee, four belonging to the House of Representatives, two of whom voted for the motion and two against. It was not fair, therefore, to throw the whole responsibility upon him, and that he should have to stand the brunt of adverse criticism in respect to this matter. However, he had very broad shoulders, and he might say that he did not think his intentions were such as to warrant the honourable member for Christchurch City (Mr. G. J. Smith) in allowing his confidence to be shaken. If he had had the honourable gentleman's confidence he did not know it, but he was sorry, after they had got near the killing of the fatted calf, that the honourable gentleman had sworn off again. He would accept the amendment of the honourable member for Dunedin City (Mr. W. Hutchison); and, when the Committee brought down its report, if it were referred back to the Committee, the honourable member could move again. He wished to take this opportunity to say that the reason the House Committee had reported this matter—a thing they had never done before—was that the House had passed a resolution taking away from the Recess Committee the power they had hitherto possessed. The honourable member for Patea had had this power during the whole of the recess: to use a colonialism, he had "bossed the show." That power had been taken away, and the buildings, grounds, *et cetera*, were now vested in the Government during the recess. That was what had caused umbrage on the part of the honourable member against the Government, and against the Premier, who had moved the resolution. He (Mr. Seddon) desired to work with the Legislative Council, and to do what was fair and reasonable, and, because that was the case, this motion had been brought forward and another afternoon had been wasted. He, however, intended to defend himself, and to put himself clear before the House and the country.

Mr. W. HUTCHISON asked if he could amend his motion.

Mr. SPEAKER said the honourable gentleman had already moved one amendment, and he could not allow him to move a further one, which would mean giving the honourable member the privilege of not only moving two amend-

ments but also of making two speeches on the same subject.

Mr. EARNSHAW said it was quite evident that the amendment of the honourable gentleman might bear a different interpretation from what was intended; and in that respect the House should be very careful. The Premier had, when the House met this session, taken up the position that Bellamy's should be allowed to continue for this year; but he did not think that the opportunity the honourable gentleman said would be given on the Licensing Bill to discuss the question of Bellamy's would be afforded. Some seven weeks ago he (Mr. Earnshaw) had stated that they would not have the Licensing Bill this year, and that opinion he still held.

Mr. SEDDON said perhaps the honourable gentleman would alter his opinion by the following Saturday morning.

Mr. EARNSHAW said he did not alter his opinions, but always stuck to them. With regard to the sale of liquor at Bellamy's, the opinion he had expressed to the House had always been that they did not need that institution. He understood that this session Bellamy's was making a great loss on account of the members having been so very temperate. If the Premier had control during the recess, then there were ample supplies on hand for those members who chose to take liquor there during next session. The present moment was a most opportune one for the House to come to a decision as to whether liquor should be kept at Bellamy's next year or not. If the question were left over from this session, or after the report came back, he doubted very much whether the House would have the opportunity of coming to a conclusion; and if the House were wise it would embrace the opportunity it had at hand rather than the opportunity the honourable gentleman promised, because he made promises that he did not carry out. He thought the country was looking to the House to give some clear expression of opinion regarding Bellamy's. It was one of the many questions that arose at the last election, and he failed to see why members should deal differently with themselves from what they did with people outside. If they wanted liquor for members, and if they could carry on their business better with liquor than without liquor, then let it be so. But he thought that Bellamy's had been no advantage in carrying on legislation during the current session. The Premier himself could not say but that it had been a great barrier to carrying legislation through this session, and on that ground he thought the House ought to speak straight out, without making a stalking-horse of the Legislative Council, and making the Councillors bear a burden that the members of the House of Representatives should bear themselves. If they did not decide the matter this session, Bellamy's would be open next session; and the House should come to a definite decision whether liquor should be sold there or not. He trusted the House would permit the honour-

able member for Dunedin City to amend his motion, if it were necessary, if it did not carry the interpretation the honourable gentleman wished to convey.

Mr. THOMPSON thought this question was one that should be left to a Joint Committee of both Houses to settle, as the members of another place had just as much right to be consulted as the members of the House. It was a pity that such a subject should be brought up, and that a whole afternoon should be wasted in discussing it. He also considered it a pity that those honourable members who so often trotted out this question of Bellamy's should be so often found in Bellamy's, and he would suggest that they should in future keep away from a place where they were so often found enjoying themselves. He hoped this matter would be left entirely to the House Committee, and that they would have no more afternoons wasted this session.

Mr. G. HUTCHISON desired to say one or two words in reply to the Premier, who had again been drawing upon his imagination when suggesting that the motive for the report was that he (Mr. Hutchison) was disappointed at there being no Recess Committee. He had no reason to suppose that he should take any particular part in any Recess Committee that might have been appointed. The friction that occurred during the last recess between the Recess House Committee and the Premier had arisen entirely from the fact that the Premier had interfered with the appointment of charwomen employed in the Parliament Buildings: not that such appointments were matters that the House Committee claimed any authority or took any particular interest in, such things having been always left to the Serjeant-at-Arms. The subject had come before the House Recess Committee in the way of a report that the Premier had interfered with the employment of the charwomen who, in the ordinary course, were kept on during the recess. The Premier had discharged one of them so as to make room for some one else.

Mr. SEDDON said he was not alluding to that, but to the friction concerning the grounds.

Mr. G. HUTCHISON said, nothing of the sort; the resolution last session left no doubt as to the grounds being left to the control of the Public Works Department.

Mr. SEDDON.—What about stopping the cutting-down of the trees?

Mr. G. HUTCHISON said, Yes, the Recess Committee had remonstrated with the Premier for cutting down some of the trees in front of the building, and had got a promise from him, when a few only were left, that they should not be cut down—which promise, however, had not been kept. It was the question of charwomen which was really the burning question during the recess, because, having acquired the knowledge through the Custodian that the immemorial prerogative of the Serjeant-at-Arms had been invaded by the Premier, he (Mr. Hutchison) had, at one of his meetings in Hawera, taken occasion to refer to the increasing way the Premier interfered with every-

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thing, from the courtesy due to His Excellency the Governor down to the selection of charwomen. The Premier afterwards had taken occasion to go there and assert that his statement had not been correct, when, as a matter of fact, it was correct. He believed there had been only two meetings of the Committee during last recess, and very little had been done; so that any suggestion that he (Mr. Hutchison) felt hurt at no Recess Committee being intended to be set up for next recess was palpably absurd. As to the amendment of the Premier, he supposed that if the House did not insist upon the report of the House Committee being brought down at a definite date they would have no report at all, because throughout the effort of the Premier had been to prevent the resolution as to ordering supplies for Bellamy's from coming before the House. The Premier had objected to the Joint Committee having leave to report; and had left the House Committee without a quorum on the following day, so that no report could be made by that Committee either; and no doubt, if the Premier had not forgotten or overlooked the meeting that had been held that day, he would have been at it for the purpose of objecting to this report coming down.

Mr. J. W. KELLY moved to add to the amendment, "and that the House Committee be requested to report on the matter not later than this day week."

Mr. SEDDON said he would accept the amendment of the honourable gentleman. He deprecated very much the waste of time that had taken place; but who was responsible for it? The honourable member for Patea. There was no doubt the honourable member had taken umbrage at the Joint House Committee saying that the buildings must be under the control of the Government. There was no doubt that was the reason he had moved in this matter, for he had mentioned it himself, and he knew the honourable member so well that he knew what was moving him. The honourable member for Patea desired to pose for the time being as a temperance reformer. Well, he made a present of him to the temperance reformers; but he would do more harm than good to their cause, as he did to every cause he espoused. The honourable member said there was no cause of friction except the question of the charwomen, and he had taken the trouble to refer to that. Now, he would tell the House and the country that, seeing the House had placed the responsibility for the estimates of the department on the Government, the Premier did not consider it derogatory to his dignity or to the dignity of his position, and to what belonged to the position, to act in the case of poor women who were homeless—widows with children, absolutely wanting for bread; whilst there were employed in the building women whose husbands were in the public service getting £3 a week, who had houses and other property. The Premier did not consider it was beneath the dignity of his position to say that it was time these women, who were in good positions and well off, should

be retired, and those widows who were in want, and who had five or six children to support, should be given an opportunity to maintain their children. He took the responsibility for that, though he might be held up by the honourable member for Hawera as a most undesirable person for having done it; and, as the honourable member had made that statement at Hawera, he (Mr. Seddon) had taken the opportunity to take the people there into his confidence and to point out that the honourable member had made a mistake. When clergymen in Wellington came to him and pointed out that this was the state of matters, and that there were families in that condition,—and as at that time there were no Parliamentary officers empowered to act,—and the House having cast the responsibility upon the Government, he (the Premier), being the Minister in charge of the Legislative Department expenditure, in doing what he had done had simply done what was right; and, what was more, would be prepared to do it again. Then, during the coming recess, there would have to be alterations made in the building. If there was a Recess Committee, with the honourable gentleman as Chairman, what would be the result? The Minister for Public Works would give instructions to alter the gallery. The Legislative Councillors complained that they could not hear where they sat, and they wanted to go back to their old gallery. The House Committee had left this matter to the Government, and it was his intention to make the alterations in the gallery. For many years the Legislative Councillors had had that gallery. The change had been made without consulting them, and they desired to have it back. If his honourable friend was Chairman of the Recess Committee, the Recess Committee would be resolving in one direction and the Minister for Public Works giving instructions in another direction. The best course, therefore, was to remove the evil, and the root of the evil was his honourable friend the member for Patea. That was the cause of the afternoon being wasted. With regard to the trees, the honourable member had said he had not kept his word. Now, it was a case of "Woodman, spare that tree!" He was asked to spare the macrocarpa—the large tree on the rise—and he had spared it, as honourable members could see; for some of the lower limbs had been removed, and then, on learning of the resolution, he had immediately given instructions to stop cutting it down. He did not think the honourable gentleman was right in saying that he had not carried out his promise. Regarding some of the old willows at the lower end of the ground, the very persons who had asked him to retain them decided, when they saw them left by themselves, that they ought to be cut down, but that the macrocarpa should be spared. He thought every one would admit that the alterations had been very good improvements. Now, he did not want to have this conflict. He had never told the House, because he did not care about bringing trivial matters before it. He had given instructions this session to have

the old gallery again set apart for the Legislative Council, but the House Committee passed a resolution that it should not be done; and, sooner than have any friction, he had allowed the Committee to have their way. The House Committee had now passed a resolution vesting the building in the Government during the recess, but this did not interfere with the library or anything connected with it. He thought honourable members would understand the position now. With regard to the Committee reporting: When he accepted the honourable gentleman's amendment, it was with the intention that the Committee should meet at once and report upon this question, and he had accepted the proviso that they should report within a week. If there was one thing that should commend itself to honourable members it must be the necessity that there was for dealing with this question of Bellamy's once and for all, so as not to have it brought up again and again on the floor of the House. They could settle it by passing the Licensing Bill, because to settle it they must have an alteration of the law. If one House passed one resolution and the other House another, there would be a conflict; and the proper course would be to deal with the question in the Licensing Bill, and that was the course he asked the House to adopt.

Sir R. STOUT did not think the House would get rid of this question if it simply referred the report back to the Committee. He thought they should have a straight-out vote on the question, and decide it one way or the other. He did not wish to say anything further, because, from the way the question was put, a decision could not now be obtained; but he was certain that if this report came up within a week they would have another afternoon wasted, and the blame would rest with the Premier. They ought to have come to a vote at once, and, if the majority of the House were in favour of ordering supplies for next year,

4.30. then they should let the order go; if they were against it, the order should not go. It should be decided one way or the other, and they should not have this waste of time. In reference to the charwoman, there was a petition before the House, and one was examined. It was quite wrong to say she was a woman of means. She gave evidence before the Committee, and she had been removed for no fault, and the only excuse for her removal was that she had held the position for many years, and ought to make way for some one who had not held it. If this was to be applied to the Civil Service, and if it was to be the reward for doing work well that the person must be removed on the ground that he or she had filled the office for some time, it was a most extraordinary position. He knew there was a very strong feeling amongst the officers who had been removed that political colour had a great deal to do with their removal.

Mr. COLLINS would not have participated in the debate, but, as a member of the Committee to which the honourable gentleman had referred, he must take the opportunity of say-

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ing that the Premier's statements were in accordance with facts. The petitioner had proved by her evidence before the Committee that she was possessed of property. She was merely a casual hand who had been engaged from time to time for a number of years.

Major HARRIS said he had attended the Committee, and all the Premier stated was perfectly correct. All that happened at the meeting in reference to Bellamy's seemed to be in a kind of conversational way, and the Premier took part in it with others. If the Premier had not moved what he did, others would have done so. He (Major Harris) had voted against any measures in regard to Bellamy's that had come before the Committee. He was one of two who had voted against the Premier and stated that there was no occasion to order spirits from Home. He understood that a vote of the House was come to some time ago that they were to have no more after this year, and that it would lie with the Speakers of both Houses to give their sanction before Bellamy's was opened again; and he always thought that in face of the resolution passed by the House the Speaker of this House would not give his assent. There was not the slightest necessity to order spirits, at all events not immediately, until they saw what happened towards the end of the session.

Motion, as amended, agreed to.

SHOPS AND SHOP-ASSISTANTS BILL.

A message was received from the Legislative Council insisting upon its amendments in this Bill, and Mr. Reeves, Mr. Bell, Mr. Tanner, and Mr. Ward were appointed Managers of a Conference in regard to the Bill.

LAND FOR SETTLEMENTS BILL.

Mr. J. MCKENZIE brought up the following report of the Committee appointed to draw up reasons for disagreeing with the amendments made by the Legislative Council in this Bill, and moved, That the report be agreed to, and be transmitted to the Council:—

"Clause 5: The House disagrees with the amendment made by the Legislative Council because it debars the Governor in Council from concluding a purchase without the recommendation of the Board, and is consequently an interference with the public expenditure of the colony; and the House does not deem it necessary to offer any further reason, hoping that the above may be sufficient.

"New clause 8: The proposed amendment altering the words 'in one complete estate' to 'in one block' may lead to estates being cut up into blocks in order to evade the Act. It is desirable to prevent this.

"New proviso to clause 8: The proposed new proviso is ambiguous; it is desirable to clearly define the exact area which may be selected in each class of land.

"Clause 21, new proviso: The House disagrees with the amendment, because it imposes a limitation on the acquisition of land, and thereby interferes with the public expenditure; and the House does not deem it necessary to

offer any further reason, hoping that the same may be sufficient.

"Clause 89: The Committee recommends the House not to press its disagreement with the amendment, which, though it may not be strictly regular, does not materially infringe the privileges of the House, and is otherwise unobjectionable. The Committee recommends that the amendment be agreed to, as it appears that the said amendment furthers the intention of the House."

Motion agreed to.

WAR STORES.

IN COMMITTEE.

Mr. SEDDON moved, That this House empowers the Government to enter into a contract or contracts, for a period not exceeding five years, for the supply of ammunition and warlike stores: the contracts for the ammunition to be under the following terms and conditions:—

Any agreement to be made shall be for a term not exceeding five years.

1. That the ammunition shall be manufactured in the Colony of New Zealand, and be supplied from the powder now in the store at Mount Eden, Auckland. One million five hundred thousand (1,500,000) rounds to be delivered before the 31st March, 1896. The number of rounds shall not exceed one million five hundred thousand (1,500,000) Martini-Henry-Boxer ball-cartridges, to be delivered at the rate of eighty thousand (80,000) rounds per month, commencing four months after the date of signing and entering into the contract. The price not to exceed £5 5s. per thousand rounds.

2. That, after the delivery of the aforesaid one million five hundred thousand (1,500,000) rounds, such ammunition as aforesaid shall be supplied to the New Zealand Government, in such quantities and at such times as may be from time to time ordered, for a period not exceeding five years, ending on the 31st March, 1899.

3. That the price to be paid for the ammunition referred to in paragraph 2 shall not exceed £5 5s. per thousand rounds, this being the current War Office price to contractors for similar ammunition in England, with the additional cost for insurance, freight, and charges of delivery at Wellington, and packing same in service-boxes of six hundred (600) rounds, and such other charges as have been previously paid by the Government. Such price shall be ascertained in London on or before April in each year by the Agent-General of New Zealand, in consultation with the Inspector of Warlike Stores or some other officer to be appointed on behalf of the Government of New Zealand, and the company's managing director in London or some other person appointed by or on behalf of the company. That such price as so ascertained shall be, and be taken to be, the price paid for such ammunition during the then ensuing twelve months.

4. That all ammunition aforesaid manufactured by the contractor shall be of quality

equal to that which shall be at such times passed for the use of Her Majesty's Government in England. The said ammunition shall be delivered in such quantities and at such times or time as may from time to time be directed by an order, in writing, signed by the officer authorised by the Hon. the Minister of Defence; such goods to be delivered at Auckland, and the rate of delivery not to exceed eighty thousand (80,000) rounds in any one month.

5. That the machinery in use for the manufacture of the ammunition aforesaid shall be only such machinery as shall be of the same class as, and equal to, the machinery used for the like purpose by or for the use of Her Majesty's Government in England. Further, that the contractor will purchase and take the powder required for the ammunition for the New Zealand Government from the Defence Department at the actual cost to the said Government delivered at the Auckland Magazine.

6. That before the Hon. the Minister of Defence shall be required to accept the delivery of any ammunition he shall be entitled to have the same tested by officers and persons appointed by him from time to time for such purpose; and the Government shall not be deemed to have taken final delivery of any instalment of such ammunition to be supplied until the required tests have been carried out and the ammunition finally approved by a certificate in writing to that effect from the officer or persons aforesaid, such tests to be carried out within one month after delivery. All the ammunition to be supplied shall be of equal material and quality, and of the same dimensions and weights, within the usual manufacturing limits, as laid down for the latest marks in use at the date of any particular order in the Imperial Service or of any approved sample. The test of the ammunition to be supplied shall be carried out as directed by the Hon. the Minister of Defence. The Government to bear the expense of tests made in Auckland, except in respect of such tests as result in the rejection of any lot or lots, in which case the contractor shall bear the expense. That, in the case of any ammunition supplied being rejected on account of its being unable to pass the approved tests, and not being replaced with ammunition fulfilling the required tests within a period of three months from the service of the notice on the contractors or their representatives, the Government shall have the right to purchase ammunition elsewhere at the risk of the contractor, and to terminate the contract.

He might say that some years ago the colony had entered into an arrangement with the Auckland Ammunition Company. The establishment of that company had been of great benefit to the colony. Now that the colony had changed from the Snider to the Martini-Henry rifle, it was necessary, he thought, that an opportunity should be given to the company of manufacturing the ammunition that was required. The company wished the colony to enter into a contract with them for a period of five years, and that there should be an im-

mediate order given for a million and a half rounds. They were told by the Government that there was no law which would enable the Government to enter into a contract for five years for the supply of this ammunition. He thought the proper course would be to have a clause in the Public Works Bill giving the Government this power. The Committee on that Bill thought it would not be the proper place for it, but that if they legislated for it at all it ought to be in the Defence Act. On consideration, he thought, under the circumstances, the proper course would be to get the warrant of the House, the same as was done for the San Francisco mail-service, to have it extended over a period of three years. As regarded the policy of doing this, he thought it was a wise thing to do. First of all, they would have employment found for a large number of persons in the colony; secondly, we had, in case of any disturbance arising, within ourselves the means of manufacturing our own ammunition. He might say that the other colonies had entered into contracts with the ammunition company for the manufacture of their Martini-Henry ammunition. The terms on which the contract would be based were, he thought, fair to the colony and just to the contractor, and would prove satisfactory to all parties. They took, of course, power to manufacture the ammunition under such conditions as would not be likely to hamper the contractor. As regarded the price, they had fixed the maximum for the present at £5 5s. per thousand rounds. If there was a reduction in the price at Home, then they would of course regulate this charge by that, *plus* the charges for freight and other charges. He thought, himself, that, taking the conditions he had laid down in the resolution and comparing them with the contracts made by other colonies, they had an advantage over any other contracts made, and at the same time he thought the company was prepared to contract upon these terms. Upon the strength of the negotiations so far, instructions had been given for the introduction of machinery for the manufacture of this ammunition. He would not give a pledge nor meet the company until he had consulted the House. At the same time he thought it a good thing to do, and he would recommend the adoption of the resolutions, although there was nothing binding or specific. He thought that years ago the company were led to believe that so long as they manufactured ammunition equal to the imported article and at a reasonable price the colony would encourage this very desirable manufacture. He thought it a very desirable thing to do, and he had every confidence that the contract would be carried out to the advantage of the colony.

Mr. G. HUTCHISON asked, at what price was the powder to be supplied to the contractors?

Mr. SEDDON said the Government bought it at Home in the English market from the best manufacturers. It was considered wisest they should do that, so that the very best

powder should be available. There was a lot of powder on hand at the present time. It would be sold to the contractors at the price they paid for it at Home, together with freight and any other charges. There was no loss to the colony upon the powder.

Mr. G. HUTCHISON said his inquiry was as to the powder imported some years ago, and now in store at Auckland. Was he to understand that the powder was to be taken by the contractor, and, if so, at what price?

Mr. SEDDON said that, for the moment, he could not state the exact price per pound for the powder, but the Government had got rid of the old powder. The contractors took the powder from them, and it was sold to them at cost price.

Mr. ALLEN thought it would be satisfactory to the Volunteers of the colony if the honourable gentleman could give some further assurance as to the supply of Martini-Henry rifles. He was aware that five hundred rifles had been ordered, and had arrived, but it would be very unsatisfactory to the Volunteers unless a sufficient number of Martini-Henry rifles were obtained for the whole of the Volunteers of the colony. Therefore he thought it advisable that orders for these supplies should be given at once. With regard to the price, he supposed the price set forth in the resolution was the maximum price.

Mr. SEDDON.—Yes.

Mr. ALLEN fancied the price now paid for ammunition was somewhat less than the maximum set forth in the resolution.

Mr. MEREDITH would like to ask a question *re* ammunition. How were the quality and the price of the locally-made article to be compared with the quality and price of the imported article?

Mr. SEDDON said he would refer to the matter in his reply.

Mr. BUDDO said it was very important they should take great care as to the quality of the ammunition which was supplied to Volunteers. It was, in his opinion, a step in the right direction to establish a local factory. He might say that in the shooting during the intercolonial match of last summer the quality of the ammunition was very good indeed, and it was found to stand on a par with the imported article. It seemed to be a rather long contract for that ammunition: still, they must take into consideration that Captain Whitney had to get the factory put in order, and it would be poor encouragement if they shortened the term of the contract. He did not suppose the machinery could be put up for any shorter contract than five years. He thought the Defence Department were very dilatory indeed in the issue of Martini-Henry rifles. There was great dissatisfaction throughout the colony at this; and, practically, he might say, no encouragement was given to the Volunteer movement. They kept on buying torpedoes and submarine-mining material at great expense: but if any enemy ever came to attack us they would not attack us at the front door; they would try to get in by the back door,

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and the colony would have then to depend on its Volunteer Force. He hoped that every encouragement would be given to the Volunteer movement, as upon the efficiency of the Volunteers depended in a great measure the safety of the colony generally.

Mr. CROWTHER said it afforded him very great pleasure to support this motion. He knew the district, and he knew Captain Whitney very well. He was enthusiastic and enterprising in this business. He had already got a large factory, and members would see by the sample-case, which had been in the lobby for some time, that he had entered very largely into this business already, and he (Mr. Crowther) was quite certain Captain Whitney meant to follow it out, beyond a doubt. The Government seemed to him to have made the position on behalf of the Government absolutely safe. In the first instance, with regard to the supplying of the powder, they knew that it was to be first class. That would, no doubt, be a guarantee of the quality of the material. Captain Whitney had a large factory, and he was pleased to see the Government were prepared to offer him this encouragement. It was, to his mind, absolutely necessary that they should, with all their strength, knowledge, skill, and money, help every industry of this description.

Major STEWARD said the last speaker had referred to the matter as from the point of view of the local manufacturer. The honourable member for Kaiapoi expressed the opinion that it might be desirable to give a five years' contract, because the proprietor would not be able to buy machinery without having a fixed term of contract. He apprehended, however, the Minister had framed these resolutions pretty much on the recommendation of the Volunteer Conference, which had recommended that there should be a contract for a term of years, not in the interests of the contractor, but because of the desirability of insuring the certainty of obtaining supplies of ammunition for a fixed period. In view of the matters which were transpiring in Europe, that was of great importance. The term asked for was only a reasonable one, and he thought the House would do well to pass the resolutions submitted to it by the Premier.

Major HARRIS said he could bear testimony to the good quality of the ammunition locally manufactured. Some firing had been going on amongst the members of Parliament here in Wellington recently, and not a single cartridge missed fire out of the whole lot.

Mr. WILLIS was much pleased to find the Government alive to the necessity of providing sufficient ammunition to the Volunteers, and he hoped the Government would be as fully alive to the necessity of supplying the Volunteers with Martini-Henry rifles. During something like ten years the Volunteers had been put off from time to time with a promise that these rifles should be supplied to them. It was a standing disgrace that the Volunteers of New Zealand should be in possession of an arm that in any other country in the world, however small, would be regarded as a very inferior article.

He doubted whether the Chinese were not better armed. He believed the number of rifles coming out was only five hundred, and when they came a great deal of jealousy would be created as to how they were served out. It would be far better to keep these five hundred in store until there was a sufficient number, so that the whole of the Volunteers could be supplied together. He was afraid that a good deal of jealousy would be created if particular companies were selected to be armed with the new rifles. In his own district, which had the reputation of being one of the best shooting districts in the colony, it would be very disheartening if other companies, which were perhaps not such good shooting companies, got supplied because they were in more favoured centres. He hoped the Government would at once see that a sufficient number of arms were ordered from England, so that the whole of the Volunteers might be encouraged by the fact of possessing a weapon they were proud to use.

Mr. SEDDON was very much pleased with the manner in which these resolutions had been received. With reference to the question of the honourable member for Bruce, as to when the Government intended to get more Martini-Henry rifles, he hoped to have the approval of his colleagues next day to send Home an order for a thousand more.

HON. MEMBERS.—Not enough.

Mr. SEDDON said it was all very well to say "Not enough"; but they must remember that money was wanted, and when people were waiting to take up land, and could not get on the land, if they spent £10,000 for rifles while people could not get on the land those people would naturally complain. The money would be better spent in making roads. They must be moderate, while at the same time not disheartening the Volunteers. He might inform the House that there were five hundred Martini-Henry rifles here, and, if they sent ten rifles to each of the fifty companies, that would be the best arrangement to make; and when they received the thousand rifles now to be ordered, and gave twenty to each of the fifty companies, then there would be fifty companies armed with the rifle. It was impossible, with the moneys at their disposal, to arm the whole of the Volunteers at once with the Martini rifle, but the Government desired, with the moneys available, to arm them as far as they could. With regard to the question asked by the honourable member for Ashley, as to the price and quality of the ammunition, the price the Government were giving was simply the Home price, *plus* freight and other charges; consequently they obtained the Home-manufactured article at a less price than the Victorian. In regard to the quality, a number of honourable members had been shooting this session, and he understood that the local ammunition was very reliable as compared with the imported article, and, this being the case, it spoke well for the local ammunition. The Government would insist, of course, on its being equal in quality to the imported article, and if they could get it superior it would be all the

better. He might say that the recommendations of the Volunteer Conference in respect to this and other matters would receive the careful attention of the Government, and he would take that opportunity of stating that he was very much pleased indeed to say that the result of the labours of the Conference was gratifying to himself and would be beneficial to the colony. A number of the recommendations of the Conference might be of a confidential character, and it would be perhaps as well not to let the world know everything in respect to their intentions. He would, however, go into the report carefully, and then decide as to publishing the report or not. For that reason it was a moot point whether the result of the Conference should be laid on the table. After the contract was made he would take the earliest opportunity of laying it on the table of the House. Every session they would have returns as to the amount paid and the result of the contract, and these returns would be laid before the House.

Mr. CARNCROSS asked if there was any probability of the new Defence Act being introduced this session.

Mr. SEDDON scarcely thought it would be possible to bring in a Defence Act this session, considering the state of the Order Paper. He had gone through the recommendations of the Volunteer Conference, and it was his intention to frame regulations on the assumption that the law would support them; and afterwards they could bring the law into consonance with the regulations, if necessary.

Resolutions agreed to, and reported to the House and agreed to.

CRIMINAL CODE BILL.

Mr. McNAB said that in *Hansard*, Volume 85, page 659, his name was not recorded in the division-list on the Criminal Code Bill when he had voted. He had examined the division-sheets, and he would like to say that he had found his name correctly recorded as having voted amongst the "Ayes." This was the third occasion he had found that the division-list had not been correctly copied into *Hansard*. He thought that if this division-sheet were compared with the list in *Hansard* the latter would be found to be very incorrect, and *Hansard* often did not give a correct account of what took place in respect to divisions.

PUBLIC WORKS BILL.

IN COMMITTEE.

Clause 32.—Cases in which compensation not payable.

Mr. PIRANI moved to add to the clause, "Nothing in this section shall apply to reserves within the boundaries of any borough or town, or any portion of a reserve more than three acres in extent."

Amendment agreed to.

Mr. SEDDON moved to add the words, "Provided that the powers conferred by this section for resumption without compensation shall not apply to any reserve made or endow-

Mr. Seddon

ment granted prior to the passing of 'The Public Works Act, 1876.'"

Amendment agreed to.

Mr. SEDDON moved a further proviso, "Provided, however, that the provisions of this subsection shall apply only to public reserves, or land vested in local authority or trustees for any public purpose by grant by the Crown, or under any Act or ordinance of the General Assembly or of any Provincial Government."

Amendment agreed to.

Mr. G. J. SMITH moved to add the following proviso: "and provided further that no such reserve, or any part thereof, shall be taken under this Act without the consent of the local authority in whom such reserve is vested being first had and obtained, where such reserve has been pledged as security for any money raised by such local authority."

The Committee divided on the question, "That the proviso proposed to be added be so added."

AYES, 27.

Buick	McGuire	Saunders
Crowther	McKenzie, R.	Smith, E. M.
Duthie	McNab	Stout
Earnshaw	Millar	Te Ao
Flatman	Newman	Willis
Hall-Jones	Parata	Wilson.
Heke	Pinkerton	<i>Tellers.</i>
Hutchison, W.	Pirani	Maslin
Lang	Russell, W. R.	Smith, G. J.
Massey		

NOES, 27.

Buddo	Larnach	O'Regan
Carnell	Lawry	Reeves
Carroll	Mackintosh	Seddon
Collins	McGowan	Tanner
Hall	McKenzie, J.	Thompson
Harris	Meredith	Ward.
Hogg	Mills	<i>Tellers.</i>
Joyce	Mitchelson	Graham
Kelly, J. W.	Morrison	Montgomery.
Kelly, W.		

PAIRS.

<i>For.</i>	<i>Against.</i>
Allen	Stevens
Buchanan	Duncan
Fraser	Carncross
Green	McLachlan
Mackenzie, T.	Cadman.

The CHAIRMAN gave his casting-vote in favour of the "Ayes."

Proviso added.

On the question, "That the clause as amended stand part of the Bill," the clause was negatived on the voices.

Clause 114.—Local authority may agree as to gates on roads taken through private lands by agreement.

Major STEWARD moved to add, "Provided always that permission to erect a swing-gate across any road shall not be granted unless and until after notice of any application in that behalf shall have been given at least once in each of two consecutive weeks in some newspaper circulating in the district; and the cost-

of such notices shall be defrayed by the person applying for such permission."

Amendment agreed to, and clause as amended agreed to.

Clause 116.—Regulations as to gates.

Subclause (3).—"Every person leaving any such gate open shall be liable to the person through whose land the road passes, in the same way as if the road were the private property of such last-mentioned person; and every person damaging any such gate or any fence authorised to be erected across any part of a road shall be liable to the person or body authorised to erect such gate or fence, or at whose cost it shall have been agreed that such gate shall be erected and maintained, in like manner, and any such gate or fence shall be deemed to be the property of such last-mentioned person."

Mr. FLATMAN moved, That the subclause be struck out.

The Committee divided on the question, "That the words, 'Every person leaving such gate open,' stand part of the subclause."

AYES, 16.

Buddo	McGuire	Stout
Duthie	Mitchelson	Te Ao.
Harris	Newman	
Heke	Russell, W. R.	<i>Tellers.</i>
Lang	Saunders	Mackenzie, T.
Massey	Smith, G. J.	Montgomery.

NOES, 35.

Buick	Kelly, J. W.	Parata
Carnell	Kelly, W.	Pinkerton
Carroll	Mackintosh	Pirani
Collins	Maslin	Reeves
Crowther	McGowan	Seddon
Earnshaw	McKenzie, J.	Steward
Flatman	McKenzie, R.	Tanner
Graham	McNab	Thompson
Hall	Meredith	Willis.
Hall-Jones	Millar	<i>Tellers.</i>
Hogg	Morrison	Lawry
Hutchison, W.	O'Regan	Mills.

PAIRS.

For.	Against.
Allen	Stevens
Buchanan	Duncan
Fraser	Carncross
Green	McLachlan
Hutchison, G.	Cadman.

Majority against, 19.

Words struck out.

Sir R. STOUT moved, That the words to "person; and" be struck out.

Amendment agreed to, and remainder of subclause retained.

Clause 167.—Rights - of - way and traffic where railway made along or across road on a level.

"Where a road or street crosses a railway on a level, the public right-of-way at such crossing shall cease whenever any engine or carriage on the railway is approaching and within a distance of a mile from such crossing; and shall at all other times extend only to the right of using such crossing in accordance with the

by-laws for the management of railways open for traffic for the time being in force."

Mr. McNAB moved to insert the word "half" before the words "a mile."

The Committee divided on the question, "That the word 'half' be inserted."

AYES, 82.

Buchanan	Heke	Saunders
Buddo	Kelly, J. W.	Smith, E. M.
Buick	Lang	Smith, G. J.
Carnell	Maslin	Steward
Carroll	McKenzie, R.	Tanner
Crowther	Mills	Te Ao
Earnshaw	Montgomery	Willis
Flatman	Parata	Wilson.
Fraser	Pinkerton	<i>Tellers.</i>
Graham	Pirani	Dunoon
Hall-Jones	Russell, G. W.	McNab.

NOES, 21.

Collins	Mackenzie, T.	Russell, W. R.
Hall	Massey	Seddon
Hall-Jones	McGowan	Stout
Hogg	McKenzie, J.	Ward.
Joyce	Meredith	<i>Tellers.</i>
Houston	Millar	McGuire
Kelly, W.	Reeves	Mitchelson.
Lawry		

Majority for, 11.

Amendment agreed to.

Word inserted.

Clause 253.—Saving of "The Christchurch District Drainage Act, 1875," and other Acts.

Mr. PIRANI moved, That the following words be added to both subsection (2) and subsection (3): "or to authorise any interference by any County Council with any drains or other works under the control of Boards constituted by the said Acts respectively, without the consent of such Boards."

Amendment agreed to.

Mr. MITCHELSON moved the following new clause:—

"Every Road Board within a county where 'The Counties Act, 1886,' is not in operation, or where the operation thereof is suspended, may from time to time make, alter, or repeal by-laws under 'The Road Boards Act, 1882'—

"(1.) For all or any of the purposes set forth in section three hundred and eleven of 'The Counties Act, 1886':

"(2.) For fixing times during which horses or cattle not in harness or yoke, or sheep, goats, or pigs, may not be driven over any county or district roads lying within three miles from the outer boundaries of any borough or town district, or over certain such roads named in any by-law in that behalf; and any such by-law may be made in respect of any county road, notwithstanding the provisions of any Act whereby the control of such road is vested in the Governor."

Clause added to the Bill.

Mr. WILSON moved the following new clause:—

"Any local body having the control of a ferry may let such ferry for a period not exceeding three years."

Clause added to the Bill.

Mr. BUICK moved the following new clause:
 "Whenever it shall be made to appear to the satisfaction of the Governor that any local authority has not made provision for the payment of compensation which would probably be awarded for land proposed to be taken, the Governor shall not issue the Proclamation taking such land until such time as he is satisfied that the local authority has made provision for the payment of such compensation."

Clause added to the Bill.

Mr. MONTGOMERY moved the following new clause:—

"In cases where the making of a railway-line has cut off all access to any land other than Crown land, the Government may make such crossing or crossings as may be necessary to give access to such land."

The Committee divided on the question,
 "That the clause be added to the Bill."

AYES, 25.

Buchanan	Harris	Smith, G. J.
Buick	Heke	Steward
Carnell	Mackenzie, T.	Stout
Collins	Maslin	Te Ao
Crowther	McNab	Wilson.
Flatman	Pinkerton	
Graham	Pirani	<i>Tellers.</i>
Hall	Russell, G. W.	Montgomery
Hall-Jones	Russell, W. R.	Newman.

NOES, 23.

Buddo	Lawry	Reeves
Button	Massey	Seddon
Carroll	McGowan	Smith, E. M.
Earnshaw	McGuire	Ward
Hogg	McKenzie, J.	Willis.
Houston	Meredith	<i>Tellers.</i>
Joyce	Mills	Duncan
Lang	Mitchelson	Kelly, J. W.

PAIRS.

<i>For.</i>	<i>Against.</i>
Allen	Stevens
Duthie	Cadman
Green	McLachlan
Hutchison, G.	Morrison.

Majority for, 2.

Clause added to the Bill.

Mr. SEDDON moved the following new clause:—

"Wherever the word 'Minister' appears in Part VI. of this Act the same shall mean either the Minister appointed under the Land Act or the Minister for Public Works, and the word 'Minister' in the said Act may mean either the Minister of Lands or the Minister for Public Works."

The Committee divided on the question,
 "That the clause be read a second time."

AYES, 29.

Buddo	Flatman	Joyce
Buick	Graham	Kelly, J. W.
Carnell	Hall	Maslin
Carroll	Hall-Jones	McGowan
Collins	Harris	McKenzie, J.
Earnshaw	Houston	McNab

Meredith	Pirani	Wilson.
Montgomery	Seddon	<i>Tellers.</i>
O'Regan	Ward	Duncan
Pinkerton	Willis	Hogg.

NOES, 13.

Buchanan	Massey	Te Ao.
Button	Mitchelson	
Heke	Newman	<i>Tellers.</i>
Lang	Russell, W. R.	Russell, G. W.
Mackenzie, T.	Stout	Smith, G. J.

PAIRS.

<i>For.</i>	<i>Against.</i>
Cadman	Duthie
McLachlan	Green
Morrison	Hutchison, G.
Reeves	Crowther
Stevens.	Allen.

Majority for, 16.

New clause read a second time.

Bill reported, with amendments, and read a third time.

The House adjourned at thirteen minutes to one o'clock a.m.

LEGISLATIVE COUNCIL.

Friday, 5th October, 1894.

First Reading—Factories Bill—Horowhenua Post-office—Land for Settlements Bill—Government Advances to Settlers Bill.

The Hon. the SPEAKER took the chair at half-past two o'clock.

PRAYERS.

FIRST READING.

Public Works Bill.

FACTORIES BILL.

The Hon. W. DOWNIE STEWART brought up the following reasons for insisting upon certain amendments in the Factories Bill with which the House of Representatives had disagreed, and moved, *That the reasons be read, and transmitted to the House of Representatives:—*

"REASONS assigned by the Legislative Council for insisting upon their Amendments in the Factories Bill with which the House of Representatives have disagreed.

"Section 20, subsection (c): This amendment is open for further consideration.

"Section 54, paragraph 5: This amendment is open for further consideration. It is suggested that it would be difficult in many cases for the employer to carry out the provision objected to, and to impose a penalty on the employer might lead to injustice.

"Section 54 requires some slight amendment to permit work to be commenced at, say, half-past seven, so that the Saturday half-holiday may be made up.

"Section 56: This amendment was intended to meet the case of industries carried on by means of a family in their own home. It is

thought that in such cases children under fourteen might be allowed, with the sanction of the Inspector, to assist during part of the day. It was considered impracticable to make the amendment more definite, but this is open for further consideration.

"Section 63: As soon as provision has been made in the Shops and Shop-assistants Bill for the closing of some shops on Saturday, in the event of any other day than Saturday being appointed under that Act, it is open for consideration whether provision should not be made in that Bill for the closing of a shop on the same day as the factory, instead of the closing of the factory on the shop-closing day, when it is not Saturday. In the event of the Shops and Shop-assistants Bill not being passed, this proviso should be struck out.

"Section 63, subsection (c) of subsection (3): This is open for further consideration.

"Section 64: This clause, which gives to all employes in a factory a half-holiday, is considered an increscence on a Bill intended to deal with the working-hours of women and young persons merely. The half-holiday is generally recognised now without any interference of the Legislature, and it is considered that legislation, when unnecessary, would probably be mischievous. It is thought also that the fact that so many exceptions are necessary tends to show that hardship might arise from some other class of factories not being exempted. In addition to all this, it is pointed out that, if legislation is desirable, the Eight Hours Bill is the proper place for a clause of this sort."

Motion agreed to.

HOROWHENUA POST-OFFICE.

The Hon. Mr. RIGG asked the Colonial Secretary, When the petition of Horowhenua residents *re* the closing of their post-office, referred to the Government by the Public Petitions Committee on Monday last, will be considered by the Government, as the matter is one of urgency? He was quite aware that the Government had their hands full at the present time, with, perhaps, more than they could attend to, but still he trusted they would give this matter their consideration, as it was one of very great urgency, and also for the reason that this post-office had been closed under the most extraordinary circumstances. There had been a post-office in the district for twenty years; and the Postmistress, having decided to leave that part of the district with her family, did so, and took the post-office with her. The department was notified of this fact five months ago, and no action had been taken by it. When the petition was under consideration by the Committee they took the evidence of Mr. Hoggard, Chief Clerk, and he stated it was now intended to close the post-office at Horowhenua, of which there had been no public notification yet, and to open another at Heatherlea, whither the Postmistress had removed. Now, the fact was, there were between fifty and sixty residents at Horowhenua, and it was about five miles by road from that place to the

nearest post-office; whereas Heatherlea, the place to which the Postmistress had removed, and where they were going to open the new post-office, was within two and a half miles of a post-office, and there were only three families there, one family of which consisted of one man. The circumstances attending this matter were so unusual that he felt satisfied if the Government were aware of the facts they would not hesitate for one instant about reopening the post-office at Horowhenua, where it had been for such a number of years; and they would hesitate about opening an office to accommodate, in the aggregate, about six people. He did not blame the Government in this matter at all. The matter was reported to the department at the earliest stage, and the department had taken no action. They seemed disposed to allow this particular person to remove this post-office wherever she liked, on the ground that the remuneration was intended to be a sort of pension to her; and yet she would be insulted if she knew that it was intended to be a pension, for she held a run of several thousand acres, and had several thousand sheep on it. Failing to get any satisfaction from the department, the residents, through him, had petitioned the Legislature for some measure of relief. That petition had been referred to the Government for consideration. He was reminded by the Hon. Mr. Swanson that a large number of Natives lived at Horowhenua. That was true. There were three *pas* there, and the postal officials at Levin, being wholly European and not knowing the Native language, had some difficulty in distributing the correspondence. The matter was one of urgency, and he trusted the Government would take it into consideration and reopen this post-office, so that the people could have the convenience they had enjoyed for so many years, and that they should not be compelled to walk over bad roads, and probably in bad weather, a distance of five miles, in order to post letters or the sheep-papers, which had to be forwarded in accordance with the law.

The Hon. Sir P. A. BUCKLEY said the honourable gentleman who had asked this question had not been well informed on the subject. It was true a petition had been presented and reported on, as stated in the question, but that report had not been forwarded from the Council yet. His honourable friend was blaming the department unnecessarily, for the department had not received that communication from the Council.

The Hon. Mr. RIGG said the department received notice five months ago.

The Hon. Sir P. A. BUCKLEY said he was speaking from information which had been supplied to him during the day.

LAND FOR SETTLEMENTS BILL.

On consideration of reasons by the House of Representatives for disagreeing with the amendments made by the Legislative Council in this Bill,

The Hon. Sir P. A. BUCKLEY thought he should be consulting the wishes of the Council

if he did not waste time by going into reasons for or against the amendments. There was one reason, however, upon which probably there might be a difference of opinion as between the two Speakers, and the better course would be, he thought, to move formally that the Council do not insist upon their amendments made in the Bill, but refer it to a Conference with the other House. The question could then be debated free from the important question to which he had referred. The question of privilege which had been raised in another place might not be raised then. Therefore he would formally move, *That the Council does not insist on its amendments*, with the view to a Conference being held.

The Hon. Mr. STEVENS doubted whether the course proposed by the Attorney-General was the best one, as the fact was that the Conference was desired by those who had been instrumental in making the amendments. The only point he was in doubt about was whether the Hon. Sir Patrick Buckley's motion would carry out that intention. Whether the Council would say that it would not insist upon its amendments, with the view of having the question referred to a Conference, was a matter which he presumed the Council must determine. If the Hon. Sir Patrick Buckley had simply moved that the Council do not insist on its amendments, an amendment to the motion could have been moved.

The Hon. Sir P. A. BUCKLEY.—That is what I meant.

The Hon. Mr. STEVENS desired to move, as an amendment, *That the Council do insist on its amendments, and that a Committee be appointed for the purpose of preparing reasons for so insisting*. For the information of honourable members he might say that there was really no question of any importance, except that of getting a Conference so that the differences between the Houses might be settled.

The Hon. the SPEAKER understood the honourable gentleman would be guided by the result of the Council's decision upon this question.

The Hon. Mr. STEVENS said he would move, as an amendment to the motion of the Attorney-General, *That the Council do insist on its amendments, and that a Committee be appointed*. He thought that would be in order.

The Hon. Sir P. A. BUCKLEY said the motion should be put first in the way he had moved it, and then the Hon. Mr. Stevens's amendment could be moved, and if that amendment were carried the result would be a Conference. The honourable gentleman could then move for his Committee, and not before.

The Hon. the SPEAKER said that was the course generally adopted. If the motion, "That the Council do not insist on its amendments," was negatived, the honourable gentleman would be at liberty to propose a Committee, whether his amendment were put or not. The question would be put in the usual way, and those who wished to vote with the Hon. Sir Patrick Buckley would say "Aye," and those

who wished to vote to the contrary would say "No."

Question put, "That the Council does not insist on its amendments in the Land for Settlements Bill."

Motion negatived; and a Committee, consisting of the Hon. W. Downie Stewart, the Hon. Mr. Bowen, and the Hon. Mr. Stevens, appointed to prepare reasons for insisting on the amendments made by the Council in the Bill.

GOVERNMENT ADVANCES TO SETTLERS BILL.

ADJOURNED DEBATE.

The Hon. Mr. BOWEN.—Sir, what appears to most people remarkable about this measure is the suddenness with which it has been brought before the public in its present shape, without giving sufficient time for public inquiry, or for public opinion to be expressed upon the scheme now brought before us. Whatever the scheme might have been which was vaguely suggested at the time of the elections, the Bill as presented in another place was one practically for unlimited borrowing. There was no limit whatever to the number of years during which money might be borrowed, to the extent of one million and a half each year. It is true the House of Representatives has nominally limited the power of borrowing to two years; but, at the same time, any one who thinks out the consequences which must follow action taken under the Bill as it now stands will see that practically the scheme is one for unlimited borrowing. If we take a period of ten years—that would not be a very long period, according to the views of the promoters of the Bill—at the end of that time we should have sanctioned an amount of borrowing which, proportionately to population, would entail a burden equivalent to the burden of the National Debt upon the people of England. Of course it has been said that, as in the case of loans for public works and other purposes, there would be an immediate return to meet the interest on these loans; but, Sir, there is an enormous commercial risk and an enormous commercial responsibility incurred by the country in undertaking such business as this, and I say that in taking such a risk we are initiating so absolutely new a procedure that the country should be consulted before it becomes law. My honourable friend Mr. Stevens, in speaking yesterday, pointed out that this was not a scheme like the French *Crédit Foncier* system, or any other system hitherto adopted. Truly, it has been said that the money lent in France and in Germany and elsewhere is lent under the sanction of the Government. Yes, the Government has given a charter to the *Crédit Foncier* as well as to the *Crédit Mobilier*, but that has not prevented both those institutions from making very great losses, which have not fallen on the Government, but on their shareholders. There has been a very severe loss in the case of both those institutions, especially in that of the *Crédit Mobilier*, and the shareholders, and

Hon. Sir P. A. Buckley

not the taxpayers of France, have suffered by these losses. That makes a very great distinction between the system of advances on land in France and that now proposed. It has been said, too, that this is a case somewhat parallel to the lending of money in England to landowners for the purposes of drainage. But that, again, is a totally different thing. In that case advances were made in order to promote the benefit of the country, and to carry out certain work which was in the interests of all, but which in many cases could not be carried out by the landowners, who often had only a life-interest in their properties, which were burdened by family charges, and were in many cases heavily mortgaged. The consent of the mortgagees was obtained to permit these loans that were to be made by the State in order to do what it was considered would benefit the country. That was a totally different thing from the proposal to find money on exceptional conditions, as in this case. The amount to be lent in that case was nothing like half of the value of the property. The money was all to be repaid within twenty-five years, and entailed annual payments by the borrower of 7 per cent.; and this in a country where the State borrowed at 3 per cent. I only make these remarks to show that this is a totally new departure, and I do not know of any precedent for such a scheme. It is said by some of the New Liberals that it is our duty in this colony to show the world how to do everything; and we are doing our best in the assumption of that rôle. I am afraid that in many of our new departures we shall make a very ugly exhibition of ourselves. The Hon. Mr. Stevens pointed out one thing that struck me more than anything else in what he said. He pointed out—what has not been so much dwelt upon before—the want of equity in this matter, seeing that such a very large burden was put on the taxpayer at large for the benefit of a very small part of the population. Legislation should be for the relief of the taxpayers generally, and not for the commercial relief of individuals who want the State to give them money cheaper than others can get it. We all should like to get cheap money, and it would be a very good thing, no doubt, for the country, but the pith of the question is, whether the Government are able to make money cheap, and whether any action of this Legislature can interfere with or alter the value of money. I say it cannot, and it is an utter fallacy to suppose it can. Even in the very centre of the money-market of the world—that is, London—I question if the Government could do anything to lessen the value of money, and to make money cheap. It has been said that they can do so, because they have lowered the rate of interest on the public debt by the conversion of the Consols in England. That is a fact; but the conversion became possible because money had become cheaper in England, and it was by the force of economical circumstances that money had become cheaper. The price of Consols had risen to such an extent that it was evident that the Government were

paying too high a rate of interest. The public credit had improved, money could be borrowed at a lesser rate, and therefore Mr. Goschen was able to convert. No doubt the success of the conversion of Consols has led to a reduction of interest generally, because it was a proof that money had become cheaper. But money cannot be made cheaper by Act of Parliament; and, if it cannot be done in London, does any one suppose that in a young country like this, which has no accumulated capital, which has been borrowing money for every purpose—can one suppose that we can stem the ebb or flow of the commercial tide; that our little broom can sweep back the waves of the Atlantic? This Bill will do more to raise the price of money than to decrease it in New Zealand, because we cannot undertake a system of borrowing, and raise for that purpose large sums of money in the London market, whether directly or indirectly, without affecting the whole of our securities. It has been said that the whole of our securities are at an abnormally high price now. That is because we stopped borrowing, because we proclaimed that we intended to adhere to this policy; and when it was understood in England that New Zealand had stopped borrowing, and had announced its intention not to borrow for a long time to come, the value of our securities went up at once. If, however, we issue debentures and float paper to the extent of many millions for the purpose of lending money, is it to be supposed for a moment that our securities will remain at their present high price? We shall not be able to borrow money year by year at $3\frac{1}{2}$ per cent., or anything like it; I am perfectly satisfied that this system will bring down our securities, and will therefore increase the price of money. It is only by means of competition that money becomes cheaper. There is no other way of cheapening it. How is it that money has come down in this country from 10 per cent., which many of us will remember was the price not so very long ago, to 6 per cent.? It has come down in consequence of competition, and because it has been found possible to import foreign capital. There is a great deal of foreign capital competing for good securities, and so in this way the price of money is brought down to the lowest rate at which it will pay to send it to the colony and incur the risks of business. There are men of high standing and credit interested in this business in London who can borrow money there just as cheaply as, or perhaps more cheaply than, this colony will be able to borrow it for this purpose. Therefore this scheme will not cheapen money, but will place the burden and responsibility of commercial business on the Government, without doing any good to the people of the country. So far as it goes, it will tend to lessen competition, and thus raise the rate of interest to all outside the favoured borrowers from the State. It may be that to promote a system such as this will gain a certain support for a time. There was a remark made by the Hon. Mr. Rigg on this head which I wish to

refer to. He said that this was a great step in State socialism, and that he highly approved of State socialism, and he also approved of paper money, which the honourable gentleman said was only a sort of accommodation, and that if we had paper money we could pay all our debts.

The Hon. Mr. RIGG.—Not all our debts; but we could assist the farmers without going on the London market.

The Hon. Mr. BOWEN.—I think, if the honourable gentleman would pay as much attention to the history of what has been attempted in different countries with paper money, and of what has been the result of those attempts, as he pays to those curious and interesting dreams of an advanced State socialism in the future, he would find that all experience proves that paper money leads to ruin and repudiation. However, it is not necessary to discuss the question of paper money now. I will only say, in reference to all these schemes of so-called State socialism,—schemes for making the Government undertake what it is the business of individuals or of societies to undertake,—that all these schemes are tending towards a system of slavery, and nothing else—a system under which every individual interest and every social interest will be hampered, where freedom will be unknown, and by which all men will be brought to one level, the level of slaves. It is strange that so often vehement democratic agitators have leant on the one hand towards autocracy and on the other towards slavery. There was a curious instance some two hundred years ago of the latter tendency. That celebrated and fierce Republican, Fletcher of Saltoun, a man who was very stern and dour in defending his own liberty, while taking, I think, very little care for the liberty of others, or even for their lives, proposed deliberately, in order to get rid of the vagrants in Scotland, who, perhaps, numbered two hundred thousand, that they should be distributed amongst the different landowners in proportion to the extent of their estates—not as slaves—he would make the use of the word “slave” penal—but they were to be servants of the landowners, to be subject to compulsory labour, to be hereditary servants; and the owner of the land might alienate the services of their children—that is, sell them. That was the scheme of a man of very advanced ideas in his time. The honourable gentleman, as I understood him, said that the money which was liberated from mortgages by advances under this Bill would go into manufactures.

The Hon. Mr. RIGG.—Either one of two things. Either it would be invested in some form of industrial enterprise or it would leave the colony.

The Hon. Mr. BOWEN.—I do not think any of that money would be devoted to manufactures in New Zealand at present. Manufactures and all industrial pursuits have been pretty well fettered and handicapped now, and I do not think any one will put money into them. The tendency, unfortunately, is to try

to withdraw money so invested. The money will find its way back to England; there is very little doubt about that. I alluded just now to paper money. The Government do not propose, I hope, to go as far as the honourable gentleman would like, but there is a certain instalment of what he wishes in this Bill, because the land-bonds are distinctly a form of paper money; and if there is any system that would be more certain to reduce the value of our securities in London it would be the irregular but gradually increasing supply of these land-bonds finding their way through the banks into the London market without any proclamation of borrowing, or any definite limitation as to quantity or time of issue. I cannot conceive any scheme which would more certainly depreciate our securities. However, I have a good deal of doubt as to how far, if this scheme be tried, those land-bonds could be issued and negotiated. But they are provided for in the Bill, and we must consider what the effect would be if they were relied on as aids to revenue. In any case, the whole question ought to be fairly considered by the country; and I think the Government themselves ought to weigh more carefully the details of their Bill, when they are initiating an absolutely new system, and proposing to plunge the country into such large indebtedness. I am quite sure no members of the Legislature, when they came to Wellington this year, had the least conception that such a large scheme would be put before us. I hope that this question will be relegated now to a later period, and that the country will have an opportunity of expressing its opinion upon it.

The Hon. Mr. KELLY.—The honourable gentleman who has just sat down said the Government could not make money cheap. I agree with him with regard to that—that the Government cannot make cheap money. That article, like other commodities, is governed by the law of supply and demand. But the Government, representing the colony, can borrow much cheaper than individuals can borrow. The Government in that way can certainly make it cheaper for the smaller borrowers in the country: that is, small borrowers can, through the agency of the Government, obtain money at a cheaper rate than they otherwise could get it. That is exactly what has happened with regard to supply and co-operative companies. The small purchasers of goods cannot buy cheaply; but when the small purchasers join together, and form themselves into a society, they can buy at wholesale prices, and distribute the goods in small amounts at nearly wholesale prices. That is, I think, what will be done under this Bill. The Government, acting as the agent of the people, will obtain money in the cheapest market, and supply it to the smaller borrower at a low rate of interest. I do not think it is a matter of any consequence whatever whether it is called State socialism or not. Of course it is a matter of opinion what State socialism is. To some minds, many functions which are now carried on by the Government are State

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socialism, and, if that is so, this is State socialism also, because it is simply an extension of the functions which the Government at present perform. The only question, to my mind, is whether the measure as it stands will operate for the good of the people of the colony. Of course, that is open to argument. I do not state dogmatically that it will work for the good of the people of the colony. I say that is a subject for the people of the colony to consider. I think, myself, it will do some good if properly administered. It is not altogether new even in this colony. I recollect that some years ago Titokowaru's raid along the west coast of the North Island produced great disorganization and loss to the settlers in the Patea district. After that war was over I had the honour to introduce into the Legislature a Bill to enable £10,000 to be advanced to these settlers in order to reinstate them in something like their former position on their farms. That measure was exactly on these lines. The Government advanced the money to the settlers at a cheaper rate than they could otherwise have obtained it, and were content to be repaid the actual amount. I think the interest at that time was fixed at 5 per cent., with a sinking fund of 2 per cent. The settlers were restored to their farms; the money so advanced was paid off, and not a penny was lost on the transaction.

An Hon. MEMBER.—A special case.

The Hon. Mr. KELLY.—It was applied in that case without any loss to the country, and with great advantage to that district. It appears to my mind that cheap money, if it can be got, will be nothing but an advantage to the colony, because cheap money means cheap production. It means a greater expansion of trade in every direction, and therefore it must be a great benefit to the colony. It was said by the Hon. Mr. Stevens that the present is a wrong time to introduce anything of this sort, because it is a time of great depression; and the honourable gentleman instanced the low prices of many of our staple products, such as wheat and other articles of that character. He said there was a loss to the people of the colony of some £400,000, after deducting from it the rise in other products. That may be true; but still he did not give credit for the advantages received from cheap food, so that, even if there was a loss of £400,000 or £600,000 by low prices of exports, the people of the colony reaped the advantage of cheap prices in other parts of the world by buying imported goods cheaper. The loss is therefore made up in that direction. I think the honourable gentleman took rather a gloomy view of the state of affairs in this colony. It may be as he said in the South Island, where they largely depend on the production of wheat and on shipping that article to the Home markets; but that does not apply to the North Island. If the production of wheat is not paying—and I do not see how it can pay the individual or the colony to ship wheat to London and receive then only 2s. a bushel—I think it would be better for the wheat-producers to turn their attention to other indus-

tries of a more productive character. Now, with regard to the North Island, I find that in our district—in fact, all down the West Coast—where dairying is in operation, there is no depression whatever. The dairy farmers are in a state of prosperity. We cannot realise the gloomy views which come from the South Island. I will give an instance of what has happened there with regard to dairy factories. I know a case where a co-operative society of farmers was formed two years ago. They furnished no capital; they simply gave their names to a banking institution and got what capital they required at 7 to 8 per cent.; they built a dairy factory, and the result has been that they have received 8d. per gallon for their milk, and have paid off nearly the whole of the borrowed money. Now their factory is free, and they will receive the total results of that industry during the next season, which will probably equal 4d. per gallon. That shows that what the colony was losing on the one hand by the production of wheat it was gaining on the other hand by the dairy industry. That industry therefore should be encouraged as much as possible. In Taranaki alone two hundred thousand pounds' worth of butter was exported last year, and that amount would have been doubled if the roads admitted of the farmers getting their produce to the market readily. In that way there is a great opening for the future of this colony, if proper provision is made for the opening-up of the country by roads. It was said that this was not a time for initiating such a scheme; but we know very well that it is in times of depression, and especially in times of panic, that money ought to be most freely advanced on good security. That is an axiom recognised by all financiers. I think, in the present state of affairs in the colony, these advances, if made by the Government, would be beneficial. Then, the question arises that it will cause a "boom" in the price of land. I do not think it will do anything of the kind. What raises the price of land is a rise in the price of produce. Whenever a high price is got for wool or butter the tendency is for the value of land to rise in the market. Of course, "booms" may bring about an artificial price for land, but that can only last for a short time, and then the depression is greater than ever. But where there is a rise in the price of produce the value of land rises steadily, and will continue to rise within certain bounds. Now, with respect to this dairy industry in Taranaki, I can give another instance of the benefits which have been brought about by it: I need only state that, in consequence of the establishment of this industry, in one district the selling price of land has increased from £1 to £2 per acre. Farmers can get a steady income month by month, and therefore they will give a higher price for the land to extend their operations. The question then arises, To whom should we lend the money? Well, I think it should, in the first place, be almost entirely confined to country properties, because the securities are

greater there: the land, with its improvements, cannot be done away with. There may be artificial prices affixed to it at times beyond its real value, but that it would be the business of the valuer to correct. But if the money were largely lent on property of a perishable nature, such as buildings and manufactories, the risk would be greater. To my mind, there would be a very great risk in lending on property such as manufacturing establishments or dwelling-houses, or property of that sort, because such property depreciates immensely; and, with regard to manufactories, the value depends not on the machinery and buildings, but on the ability of the man who has these in charge. One man may make a good profit, and if the business gets into the hands of another man a loss may be incurred. Then, with regard to the money which would be released if the Government competed with private lenders, of course the money so released could be invested on other properties. The Government would have the pick of the best securities; and the private lenders, who are said to be more skilful than Government departments in financial management, could lend on town properties and on second-class securities, or to the larger borrowers. The amount of £1,500,000 is small compared with £30,000,000 already lent on private properties, which amount is constantly increasing. If the colony is to progress, if our waste lands are to be profitably settled in small holdings, money must be found to aid our small hard-working settlers in permanently and profitably establishing homes on lands which are now unproductive.

The Hon. Mr. OLIVER.—Sir, I had not the advantage of being present last night and listening to the speech of the Hon. Mr. Stevens, which I very much regret, and perhaps in the very few remarks I shall address to the Council I may repeat something he said; but as my remarks shall be very few indeed I do not think that I shall call on the patience of honourable members to a greater extent than they can afford. It is claimed that this Bill is one of the policy measures of the Government, and that the country was promised at the last general election a scheme for the relief of farmers in the shape of lending them cheap money. That is partly true. Some mention was undoubtedly made by some candidates of such a proposal; but there was nothing more fully stated and nothing more firmly established as the result of the general election than that the country was averse from borrowing. A clear majority of the popular branch of the Legislature was elected as opposed to any scheme for increasing our indebtedness. It is also claimed that this kind of borrowing is not like ordinary borrowing; that borrowing for the purpose of lending the money so borrowed on good security, either freehold or leasehold, cannot be considered to be borrowing in the ordinary sense of the word. The same argument has been used for years past. Ever since the establishment of the public-works scheme in this colony it has been pointed out again and

again to the objectors to our large indebtedness that our loans have not been spent, as most loans have been, for the purpose of war and for the purposes of destruction, but that the money has been spent on reproductive works, and therefore there is no danger in increasing our indebtedness. Now, if that were a complete statement of the case, that would to a very great extent be an answer to those who object to our still borrowing. But what is the fact? That we were promised at the initiation of the public-works policy that the railways built by means of the money borrowed would pay for themselves and interest, and that the colony would not be called upon at all, or to a very slight extent, to furnish from revenue the interest on those loans. We know that expectation has proved to be a false one; we know it is entirely fallacious, and that in no one year since the public-works policy was adopted have the railways or other works paid interest. And it is not very difficult to predict a similar fate for the scheme that is before us. The scheme seems to be this: that we should borrow on our credit at Home, at a rate below 4 per cent., probably 3½, or even below, and should advance the money at 5 per cent. to those who may need it, and possibly make a profit for ourselves in aid of revenue. Now, Sir, a margin of 1½ per cent. will surely be insufficient. Lending companies have existed among us for many years, and the rate at which they lend in nearly every case exceeds the rate at which they borrow by more than 1½; and yet what has been their fate? It is a long tale of failure. We have lately seen company after company withdrawing funds from the colony because of want of success. Every one of us could find quite readily the names of companies which have recently become bankrupt through failing in that very business which it is now proposed the colony should undertake; and many others have failed entirely to make such a profit as would justify the establishment of other companies on similar lines. The expenses of administration will not be more than paid by the difference between the borrowing and lending rates, to say nothing of the possibility—nay, the certainty—of losses. There is certainly provision for setting aside 10 per cent. of the interest for an Insurance Fund; but who can believe that 10 per cent. will be sufficient to meet these losses? No person who has any knowledge at all of the history of such businesses in the past in New Zealand will believe that that amount will be adequate. Then, these businesses have been carried on by persons who are far more expert than a Government department can be expected to be. Not only have valuations been obtained by persons to the utmost degree competent; but even in cases of individual lenders who have carefully examined every security which has been offered to them, and which they thought worthy of examination—have examined those securities in every aspect, have visited them personally, and have calculated the prospective values in the neighbourhood—notwithstanding all the care lavished, the result has been very frequently,

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as all of us know, that the individual lender has lost; and the same loss has also been remarked in the case of lending companies. I know myself a few years ago a friend of mine had to pay several thousands of pounds because, as trustee, he had consented to the lending of a sum of money which was in the hands of himself and his co-trustees. He lent that money, as the Court held, without sufficient examination having been made, although I know personally that no fewer than three well-known valuers had reported in favour of the money being lent, and that the value was quite sufficient. If these are the results of the doings of private lenders in this respect, I would ask, can we hope for any better result from a Government department managing such a concern? We know that Government departments are not managed with the same care and attention, not to say the same knowledge, as private undertakings are. It is also held out to us that the need for this measure is very great—that the farmers are now oppressed by the high rates which prevail. No doubt, in the present condition of the markets for our produce, that is true to some extent. But it is not true as a result of any scarcity of money to be got on good securities in the country. The rate of interest, as every one of us knows full well, has lessened year by year. As was pointed out by the previous speaker, the rate when he came to the colony was 10 per cent.; it went to 8 per cent., which was the established rate of interest allowed by the Courts for years; then it went to 7, then to 6, and it is within my knowledge that money has been borrowed lately as low as $5\frac{1}{2}$ per cent. If it is the tendency, as everybody knows it is, not only in New Zealand, but all over the world, for the price of money to lessen, ought we not to forbear any interference in a matter so dangerous to the State? I have not a doubt myself that in the course of twenty years hence it will be difficult to get even 2 per cent. for money lent. I think no case at all has been made out for the Government interference, and that the colony will be undertaking a very great risk, and I hope the Council will not give its sanction to this proposal. Then, another danger in connection with the scheme is that the Government will gradually become the national creditor. This I regard as a very great danger. I will not mention the political danger of having a Government in power which has almost the lives of the people in their hands, and controls the management of affairs which will arise under the set of circumstances which are contemplated by this Bill, although there is conceivably very considerable danger from that side; but the danger to the State from undertaking such a business as this is that, as it goes on increasing, in the course of years it will establish a number of debtors in the colony amply sufficient to affect elections, and, through elections, legislation. If the debts are not repudiated, which there is a possibility of—if the debts are not repudiated the state of things which will arise in New Zealand will resemble that which arose in

Egypt when Pharaoh took advantage of the seasons of scarcity in such a way that the whole of Egypt became his property. Well, Sir, the answer to that, no doubt, will be that if the State owns the property it will be a very proper proceeding, and that the State—as, I understand from the newspaper this morning, the Hon. Mr. Rigg informed the Council—ought to extend its operations in this way, and that an increase of State interference in every department should be encouraged rather than discouraged. Sir, I am glad indeed that the honourable gentleman made the avowal which I understand he did make—namely, that he viewed everything from the standpoint of a State socialist. With that knowledge, we can understand the arguments which in future may be advanced by him. Well, I for my own part am an individualist. I think that the Empire to which we belong has become great because of individualism, because of the free course allowed to personal energies and to individual initiative; and I think it will be a sad day, a day of decadence, when State socialism which is now advocated is adopted as our policy.

The Hon. Mr. MONTGOMERY. — We all see that this is an exceedingly important Bill. I can understand very well that such an important Bill as this, coming for the first time before Parliament,—though it has been before the country in its essence,—should be received with a considerable amount of caution by both Houses. Before speaking on the Bill, and what I think are the advantages which it holds out, I wish to refer to what my honourable friend Mr. Stevens put before the House yesterday in what appeared to me to be a very carefully prepared speech. Sir, he commenced that speech by showing what an enormous amount Parliament and the Government proposed to raise this year by way of loans, and he added to that the Bank of New Zealand's two millions. Now, I can quite understand that that is a matter that requires to be taken into consideration. But, Sir, that was a necessity to avert a dire calamity. There is no man that I know of who would say that it would have been better to have let the Bank of New Zealand go down than to do as we did. Therefore I think that that should be left out of the calculation of what has been undertaken in the shape of loans, as it was a necessity. But we have the Land for Settlements Bill, £250,000; the Consols Bill, £500,000; possibly £611,000 for the Midland Railway; besides this Bill of £3,000,000. Now, my honourable friend, in order to impress on us the necessity for caution and prudence, drew a very gloomy picture. My honourable friend says, "Hear, hear." Now, I say that, while it is true that caution and prudence are great virtues, pessimism is not a virtue—it is not good; and my honourable friend, I think, has shown a very decided leaning towards pessimism, and I think that is not the best frame of mind for a legislator to approach important questions in. He said that in the wildest days of the colony we were never so rash as this—that formerly we had the world before us, but that

we have not got it now; and that it appeared to him that many people think all we have to do is to get money from somewhere, and leave the rest to posterity. I think I am not misrepresenting what the honourable gentleman said. But, Sir, my honourable friend forgets that the huge loans of which he speaks were borrowed in lumps of three, four, and five millions. Does he forget that in our youth, when he says we had so much strength and vigour, we never paid our way? Does he forget that in 1878 the Land Fund of Canterbury and Otago was taken for the colony, and that we never had a surplus except in that year—that we always had deficits—that those deficits were met by Treasury bills—and that in 1879 or 1880 this young and vigorous colony funded one million eight hundred and twenty thousand pounds' worth of deficiency bills and added them to the public debt? Those were the times when we were vigorous and reckless; but we did not meet our engagements by putting on taxation and living economically; and, Sir, when the Administration of 1880 came in there was more borrowing, and at the end of that Administration there was again a deficit. Another Ministry came in in 1884, and at the end of that Administration there was another deficit. Again, the next Ministry—I am not speaking in a party spirit at all, I am merely giving the history of our financial management and condition—the next Ministry, having considered the dangerous position arising from these constant deficits, decided that there should be economy and retrenchment and the necessary taxation, and the consequence was that there was economy and retrenchment, and a very large increase of taxation. That Ministry acted in accordance with the opinion of the people of the colony, who were becoming wiser than they were during the time when the colony was so vigorous and young, and they left the colony in a comparatively good state, financially. Since that time this comparatively old people, who have not the vigour of youth, have always had a surplus; and during the last year, ending on the 31st of March, notwithstanding that we had put £250,000 of the consolidated revenue into the Public Works Fund, we had a surplus of £290,000. That is what has been done in the comparative maturity of age; and I say we are now better able to estimate the errors of the past than we were in the days of our youth, and, if we are now about to bring in this Bill for cheap money, for what we consider to be the advantage of the country, I say we do it in the light of the experience we have gained—experience which, I venture to say, has been very painful to most of the people of the colony, but it is experience we may safely rely upon. Now, my honourable friend pointed out that our position was very different now from what it was in the past, and from what it was two years ago, in 1891; and he thought it was necessary for us to pause, because our exports were decreasing in value. Now, Sir, it is true that the value of our wool has decreased, but it is also true that

the quantity we have sent out of the country has increased, and increased enormously. In 1891 we sent out 106,000,000lb.; in 1893 we sent out 109,000,000lb. odd, the difference showing an increase of 3,532,000lb. Does not that increase in quantity show that the colony is progressing? Although we cannot command the world to give the prices for wool that were given formerly, do not those figures show that the colony is sound, that it is stable, and is progressing in its commercial prosperity? You might as well say that America was going down because it only gets two-thirds, or not so much, of the value that it formerly got for the enormous quantity of grain it exports to England. We must not say that the colony is going down, or that the people of the colony should dread a measure that is good in itself, because prices in London are less than they were. I should have expected my honourable friend, when speaking about values having fallen, to have said that though values had fallen the increase in the export had been very considerable, and also to have said that the number of sheep in the colony had increased very largely—by 1,252,000. I should also have wished him to let it go forth to the world—because what he said no doubt will be read, for it was a carefully-prepared speech—I should have liked him to show that the quantity of cattle during the last two years has increased in numbers by 53,000. All these things are evidences of our increasing prosperity, and if we, Sir, had got the same prices for our produce that we obtained some years ago the colony would have been in a most splendid position; and I am only astonished that, notwithstanding the bad harvest in the South, notwithstanding the low price of wool—and not only am I astonished, but thankful beyond measure to know it—the people of the colony have been able to surmount their difficulties, and have been able to go on advancing as we have done during the last three or four years. My honourable friend spoke of a better plan for raising money than this; and here I will come to the merits of the Bill. The honourable gentleman spoke of loan companies, which he stated that our legislation had brought into existence in the year 1885.

The Hon. Mr. STEVENS.—I did not say anything about loan companies being brought into existence by the Mortgage Debentures Act. The Act was introduced to facilitate the operations of the loan companies, not to establish them.

The Hon. Mr. MONTGOMERY.—I am aware of that, Sir. It was to facilitate the operations of syndicates or companies, and to grant to these companies the value of the Registrar-General's certificate. All these securities were to be registered in his office, and he was to give a certificate concerning those securities after a careful survey, and the companies could then issue debentures in the London or any market. It was never intended to give cheap money. Sir, there were one or two remarks made by the Hon. Mr.

Hon. Mr. Montgomery

Bowen to the effect that this would tend to increase the cost of money and the value of securities in London; but I shall not go into that particular aspect of the question here. I think I have shown by the figures I have quoted that the colony, instead of being in a depressed condition, and not able to look forward to the future with some degree of hope and cheerfulness, is really in a sound position, and its condition is better than ever it was. It is sound because the people are bringing the land of the colony into cultivation; because the dairy industry has been brought into operation during the last few years; and because they have learned the great lesson of thrift, which people only learn when they are hard pressed. Now, the question is, Can we do something to assist the farming industry of this colony—can we help them to the money that is required for carrying on that industry? Can we make their lot less burdensome than it has been in times past? I do not mean to say one word against the people who have lent money. They did just as a farmer who sells his grain and wool does—they got what they could for it. But the whole thing lies in a nutshell. The loan companies cannot lend money to farmers at the same rate of interest as the State can. The State can borrow money at $3\frac{1}{2}$ per cent., or thereabouts. There is considerable truth in what the Hon. Mr. Bowen said, that if you put a loan on the London market the price may fall somewhat. I grant that; but we shall be able to raise money, in my opinion, at about $3\frac{1}{2}$ per cent., and it is proposed to lend it to farmers at 5 per cent. upon undoubted security. The advances are not to be up to more than two-thirds upon agricultural land, or more than one-half upon town and suburban land; and $\frac{1}{2}$ per cent. for management, $\frac{1}{2}$ per cent. for insurance, and $\frac{1}{2}$ per cent. for mortgage duty will bring it up to 5 per cent. Now, no company can lend at or under 5 per cent. They get their money, very largely, by borrowing on debentures, and they cannot afford to lend at 5 per cent., because they have to borrow at 4 per cent. or upwards, and pay their agents; and, besides that, companies will not send money away from England to foreign countries if they are not almost certain of receiving a considerable advance by way of interest above what they could get in England for it. Government can here borrow at $3\frac{1}{2}$ per cent., and if they lend it at 5 per cent. the $1\frac{1}{2}$ per cent. will provide all that may be required for machinery for working the Act. At present money is, I believe, lent at from 6 to 8 per cent., according to the security, and to the amount of money lent. I think probably the average is 7 per cent., because, of course, the small borrowers being numerous in the aggregate, the amount is large. However, I think the average is about 7 per cent. If the farmer gets money at 2 per cent. lower than the rate current with the money-lenders surely it is a gain to him. The fact of the matter is that the gain is this: that the country is borrowing at $3\frac{1}{2}$ per cent., and it is lending to its own people, and thus saving the difference

between $3\frac{1}{2}$ and 7 per cent. As to whether lending on a two-thirds valuation leaves too much or too little margin, that is a matter which the Committee can consider, but it does not touch the main point. If this money is lent upon good security, which is provided for in the machinery, will it not be a great thing for the country as well as for the farmers themselves? It is on those grounds that I think this is a good measure. It is a good thing that the Government should devise some means by which farmers could get money at a cheaper rate. The Bill has passed the other House, and it has now come here, and it has been met by a resolution that it should be read this day six months. Now, I would submit that, if we are going to throw this Bill out without considering its details at all in Committee, we are simply saying that we object altogether to providing cheap money for the farming community. Sir, I trust that this amendment will not be carried, and I trust the Bill will go to Committee, and will be considered in all its clauses. If there are amendments required, in the wisdom of the Council, then those amendments will be considered; but I trust that the proposition to read the Bill six months hence will not be carried, and I trust that the desire of the people of the colony will not be treated with indifference. My honourable friend Mr. Stevens says that if this loan of three millions is raised those who did not get any of that money would apply for it, and the Government would have to raise more. Well, I think when we have had the experience of the next two years, and we find that the securities obtained are absolutely good, there can be no shadow of doubt even in the minds of those who have given utterance to such dire forebodings that we should be justified in raising even two or three millions more. What we have first to consider is, is the colony safe in lending this money; and is it its desire, in the second place, that the money should be lent? I ask honourable members to read this Bill a second time, in order that it may go into Committee, and that the clauses may there be considered. If it is possible to improve it it will be improved, and I trust we shall not deny the wish of the people, and the wish of the representatives of the people, to have cheaper money for the farmers than they can get in the colony at the present time.

The Hon. Mr. McLEAN.—What may be the result of the discussion on this Bill it is difficult now to foresee, but I do not look upon the Bill with the great amount of suspicion that some honourable members do. I can easily understand how this measure came before us, for it is well known that a large amount of money that has been lent by lending companies has been called up in that portion of the colony where the Colonial Treasurer resides, and that honourable gentleman's connection with business will enable him to know that this is so. I presume he has brought forward this Bill with a view of trying to meet the withdrawal of those moneys, and to replace them by

moneys raised in this way, believing that the same withdrawing of money may be going on throughout the colony. So far as this principle of lending by the colony is concerned, it is no new principle that the Government is bringing in. We are lending money now from the Insurance Fund, and we are lending from the Trust Office; and I do not see much in the objection as to this Bill not having been brought before the country properly as a policy measure. The same principle is in existence at the present time, the only difference being that it is proposed to go to London to obtain the money for the use of the farmers. As to whether this is a wise proceeding or not different people have different opinions; but, so far as the Bill goes, whatever its fate may be, should we read it a second time and let it go into Committee, it will require considerable amendment, especially in its provisions for the lending-out of the money. Those provisions, or some of them, are such as no one in his senses would ever put into a Bill of the kind, and I do not know why they were inserted. I see in the Bill that small grazing-runs are included amongst the classes of lands upon which money may be advanced. Well, Sir, it is well known that people laboured under the delusion that the squatters have been making a lot of money out of their runs, and when the runs have been cut up people have given enormous rents for them. But, Sir, there are some runs that never have paid, that never will pay, and can never hope to pay; yet, under the delusion that they are going to make a lot of money out of sheep, people have gone into these small grazing-runs. I know of a case in which a man spent £800 in fencing his section, and then he could not raise money to put his sheep on it. Now, supposing this man came before the Board, he would say that he had spent £900 on his land, and he wanted an advance of so much. Would any one lend him money who knew he was paying such a rent as must weigh him down? That is one of the class of investments that I think should be struck out of this Bill. There is also in the Bill a provision for land-bonds. It would be better for this colony that there should be nothing but debentures. We should keep to them, for the mere mention of the name land-bonds is like the mention of greenbacks, and it should be taken out of the Bill. My honourable friend the Colonial Secretary made a great point as to the exorbitant rate of interest the monetary institutions were charging, but I venture to say that money can be got now as low as 6 per cent., and anybody who has got land can borrow at that price. I question very much whether the farmers would not rather pay an extra 1 per cent. to private people than go to the Government to get their money. I am quite sure they will do so; and as far as these exorbitant rates are concerned, of which the Colonial Secretary speaks, why, the banks are lending already at low rates. It is only on overdrafts that people have to pay the increased rate, and it suits people to do this; they may have an overdraft one day and no-

Hon. Mr. McLean

thing the next: and is it not far better and more profitable for a man to pay a higher rate of interest on an overdraft that he only wants temporarily than to borrow money that sometimes will have to lie idle, and on which he will be paying interest all the time? That is the difference between borrowing from the bank and paying interest at a high rate for short periods and borrowing under these proposals, under which a man may be burdened for a long period with continuous interest, when he will but want the money occasionally. Therefore to ascribe the high rates to the banks is a misstatement.

The Hon. Sir P. A. BUCKLEY.—I never said banks.

The Hon. Mr. McLEAN.—You said "monetary institutions," and banks are monetary institutions. Taking the amendment that the House is asked to vote on, it starts off with a wrong statement. It reads, "Whereas this Bill proposes to initiate a policy of unlimited borrowing." The Bill itself says that the amount is to be confined to three millions, and it is limited to two years, and it cannot be unlimited borrowing if it is limited to two years, and a million and a half for each year. I think if the Government lend out £500,000 the first year, they will do very well. I think the amount is far too much as an experiment, and I am very doubtful as to its success. One does not wish to stand in the way as long as the people wish it. The banks do not fear this scheme. If the farmers can get cheap money, all the better for the banks. Supposing a farmer borrows £500 a year: if he goes to a private individual he pays 6 per cent., and if he goes to the Government he gets it at 5 per cent., thus saving 1 per cent., or the price of one cow each year. I do not think that the farmer would prefer to go to the Government, even if he did save sufficient to buy an extra cow. There is a good deal to be said for and against the Bill. I have no desire to prevent its having a trial, and I am going to vote against the amendment.

The Hon. Captain MORRIS.—I should like to say a few words on this Bill, and I cannot agree with the Attorney-General that it has been referred to the country. It certainly has been spoken of in the country, but it has not been referred to the country as a Bill in the true sense of the word. There was a general mention of the fact that some measure of this kind would be brought forward, but no scheme was formulated. However, I feel inclined to vote for it, although there are some provisions in it which I do not agree with. For instance, there is the matter of advances being made up to £5,000, and also the proposal to advance money to people in the towns. I think all the advances should be confined entirely to the country, and to those applicants who desire to effect improvements on their lands. With these restrictions, I do not think the Bill can do very much harm. We hear on the one hand that the Bill will bring about a most frightful catastrophe, and on the other that it will do good to the country. I take a medium view of the

matter, and I think that, with the restriction I have mentioned, the Bill will not do very much harm, and I shall vote for the second reading.

The Hon. Mr. JENNINGS.—Sir, I do not feel disposed to let an important measure like this pass without saying a word or two in regard to it. I feel that it is of very great consequence, and that it has received a good deal of consideration throughout the colony. It has been stated here during the course of this debate by several speakers that the party or Government now in power went to the country with what they termed a self-reliant policy. That may be so, but I should just like to draw attention to a speech made by the late Premier, Mr. Ballance, at Wanganui in the latter part of 1891. Speaking in that place in regard to the policy of his Government in relation to borrowing, he said,—

“As to borrowing, the position he had taken up at the general election he had not once departed from. It would not be safe for this country to go into the Home money-market for some years. It would injure our credit and do no good to ourselves. Money was wanted for the purpose of carrying on important works, and settling people upon the land; but the money wanted could be provided in the colony itself, and obtained at a reasonable rate of interest. He was far from saying that the work of settlement could be stopped, and nothing, in his opinion, would be more disastrous to the country than the stoppage of the execution of all public works. People were now leaving the country for want of employment, and many people were clamouring to go upon the land, and were stopped from doing so for want of roads and bridges. It was absolutely impossible that we could stand still in these matters. The colony must go ahead or must retrograde, and he held that we must continue to go ahead, though our progress must be slower, and we must use the money raised amongst ourselves with care, and see that it was expended only upon reproductive works and aids to settlement, which were absolutely essential to the progress of the country. Keeping within these safe lines, he maintained we must borrow.”

Those were the words of the dead Premier, and I do not think that, taking his own words for it, any opponent of the present Ministry could possibly say that the Government were not prepared, if it were necessary in the interests of the colony, to raise money for the purpose of carrying on reproductive works in this colony. The position is simply one, as it appears to me, of reaction or reform—whether we shall stand still or go backwards. That is simply the question, as it appears to my mind. I know that—particularly in the district that I come from—there is a strong feeling over this Bill; yet, so far as I am concerned, notwithstanding the fact that a petition has been presented against this measure, I hold that the Government are the best judges of the situation and of the requirements of the colony, and that they know what they are about, and are safe in going on with a measure such as this. It

also appears to me, Sir, that it is a question with a good many people, when the raising of money is concerned, as to what party may be in office; and Shakespeare was not wrong when he wrote,—

That in the captain's but a cholerick word,
Which in the soldier is flat blasphemy.

It appears to me that if what is termed the Liberal party talk about raising money for productive works, or for advancing the welfare of the people, it is all wrong, but if what is termed the Conservative party goes in for it it is all right. An honourable gentleman in another place, who is termed the leader of the Opposition, in making a speech a few years ago, said he was in favour of raising a sum of twenty millions, for the purpose of lending money to farmers and going on with such works as would be necessary in the interests of the colony.

An Hon. MEMBER.—Who is that?

The Hon. Mr. JENNINGS.—Captain Russell. And the gallant captain also pointed out, so as to indorse his own policy, that it was not by any means a new measure for the Government to advance money to settlers, and he proved that in England it had been done with great advantage to the farmers, and with advantage to the Government. Perhaps I had better give the captain's exact words. He said,—

“There could be no reason, he thought, urged against the Government lending money to improve the soil. Hundreds of struggling settlers, who were unable to improve their properties owing to the high rate of interest they had to pay, would, under his scheme [that is, raising £20,000,000] be able to employ quantities of labourers, with benefit to themselves, the labourers, and the colony. Undertakings which could not be now thought of, because capital was practically unprocureable, would be commenced, and an era of prosperity such as they had never enjoyed before would be before them. The amount of money retained in the colony would be great, for, taking the debts at £20,000,000, and the difference between the interest payable at 2 per cent.—that was, between 6 and 8 per cent.—the saving would be £400,000 a year, which would be retained in the colony and expended in productive labour, which would in itself be of inestimable value to the colony; nor would the advantages stop there.”

Sir, that makes me think that the quotation I have just given from Shakespeare is a very apt one under the circumstances. My honourable friend Mr. Rigg, in speaking with regard to this question, stated that no other State had ever ventured to go in a direction such as is contemplated by the Bill before us. Well, a similar experiment has been tried with very great success in Germany. Baron von Stein was the initiator of a system of advancing money to agricultural settlers, and it was proved to his satisfaction that it was attended with very great advantage. Perhaps some of the machinery of the Bill may not be all that we could agree to. Personally, I think to ad-

vance up to two-thirds of the value of a property is too much. I think, owing to the fluctuations in land-values, it runs the risk of not being successful, and it is therefore open to very grave objection on that account; and if it could be modified in that respect I think it would be advisable for the Government to modify it. Last evening also my honourable friend Mr. Swanson, in referring to the Hon. Sir George Whitmore, objected to money being advanced to agricultural settlers exclusively, and he instanced the miners and also the gum-diggers as people deserving of assistance in a similar way to what this Bill provides for. Well, in reference to the mining industry, the Government has frequently helped that industry in the way of erecting sluices: and, at the present time, urgent appeals are being made from the Thames goldfields to the Government for assistance in the deep-level scheme for working that field. It has been pointed out by another member of the Council that the very system provided for in this Bill, of advancing money to settlers and others, is also carried on by the Public Trust Office and by the Government Life Insurance lending department. So that this is not by any means a new measure at all. One could not help feeling that my honourable friend opposite, the Hon. Mr. Bowen, has a very gloomy and pessimistic way of looking at everything that is going on; and I venture to say that since he has been in the Council that honourable gentleman has opposed, in every way possible, every policy measure that has come before the Council. There has not been a Shop-hours Bill, there has not been a Factories Bill—in fact, there has not been a policy Bill of any character that has come from the present Government but it has been opposed by the Hon. Mr. Bowen. I feared at times we were going to perdition, from the gloomy way in which the honourable gentleman spoke about the colony. While saying that, I would only ask the honourable gentleman to take the same hopeful view of the colony which he had when he was in England two years ago. I find, from the *Home News* of July 2, 1892, that when the honourable gentleman was at Home he was at a meeting of the New Zealand Trust and Loan Company (Limited), at which Sir Charles Clifford presided. The Hon. Mr. Bowen, in the course of his speech there, said,—

“He believed New Zealand would always be a prosperous country.”—I am glad he held that view.—“He did not mean to say the country would go on by leaps and bounds to the achievement of great wealth, as larger countries might do. After all, it was only a question of time for a revival in the state of affairs. They had a fine country and an excellent climate. New Zealand was a small country, but he thought it would be a profitable one.”

My honourable friend there took a very happy and a very bright view of the colony, and a practical one too, and therefore I ask him not to think the bottom has dropped out of this glorious country yet.

Hon. Mr. Jennings

The Hon. Mr. BOWEN.—I want to leave the bottom in.

The Hon. Mr. JENNINGS.—I do not think the bottom would be left in if the wish of the Chairman of that meeting—that is, Sir Charles Clifford—were attained. The Chairman, in returning thanks, said, “He only trusted that time would bring back to New Zealand its old prosperity. It would afford the directors very great satisfaction to be able to return to their old 20 per cent.” Sir, I hope that the 20-per-cent. business will never be seen in this colony again. It is too much. How can settlers, or any industry, profit by a system under which they pay 20 per cent. for their money? It takes the heart and hope out of the people, and they have really nothing at all to help them if they have to pay such a percentage as that. Sir, I could not help analysing the petition which was presented here yesterday against the Bill; and, while every person has a right to express his views by means of a petition, still I heard honourable gentlemen in this Council last session, when petitions were presented on various subjects, because they did not exactly suit their own particular views, say it was very easy to get up a petition and to induce a lot of people to sign it. There is no doubt that you can get plenty of signatures to petitions of all kinds. It is a very easy matter indeed to get petitions signed. But I have analysed this petition, and I venture to say that any one who is acquainted with the majority of the persons who have signed the petition presented here yesterday will find that 182 of those signatures are those of lawyers and lending and commission agents, and that class of people. I can quite understand that they fear that, like Othello's, their occupation will be gone if this cheap-money scheme is brought into vogue in the colony. Lawyers fear that the high charges by which they have been enabled to make fortunes will no longer be possible. And I say, with no great disrespect for the lawyers, and as one who has had transactions with them—and I speak, I believe, for three-fourths of what are termed the ordinary people in life—that their charges are exorbitant. If you go to raise money on loan, what with the law-charges for deeds, and the interest and other fixtures, such as the procuration-fee, it amounts to a very considerable sum; and I say, if this Government succeeds in passing this measure, it will be a great relief to the settlers in enabling them to get money at a low rate of interest, and the charge for what are termed legal expenses will be minimised to such a great extent that the gain will be reaped by every person in the colony. There is another authority I wish to quote. It is the *London Times*. I think I should be quite right in quoting that paper as a great financial authority.

The Hon. W. DOWNIE STEWART.—No.

The Hon. Mr. JENNINGS.—“No”! My honourable friend from Otago is very quick indeed to use the *London Times* to back up his own arguments, and therefore I shall quote it to back up my view. The *London Times* of the

9th August, referring to the subject now before the Council, makes use of the village-settlement scheme as an argument in favour of the Bill. It says, "The number of settlers under the New Zealand State-aided village-settlement system in March, 1893, was nine hundred." The *Times*, dealing with this scheme for making advances to farmers, speaks of it in a very flattering way indeed, and mentions these facts:—

"The land held by these settlers," it says, "was 22,677 acres. The money then advanced them was £24,625 2s. 2d. The total rent and interest paid by them to the Government was £10,522. The arrears at the same time were £2,346 (£300 of which has since been recovered). The total value of their improvements, carefully estimated, was £61,699. Thus it is seen that the improvements paid for by the settlers themselves represent a sum of £37,074, in addition to the £10,522, paid by them for interest and rent. As the figures stand, the Government gets, in six years, for an expenditure of £24,000, a return of £10,522, the creation of improvements upon the security of the land to the value of £61,000, and the settlement of nine hundred persons as primary producers. It has to be remembered that rent would presumably not have been paid upon those lands unless a certain proportion of capital had been obtainable to meet the expenses of first settlement."

Referring to the present proposals to extend this policy, the same paper says,—

"If the movement prove successful, it will be of an importance which can hardly be exaggerated, not only to the colonies concerned, but to the rising generation of Great Britain. It seems, indeed, to carry with it something not far removed from the settlement of our most pressing social questions."

In the same newspaper there is also a report of a Royal Commission on agriculture. The same troubles appear to exist in England in regard to the agricultural industry as exist in other places. This Commission has been endeavouring to formulate some scheme that will benefit the agricultural population. I might be permitted to refer to a debate which took place in this Council in 1885. The very same scheme was originated in this Council, and was brought forward by the Hon. Mr. Bathgate—that is, advances to settlers. It was received with the very greatest favour. There were certainly some honourable gentlemen in the Council who took opposite views, but when it came to a division the principle was affirmed, and there are many honourable gentlemen now in the Council who voted in favour of that scheme. I cannot but think that the step which the Government contemplate in this Bill to assist settlers is one of the very greatest and deepest importance to the welfare of this colony. There may be faults in the wording of the Bill, but they will possibly be rectified. But the scheme, as formulated, I honestly and sincerely believe to be one which will redound to the credit of the colony, and which will ultimately, if carried out, and if the proper

machinery is provided, produce such a state of prosperity as this colony has never seen. If, instead of the millions which have been spent on railroads and other works, this plan had been adopted many years ago this colony would have been one of the most glorious countries on the face of the earth.

An Hon. MEMBER.—It is now.

The Hon. Mr. JENNINGS.—There are certain drawbacks at the present time, but if such a scheme as this had been adopted ten or fifteen years ago I think this colony would have been a kind of paradise for agricultural people. I shall support the second reading of the Bill with the greatest pleasure, and I do hope that those who are in the Council at the present time will, at any rate, give the same careful consideration to the proposal which they did in 1885.

The Hon. W. DOWNIE STEWART.—I merely wish to state that I think the honourable gentleman, in introducing the Bill, was somewhat unfortunate in his references to the monetary institutions of this colony in connection with the lending of money. There has been no more disastrous business carried on, in my experience, than the lending of money in connection with these institutions. I know some companies which have lost their capital entirely, and it is a question of making calls not to replace capital, but to pay their debts in respect of debentures issued in the Home-country. I know a company, and happen to be a shareholder in it, in which the whole of the capital has been absolutely lost. I know of another company of which not only all the capital is lost, but the shareholders have had to pay a very large sum indeed to make up losses sustained by the company. I could mention most of the companies that have been engaged in money-lending in this colony during the last fifteen years, and I venture to say that a very large proportion of them have not only suffered very severely, but have practically been ruined. These companies were carried on with as much efficiency and as much economy as it is possible to bring to bear in any Government department. I feel perfectly satisfied that in the case of these companies—all of them, except, probably, one—the administration of their affairs was carried on, apparently, at the time, with the utmost satisfaction and success; and notwithstanding the rates of interest to which honourable gentlemen have referred, and which I know at one time were $7\frac{1}{2}$ per cent., and in some instances 8 and 9 per cent., these companies have not been paying concerns. They took care, I may add, not to advance more than to two-thirds of the value of the property, and in some cases not so much. With all the foresight, business experience, and the exercise of every care possible, these companies have been very heavy losers. I say that the margin provided for in this Bill will not cover the ordinary cost of proper management, and the occasional losses that are inseparable from every money-lending institution. I dare say the Hon. Mr. Montgomery knows that even private investors, who exercise the utmost

caution, make losses occasionally in lending money, and if that applies to them it will apply equally so, and possibly more so, to an institution such as is now proposed to be established. The margin of two-thirds I have no hesitation in saying is much too narrow. Property fluctuates so much in value in this colony, and in all young countries, and, indeed, in the Old Country now, that a margin of a third will not be sufficient. We know perfectly well that loans on properties which were supposed to be worth double the amount of the mortgage, or the amount advanced on them, have, when the properties were eventually disposed of, resulted in a loss to the mortgagees. This institution will be somewhat of a political institution, governed by many considerations which do not influence ordinary business. I have no hesitation in saying that unless the department is managed not only with great economy, but with great efficiency, heavy losses will result; and even with economy and good management it seems to me that losses are inevitable. Upon whom will those losses fall? They will fall upon those who are not borrowers as well as upon those who have borrowed. The whole community will be put under obligations to make good the losses made in connection with those particular borrowers. As to the perpetual leases and other leasehold securities mentioned in the Bill at present, no private lender will advance upon them. If a man has a lease in perpetuity or a perpetual lease, or any form of small-grazing-run lease, and he goes into the market, his security is just one of those which ordinary investors will not take up; and yet the Government have selected this class for special favour. I do not understand the reason for it, but ordinary leaseholds—that is to say, those which do not come within the Land Act—are excluded from the operation of this Bill. Why should not a man who happens to have a valuable leasehold property have the benefit of this Bill even if his title is not held directly under the Government? I wish to direct the honourable gentleman's attention to section 69, which provides, "Every person who, having any pecuniary interest in any land tendered as security for a loan under this Act, . . . shall be liable to a penalty of not less than fifty pounds nor more than two hundred pounds." I have referred to the one-third margin, and also to the leasehold; but there are several other objections to the Bill which will have to be considered in Committee if the Bill gets there. One is that not more than £5,000 is to be advanced to any one borrower, and another is that applications for loans not exceeding £500 are to have priority over applications for larger sums. What does priority of application in this case mean? Does it mean priority over all the applications lodged on the same day or during the same month, or between the meetings of the Board, or what? If honourable members knew the very great difficulty there is in escaping loss in connection with the lending of money they would not be so extremely anxious to rush into the busi-

ness. It is one of the most difficult and critical kinds of business which exist. But what we have to do is to look at the interests of the colony. And it would not be a wise policy to launch into a system of scrambling and grabbing in connection with public money at the present time. What I think we should aim at is this: We should so administer our affairs and so legislate as to inspire confidence among persons of capital to come to the country and settle amongst us. That is the true solution of any difficulty which might exist. If you inspire confidence in the people here it will spread to the Home-country, where capital exists, and that capital will come here and strengthen this country in a way that this system could not do. What is wanted is confidence, coupled with capital and enterprise. I do not know whether this fund is to be liable to the ordinary mortgage-tax of 1d. in the pound—I have not been able to discover. Perhaps the honourable gentleman will tell us when he replies, as that is a very important element in the question. I do not care how economically this Board may discharge its functions, losses are inseparable from the lending of money, and this loss must fall not on the borrower but upon the people of the colony generally.

The Hon. Mr. RIGG.—What about the profit?

The Hon. W. DOWNIE STEWART.—There can be no profit in it. The fact is, the so-called profit will be more than absorbed in the administration of the Act. There will be absolutely no profit; and that is the great difficulty. Even if it is administered in the most economical way there will be no profit. By the system of working out the whole scheme there may be no loss. The system is all very well on paper and in theory, but when it is reduced to practice loss will be inevitable; and the Hon. Mr. Rigg will have to bear his share of it, along with every other inhabitant of the colony. It is simply the colony guaranteeing those losses which must arise in the ordinary course of business. If the scheme could be carried out satisfactorily and profitably it might be right enough, but I do not see how it can be carried out satisfactorily, and I anticipate not only a loss, but that the values will not prove satisfactory in many instances. I have known cases in which a valuer has said this sort of thing: "Well, the Insurance Department is only lending up to half the value, and it will stand a special valuation"; and they make their valuation accordingly. The Insurance Department, I believe, only lends up to half the value of the property, and that is a very different thing from two-thirds. It is very often just the difference between loss and no loss. If the Bill goes into Committee there are a number of amendments which I hope the honourable member will consent to have made. It seems to me the whole policy of section 25 is to induce people to take up leases in perpetuity, and to give them money to carry on business at the expense of the rest of the colony. I shall not take up time further, but I may submit that if the Bill goes through in its

Hon. W. Downie Stewart

present shape, and annual returns are made of the result, those returns will not be found at all satisfactory. The Hon. Mr. Kelly was good enough to say that the department could take up good securities and throw the doubtful ones into the hands of private individuals. I do not know what class of security he would offer to the department, but the meaning of it is this: that a certain class is to be selected and favoured by the department, and others are to pay a higher rate of interest owing to the withdrawal of capital, which will be the case if the Bill passes. A large amount of money that is coming out for investment must necessarily be withdrawn from the colony if this Bill passes. Companies will not send their money out to pick up the bad securities the honourable gentleman refers to: that is not the class of security the English money-lender sends his money out for investment on, and if that is the only class available I fancy the doubtful-security holder will find he will have to go to the wall. I warn the Council against passing the Bill, in its present form at all events.

The Hon. Mr. KERR.—Sir, when this Bill was introduced into the Council I thought it would pass without much discussion. I thought it was in the interests of a class that deserve every consideration. I thought honourable gentlemen would be prepared to give them the assistance sought for by the Bill. But as soon as the subject had been introduced into the Council the Hon. Mr. Stevens showed at once that there would be a strong opposition to such a measure becoming law; and, although I admit, from the honourable gentleman's point of view, he argued the matter very fully and fairly, I confess it was a melancholy and doleful speech notwithstanding. He seemed to wish to persuade the Council that the passing of this measure would bring disaster and ruin on the colony, and he went on to quote figures to show the falling-off in imports and exports during the last two or three years. I have more faith in the resources of the country than to believe the predictions of the honourable gentleman. I have more faith in the stability of the country than to think for a moment that the measure will cause such a disastrous effect as predicted by him. It also was put forward that this was class legislation; but we have not required to wait till 1894 to find class legislation. I remember that in the early days of the gold-mining a certain amount of class legislation then fell very heavily on the mining community in the part I come from. Those miners, like the settlers, required every encouragement, instead of being hindered and thwarted in every direction. They were there as pioneers of the goldfields, and every one understands the privations those men underwent. Still, after going through all the difficulties and privations and trials of gold-mining, when these men came on an ounce of gold they had to pay half a crown for it. That was class legislation that did not tend to benefit the people, or conduce to the prosperity of the country. While this was going on there was another sort of class legislation

going on. There was no taxation upon the enormous quantities of wool exported from New Zealand. The squatter and runholder were exempted from taxation, while the poor miner had to pay his amount towards the taxation of the country. I simply point this out as coming under the head of class legislation. It is said, also, "Why help the settlers more than you would help the manufacturers?" It is well known the manufacturers are helped at present. There is a certain amount of duty placed on goods imported into the country, which enables the goods manufactured in this country to compete, and this is equal to giving the manufacturers an advance of money. We have also a system of class legislation in our co-operative works. There has been a good deal said against this sort of State aid to working-men; but it cannot be denied that it has been productive of much good and vast assistance to a large number of people who otherwise would have been out of employment. Our benevolent societies and charitable institutions would have been brought more into requisition had these co-operative works not been introduced and carried on by the Government. It was not only able-bodied strong men who were out of work, but many men who had grown old and were unable to compete with the strong men. The co-operative system provided small contracts on which they could work, and make, if not 10s. or 9s. a day, at least what satisfied them, and helped their wives and families. That is another kind of class legislation that I am bound to state the Council will sympathize with and approve of, though the present Government were the means of introducing it. I may state that nearly all the industries of the colony are in a manner assisted by the country. Even sawmillers, by railway communication and cheap rates, are enabled to compete with other colonies. It is not the settlers we are solely trying to pass laws to assist; we have passed laws to assist all these people I have enumerated; and the struggling farmers and settlers, in my opinion, are as much deserving of assistance as any others. It is said this is a borrowing measure. I admit it is to a certain extent a borrowing Bill. But it does not altogether entail a liability on the colony. There are hundreds of farmers who want small advances. We know they cannot get these by themselves at anything like a reasonable rate. The Government step in as a friend would, and say, "We can borrow the money at a much lower rate than you can; we will do so, and lend it out on your security." They take the land as security at two-thirds of its value, and advance money up to that amount. We have not heard any honourable gentleman who has spoken yet, when saying that to advance up to two-thirds was too much, say that he had taken into consideration that an amount was to be paid back annually as a sinking fund, so that the responsibility of the Government every year would become less. Therefore the Government would have as security the ground at two-thirds its value, and the amount paid off annually. The whole

amount would be paid off in thirty-six years. I think there is very little danger of the country "going broke" under such conditions as these. I was very much pleased this afternoon to hear the Hon. Mr. McLean state that the difference between the bank and the Government proposition to lend money was simply a difference of 1 per cent. Well, I have always been of opinion that the bankers were not the parties who cried out loudest in respect of this Bill. I believe those who cry out loudest against the Bill, and who put every obstacle in the way of it, are the money-lending institutions and the money-lenders. Many a settler does not know how to go about obtaining a loan. He goes to his lawyer, and is charged so much for advice, so much for looking at him, and then so much for finding a client who will lend him the money, and with one charge and another it is enough to frighten any man from going to borrow at all, and to lead him rather to seek relief in the Bankruptcy Court. The charges, as I have said, are enormous, and it is fitting for the Government to come to the aid of those who want advances when they see such extortionate demands made on them. Sir, it has been said that in a short time the settlers and farmers will be the debtors of the State, and, in fact, it has almost been urged that they will be the slaves of the State. Is it worse to be the slave of the State than the slave of the money-lender? I would prefer myself infinitely to be the slave of the State than to be the slave of any company or individual lending money. You can talk more freely to, and receive more consideration from, the Government than you can from these money-lenders that we have heard about. Therefore, I think, taking all the circumstances into consideration, the Bill is a good Bill, and will do a vast amount of good to the farmers and settlers of the colony. I understand it is the desire of every one of us to see our lands settled. Well, if we would induce men to settle on the land, what better plan is there for settling the land than by this measure, which gives facilities that have never been offered by any Government up to the present time, and which, instead of being disastrous to the country, I believe will place a yeomanry in New Zealand that will be productive of incalculable benefits? Instead of a roving population, which is on the move whenever a rush is heard of, even if it is in Western Australia or anywhere else, by settling these people on the land you will have a steady population, that would consider more their homes and families, and be less inclined to rush after will-o'-the-wisps. Therefore, we can see, the population that has been roving about from one rush to another will have an inducement to settle on the land, and to settle comfortably in homes in this colony. Now, I reckon that these farmers and settlers are very much to be compared with the gold-miners I have already mentioned. They have, no doubt, great privations to undergo; they have to go into the forest and hew out homes for themselves; and it is only when the settler begins to do work

such as clearing, sowing, and stocking that he finds how soon the little amount of capital he may have fancied would see him over his difficulties becomes exhausted. Where, then, is he to go but to a paternal Government that has taken more interest in the industrial classes of New Zealand than has ever previously been taken? Sir, I have simply spoken in a general way. I have no desire to hunt up comparisons, or to supply figures showing that revenues are falling off. I think, if we provide farmers and settlers for this country, there will be a different tale to tell in a few years. The working-man has been called the bone and sinew of the country, but I think all will be prepared to admit that after a few years, with the help of the Government, the settled farmer will be the bone and sinew of the country. I trust the Council will pass this measure, and show that it has every desire to settle New Zealand, and to raise up a peasantry and yeomanry that will do credit, in a few years, to this measure.

The Hon. Mr. WHYTE.—Mr. Speaker, money is very cheap, and yet it is very hard to get: hence this Bill. There is no doubt just now that, although the holders of money are willing to accept a very low rate of interest, they are very exacting as to the nature of their security. Therefore I have no doubt at all that this Bill, primarily at any rate, is intended for the purpose of finding money for those who cannot get it anywhere else, and I may, myself, say that if that were the only object and effect of the measure I should look upon it with greater favour than I do now. I think if this Bill were altogether intended for the purpose of helping people over the initial difficulties of settling the country there would be a great deal more to be said for it than can be said for it now. I would approach it then in the same spirit that I have in former years approached measures relating to and in aid of the settlement of the country, such as revaluation Bills, advances to miners, and proposals of that sort. As far as I can judge, however, this is simply a wholesale scheme for the purpose of buying and selling money; and, although to-night the statement of the Hon. Mr. Stevens was questioned when he described it as unlimited in its amount, I contend that it is practically unlimited, because, although it is nominally limited to two years in its wording, we all know perfectly well that at the end of two years no results as regards loss or profit can possibly be ascertained, and, therefore, if once commenced, it must go on indefinitely. I look upon the limitation of two years as practically useless. I consider that we cannot possibly retrace our steps if once this departure is made. Now, I look upon this departure as the most important that has been brought before the Council for many years; and, if I had no other reason for voting against the Bill, I would do so in order to postpone it until the country has had a full opportunity of considering it. It is our duty, and we are expected, to stand in the way of hasty legislation; and no possible harm,

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in my opinion, could come of delaying this for another year. Now, referring to the opinion held about this Bill throughout the colony, discredit has been thrown upon petitions that have been presented, asking the Council to throw it out. Well, of course, I know that it is very easy to get up petitions for or against anything under the sun, but still I have no doubt—of course I may be partial, but I have no doubt in this case that these petitions are genuine, especially as they are backed up by a protest coming from the district which I represented for many years—the Waikato. I had the honour of representing that district for many years, and this subject was brought up over and over again—the subject of providing cheap money for settlers. That was at a time when money was very dear, not when there was every indication, as there is now, of its becoming cheaper every day. Well, I would have nothing to do with it, and I am thankful to say it never became what may be called a burning question. Now, we have that very same district, as represented by its County Council, all composed of small farmers—the very class, if any, to reap benefit from this Bill, and, I am very much afraid, many of them with mortgaged farms—still unanimously protesting against this Bill. It is quite true that one member objected, but it was on the ground that it was not within the proper functions of a County Council, and not because he approved of the Bill; and, to my knowledge, there are within that Council strong and vehement supporters of the present Government, and the district is represented by a member of the Cabinet—Mr. Cadman. Therefore I say that is strong confirmation of my assertion that the country has not yet decided in favour of this measure, and, if there be no stronger reason for postponing it, that ought to be sufficient. I have said I look upon this as a wholesale scheme for the buying and selling of money. That being so, let us consider what are the advantages to be gained by it. Now, from the position of the colony as a lender let us look at it. We all know what has been the fate of the companies that have gone into this business. We know that a very great number of them have lost a great deal of money. Very well, what advantage has the State over those companies? The colony can borrow at $8\frac{1}{2}$ per cent., we are told, and long may it continue. Well, companies of any repute can borrow at 4 per cent.: that is, there is only $\frac{1}{2}$ per cent. in favour of the colony to justify it in going in for all this risk and trouble. Besides, every practical man here knows well the difference there is between men looking after their own money and men looking after the money of the State or Government. However, supposing the companies paid $4\frac{1}{2}$ per cent.—and I know as an absolute fact that good companies have refused it at $4\frac{1}{2}$ per cent., and got it at 4 per cent.—but even supposing they gave $4\frac{1}{2}$ per cent., that leaves only 1 per cent. in favour of the colony, as compared with ordinary financial companies. The other day I was in one of the adjoining colonies, and I know they can

get money there on good freehold security at $4\frac{1}{2}$ per cent. even now.

An Hon. MEMBER.—In Melbourne?

The Hon. Mr. WHYTE.—No; in Sydney. A banker told me that when I was coming through. So that the margin in favour of the colony is a very slight one; at the very outside it is only 1 per cent., as compared with companies acting as lenders. Now, talking about the price of money, I can state also as a fact that, when I was in London lately, money at short dates could be got at 13s. 4d. per cent. per annum.

An Hon. MEMBER.—Short dates.

The Hon. Mr. WHYTE.—Yes, of course. Now, I have shown how small the advantage is which the colony has over companies as regards the borrowing of money. I now come to the advantage which the borrower gains under this Bill. If it is contended that the purpose of this Bill is to lend money to people who cannot get money elsewhere, then, of course, the advantage is evident, and perhaps from certain points of view it might be a good thing for the colony to go in for it. It might be well to do something of this sort, in the interest of settlement; and, if the Government confined their operations to that sort of thing, then we could approach it from another standpoint. If, however, we intend to deal with those people who have good security, then we are dealing with another question. I think every one knows that upon good security money can be had at 6 per cent., and frequently at $5\frac{1}{2}$ per cent.—I will, at any rate, say 6 per cent. Now, this measure proposes to lend at 5 per cent., with 1 per cent. additional as a sinking fund—6 per cent. in all. Well, we all know that settlers have the hardest fight during the first few years of their taking up land, so that even for the first few years they are annually burdened under this scheme as heavily as if they were borrowing privately. But what happens after that? Every year afterwards, in proportion to the money they have the use of, the burden is becoming enormously heavier. After the first ten years the annual charge they have to pay ranges in amount from 7 to 8 per cent., and up even to 50 per cent., upon the amount of money that is remaining. It is, of course, quite true that at the end of thirty-six years they will have no debt, and their children will reap the benefit; but we are supposed under this proposal to be nursing them and helping them now during their lifetime through their initial difficulties, and yet the annual burden they will have to carry after the first year or two will be heavier by a great deal than if they borrowed privately. Of course the natural result will be this: that when the annual charges amount to more than, say, 7 per cent. upon the money they owe, probably they will borrow elsewhere and pay it off. At any rate, it is evident that under this Bill, as the term goes on, the burden of the man who borrows will be heavier during the thirty-six years than if he borrowed the money privately. My honourable friend Mr. Kelly stated that there was no great risk in lending money

on land. I say, Sir, our experience will not bear that out. No great risk in lending money on land! Is it not on land that the banks have lost nearly all their money? Or is it not on land that they have sustained the heaviest losses?

The Hon. Mr. KELLY.—I should have excepted the Waikato swamps.

The Hon. Mr. WHYTE.—You might have excepted them, and still there would have been hundreds of cases north and south where money has been lost on land, even in the "Garden of New Zealand"—Taranaki. My honourable friend also quoted a case where settlers had suffered during the war, and in consequence money was advanced to them to reinstate them in their homes: but that is not an analogous case at all. Those people should have got the money as a gift, and if they were driven from their homes they ought to have been recompensed, not simply had the money lent to them. I say there is no analogy between the two cases. As regards the Bill itself, I do not intend to go into details, particularly now, because, if it reaches Committee at all, there will be time enough to do that. There are one or two points, however, which suggest themselves to me. For instance, the same Board is to administer this that is administering other lending departments of the Government, and they will by this measure be brought into competition with themselves. Then, the Colonial Treasurer seems to have a great deal of power. My honourable friend Mr. Stevens referred to the fact that borrowers under this Bill might remain State debtors all their lives. Well, so far as I read the Bill, the Colonial Treasurer can, if he chooses, give these men quittances, and that, it seems to me, may lead to a great deal of favouritism. Then, again, with regard to the land-bonds part of the Bill, I cannot understand why the Treasurer is content to accept a limit of 8½ per cent. within the colony, and asks for a limit of 4 per cent. outside the colony, where money is cheaper. I do not know what that means. However, I will conclude by saying that this is, in my opinion, one of the most important departures that the Council has been asked to sanction for many years, and for that reason alone, if no other, I think we should delay its final consideration for another year.

The Hon. Mr. MACGREGOR.—Sir, I agree with my honourable friend who has just spoken that this is indeed the most important question that has been before the Council and the country for many a long day, and it is one which consequently requires most serious consideration at our hands. It may be looked upon, and it has been looked upon, in one aspect by many honourable members who have spoken—as a decided advance in the direction of State socialism. Now, of course, there can be no doubt that this important departure is certainly the most decided step forward in the direction of State socialism that this country has yet taken. I am not saying this for the purpose of condemning the scheme, because

my attitude towards the question is this: To my mind, the fact that it is in the direction of State socialism is no reason why we should either reject or accept it. On the other hand, I do not go with my honourable friend Mr. Rigg, for instance, who seemed to argue that, because it is in the direction of State socialism, therefore it must be good. My position is this: that the fact that this is a step in the direction of State socialism is no reason for either favouring or opposing it. But the question is this: whether or not it is a proper step to take—that is to say, whether or not this proposal will, in the long-run, prove to be for the benefit of the country. And here let me remark that the Hon. Mr. Pharazyn seemed to me to hardly put the question fairly when he said that because this proposal is in the direction of State socialism therefore it is socialism, because no one knows better than my honourable friend the great difference that exists between socialism and State socialism. I was surprised to hear the Hon. Mr. Rigg accept the definition by the Hon. Mr. Pharazyn of socialism, because he must be aware that there is a wide difference between the two. The question is not whether this is socialism, or State socialism, or whether it is in the direction of the one or the other, but merely whether it is an advantageous thing for the country to do. Now, there are three tests that I have been in the habit myself of applying for the decision of questions of this sort. There is, first of all, this question: Is the proposal one of primary social importance and necessity? Secondly, Has it been proved to be practicable? And, thirdly, Has the proposal been shown to be one which will not tend to diminish self-reliance? Those are the three tests I have been in the habit of applying to such questions, because I consider that all such questions must be decided on their merits. Now, if we apply these three tests to this question, and if we inquire, first of all, whether this proposal involves a question of primary social importance or necessity, I do not think we can say it does so: at all events, it has not been proved to this Council that it does so. The argument used by the Hon. Mr. Whyte a moment ago was, to my mind, conclusive for the purpose of showing that it cannot be proved that there is any social necessity for such a measure as this. No one is better qualified to speak on such a question than the Hon. Mr. Whyte, and he has shown very clearly and succinctly that the rate of interest is to-day lower probably than it had ever been in the colony before, and he also showed that the tendency of the rate of interest is still downward. Where, then, is the necessity for this Bill? This is the first time we have heard of this proposal in anything like a serious form. As has already been stated, it has been discussed a good deal elsewhere; but I shall refer to that further on. It has not been, I say, in any distinct or definite form before the country at all. How, then, can it be contended that this question has assumed such dimensions as would bring it within the

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category of questions of primary social importance or necessity? Then, if we apply the second test I have mentioned, and ask ourselves whether it has been proved to be practicable, I say it has not. The Hon. Mr. Whyte's argument on this point seems to me to be conclusive. No doubt it is argued, and perfectly correctly, and no one disputes it, that the State can raise money more cheaply than the individual can. Probably the State can raise money, at all events at present, at $3\frac{1}{2}$ per cent., and, as the Hon. Mr. Whyte says, "Long may it continue so"; but I doubt whether, if we plunge into this headlong course of borrowing, it can be expected to continue. But, that apart, there is no doubt that the scheme has not been proved to be practicable. The argument of the Hon. Mr. Stewart was as to what the results have been to companies that have entered on this money-lending business. The honourable gentleman will know from his experience as a solicitor and otherwise that those companies have almost uniformly lost money. Many of them have lost nearly the whole of their capital; and how can any one say that the State can undertake, with the slightest prospect of success, the carrying-on of the business of buying and selling money better than the companies whose own interests were involved, and who were looking after their own personal interests? The scheme is not practicable in my opinion. The Hon. Mr. Montgomery has told us that the proposal is to borrow money at $3\frac{1}{2}$ per cent. to lend out to farmers and others at 5 per cent., leaving a margin of $1\frac{1}{2}$ per cent. for the expenses of management. This $1\frac{1}{2}$ is supposed to cover not only the cost of management, not only the cost of insurance, but also the property-tax—the mortgage-tax, which comes to almost $\frac{1}{2}$ per cent. itself. We have no experience to guide us in this scheme, because, as the Hon. Mr. Whyte has said, this is an entirely new departure in the country. No others have ever adopted this scheme. We have heard of *crédits fonciers* and *crédits mobiliers*, but there is no country that has adopted any system of this sort. The system of *crédit foncier* has no analogy whatever to this proposal, because these schemes are not State schemes, as has been shown by the Hon. Mr. Stevens. They are simply organizations of credit inaugurated by the borrowers or by the landowners themselves for the purpose of lending money out or of receiving money. I think that is the principle of the *Crédit Foncier*, but it has no analogy to the process proposed to be adopted in this Bill, and the arguments, to my mind, are conclusive to show that this scheme is not practicable. Therefore I consider it does not comply with the second test that I have asked the Council to apply. The third test is that it must not diminish self-reliance. Now, until recent years our farmers had probably been the most self-reliant of men in the country; and farmers probably in every country are, as a rule, self-reliant; but there has been, I think, a considerable change already in that respect since the introduction of our various steps in legislation in the direction of revalua-

tion, and so on. We all know what a demoralising effect that legislation has had on that class. They have, in many instances, become shirkers and dodgers, and they have lost almost entirely the self-reliance which was in former times their greatest and most precious characteristic. And what will be the result of further legislation of this sort? It will simply have a similar effect, only to a very much greater degree. Legislation is very apt to destroy self-reliance, but it is beyond the power of Parliament to restore it. We shall be building up a class of men who will be depending entirely on the State, a class who will look constantly to their own advantage; and we shall probably have a scheme by-and-by for repudiation, because, as the Hon. Mr. Whyte has explained, this scheme will, after the first ten years, weigh very heavily no doubt upon the borrower, and the first borrower in his lifetime will be a slave to the State, because the process by which payments have to be made mounts up at such a rate that it will be an intolerable burden for a lifetime for the first borrower. The result of that one can easily see. We shall have this man looking to the State for further relief; and there will arise, as I have said, a class of men who have lost what had been formerly their greatest, and most important, and most indisputable characteristic—that of self-reliance. I have endeavoured to apply the tests I am in the habit of applying for myself, and I ask the Council to apply these three tests to this proposal, and to say whether or not this scheme is able to stand the tests. It is a matter, however, for the Council to say. I am thoroughly convinced that this scheme is an exceedingly dangerous one; and certainly the arguments that have been adduced by the Attorney-General in introducing the scheme, and by others who have supported it, are to my mind nothing but sheer sophistry. Nothing surprised me more than the arguments used by the Hon. Mr. McLean. He told us that it is not a new departure at all, that there is nothing new in the scheme, and that it is simply a continuation of what we have been accustomed to in the investment of the funds of the Government Insurance, Post Office, and Public Trust Office. Now, my honourable friend is clear-headed enough in matters of finance—his knowledge is more extensive than mine, and I do not profess to be a financier—and I cannot believe that he would seriously urge such a scheme upon this Council, and ask it to attach one-pennyworth of weight to it. There is no resemblance, no analogy, between the investment of the funds of the Insurance Department, and Post Office, and Public Trust Office, and investments under the measure now before the Council.

The Hon. Mr. McLEAN.—Not the Post Office.

The Hon. Mr. MACGREGOR.—We will leave out the Post Office, but take the Insurance Department. Here we have a department which has been established for the purpose of—what? Is it for the purpose of borrowing

money, and for lending out money—for dealing in money, as the Hon. Mr. Whyte has said? No; it is an institution established by the State for entirely different purposes—for the purpose of life assurance, and for the investment of money, and for the lending of money accruing from the process of carrying on that business, and which is simply necessary to the carrying-on of that business. And to say that this is simply a continuation and extension of that work, and that it is to carry on business in the same way as the business of the Insurance Department is carried on, is attempting to delude the Council. The same may be said as to the investment of the funds of the Post Office and the Public Trust Office. What is the Public Trust Office? It is established for what purpose? For the borrowing and lending-out of money at a profit? No; it is for an entirely different purpose. It is an office which has grown greatly from small dimensions to large dimensions—to a very large concern—I am inclined to think it is too large; but that is a department established for entirely different purposes, and the lending and investment of money is merely a necessary incident in the carrying-on of that business, and it is pure sophistry to say that this proposed business is an extension of those departments. I confess that the feature of this scheme that struck me most forcibly at the time when the first announcement was made was its tremendous magnitude; it fairly took my breath away; but I have gradually got used to it, as most of us probably have. When the scheme was first propounded I could hardly believe my eyes. Honourable members must be aware that when the proposal was first brought down there was absolutely no limit to the proposal. The proposal laid down in this Bill as originally submitted to the Legislature was one for indefinite borrowing at the rate of a million and a half a year. There was absolutely no limit where we could have stopped the borrowing of this million and a half a year, and it would have been necessary to pass an Act of Parliament to stop it. The Hon. Mr. McLean told us that the amendment of the Hon. Mr. Stevens should be rejected because this proposal has now been restricted to two years. Sir, this is a proposal which, as the Hon. Mr. Whyte has said, it is impossible to restrict; and the so-called restriction of this Bill to two years is simply so much waste paper, because if we are once launched upon this proposal there is absolutely no end. I say it will be impossible for us to pull up in two years, five years, or ten years. The Hon. Mr. Montgomery has told us that the raising of these two millions in two years would be a mere drop in the bucket, and that this amount will not assuage the thirst for cheap money. This is quite true. We might as well expect to assuage thirst by drinking salt water. Nor will it have any appreciable effect on the money-market, and the reduction of interest which is now going on will not be in the slightest degree hastened by this process. But at all events, as the Hon. Mr. Whyte has said, it will be impossible

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at the end of the two years for us to say how this scheme will end—whether it is going to succeed or not: and at the end of the two years we shall be no wiser as to whether the scheme is practicable or whether it is not. It is absolutely and indisputably certain that it will be impossible for us at the end of two years to put an end to borrowing for this purpose, because the three millions that will have been raised by that time will have been a mere sprinkling amongst those who will expect to derive benefit from it, and those who have been disappointed will be ten times more numerous than those who have received anything. Is it to be supposed that we shall be able to pull up and tell those who have not been able to get any money that we are going to have no more borrowing for this purpose? It is pure nonsense, and absolutely impossible; and our motto on this Bill must be "*Obsta principiis*," because if we let this pass we let out a flood that we can never stop. That is the feature of the scheme which struck me most forcibly when it was first announced; but there is another feature in it which is equally remarkable. A fashion seems to be coming into vogue of introducing into the titles and preambles of Bills deliberate misstatements. I have had occasion before to point out what I consider misstatements in a Bill, and I look upon the title and preamble of this Bill as another misstatement. It professes to be a Bill for the purpose of assisting settlers. The words are, "to enable the Government to assist settlers by advancing money to them on mortgage at reasonable rates of interest," and the preamble goes on to say, "Whereas by reason of the high rates of interest charged on the mortgage of land, and the heavy incidental expenses connected therewith, settlers are heavily burdened and the progress of the colony is much retarded." The Hon. Mr. Montgomery has told us that if we reject this Bill on the second reading we shall be saying to the farmers of New Zealand that we cannot do anything to help them. But this Bill is not a Bill to help the farmers of New Zealand, and it is well that the farmers of New Zealand should know it. I say this is a misrepresentation, and that it is not in any sense a Bill to assist the farmers by providing money for them. This is a Bill for providing cheap money for people who have good securities, whether they are farmers or gentlemen living in the suburbs or in fine mansions in the city. They are all equally eligible as borrowers under the scheme, and the scheme is not in any sense for the purpose of assisting the settlers. It is, in point of fact, a misstatement to say that it is specially intended for settlers. There are one or two further points that ought to be considered. It has been pointed out by the Hon. Mr. Whyte that under this proposal the class of settlers who require assistance most will not get it under the Bill. The proposal in the Bill is to advance money up to £5,000. Now, one would think that a settler who required £5,000 cannot be a settler who is very much in need of assistance, and, at

any rate, he is not the man, *par excellence*, who strikes one as requiring and deserving assistance. The truth is, as has been said before, he is a man who has got more land than he ought to have, and more land than is good for him, and the credit of the State will, in many cases, be used improperly; and those settlers who require assistance the most will not get any under a Bill of this sort; and the struggling settlers who are just settling upon the land—the men who are taking up land, and are not in a position to borrow money from the money-lenders in the ordinary way of business—will not be assisted. It has been said that this scheme has been before the country in various ways, and has been discussed a good deal; but will anybody undertake to say that this scheme, or anything like the scheme embodied in this Bill, has been before the country in any shape? I am certain that the impression abroad before this Bill was published was that it would be a measure to provide for assistance to the smaller men, who could not in the nature of the circumstances get the necessary money at a low rate of interest in the ordinary way. I am quite sure that it is a complete delusion to say, or to imagine, that there was any idea in the country that any such scheme as this was to be brought before this Parliament. I am quite sure that whatever ideas were abroad were entirely different from the ideas embodied in this Bill; and I am sure that they were of a much more modest and simple nature than the proposal we now have before us. Now, we have been told—and here again I must refer to the Hon. Mr. McLean—that it would be a very good thing for the banks if the farmers were to get cheap money in this way. I have no doubt at all that in some ways it would be a good thing for the banks, and I have no doubt also that it would be a good thing for some companies which have made large advances to farmers. We have been also told by my honourable friend Mr. McLean that probably this Bill has taken its origin from the special circumstances of Southland, which is specially within the knowledge of the Colonial Treasurer. He has told us that in Southland—I do not know whether it is specially the case of Southland or not—the foreign companies have withdrawn a large volume of capital in recent years from the farming community. Now, that volume of capital must have been replaced somehow, and probably some other companies have found it necessary to invest in the place of the capital so withdrawn. I can perfectly well conceive that banks, or loan companies, or agents of that class, which have advanced large sums of money to farmers in Southland and elsewhere, and are wishing to get it back, would welcome a scheme like this, by which the farmers can obtain money from the Government in order to pay off the advances that they have received from loan companies and banks such as my honourable friend has described. But that, I think, is not the sort of thing that justifies so sweeping and so far-reaching a measure as the

one now before us, because it is impossible for us, in the absolute absence of anything in the nature of experience to guide us in the working of the scheme—it is impossible for any human being to say what the ultimate results and far-reaching consequences of any such measure as this will be: it is absolutely impossible to conceive the ramifications and consequences of so important a measure as this. I shall not detain the Council any longer. It has been said that this proposal has been before the country in various ways; but, as I have explained, I do not believe it. I do not believe that the scheme has in any sense, except in the very vaguest sense, been before the country at all. It has certainly not been before the country in any such sense as would justify us, far less require us, to pass such a measure simply because it had been before the country. If any individual member of the Council is convinced in his own mind, if he has arrived at the deliberate judgment, that the measure is likely to be a good one, by all means let him act upon that judgment. But any member of the Council who feels any hesitation upon that point should not allow the consideration of its having been before the country to have the slightest influence in his mind, because it is absolutely impossible for any living man to say with justice that this scheme has been before the country at all. We have been told by the Hon. Mr. Jennings that the late Mr. Ballance indicated in 1891 that his Government would before long probably have to borrow; but even the passage quoted by the Hon. Mr. Jennings did not give the slightest hint or indication of such a scheme as this. The reference in that passage was entirely to a proposal to borrow money for the purposes for which money has been formerly borrowed, for the legitimate purposes for which money should be borrowed, and for which money has been borrowed in the past—namely, advancing colonisation, making roads and bridges for opening up the country. But not a single word or syllable is said in the passage which the honourable gentleman quoted to show that any such scheme was even thought of as the one we are now considering. We have been told of the very large amount for which the credit of the colony has been pledged since this Parliament met. I think five and a quarter millions was the sum the Hon. Mr. Stevens mentioned. In that sum, however, is included the two millions guaranteed to the Bank of New Zealand. Now, I am bound to say that the answer of the Hon. Mr. Montgomery as to that point seemed to me a perfectly fair one. That was a special matter, and the Legislature recognised the absolute necessity of that guarantee in the special circumstances. So that, although undoubtedly it is, as the Hon. Mr. Stevens said very justly—and the sooner we recognise it the better—an absolute liability to the extent of two millions, still it was unavoidable, and was done with the consent of everybody. We have, however, the fact that we have now pledged the credit of the colony for various purposes, and most of them probably legitimate purposes.

The Land for Settlements Bill, for example, as most of us recognise, has a legitimate purpose; the Lands Improvement and Native Lands Acquisition Bill we also recognise as quite legitimate; and the making of roads and bridges for the purpose of opening up the country we likewise recognise to be perfectly legitimate and proper: but when we are now asked to launch upon a sea of borrowing—for this is literally a proposal to launch upon an unknown sea of borrowing—it is high time we should say “No,” and any such compromise as my honourable friend Mr. McLean has suggested to this Council would be entirely unworthy of it. To say that this Bill may be modified—that it may be rendered almost innocuous—is no proper footing on which to treat a Bill of this importance. The only proper way to treat it is to say, “No; we will not have it at all.” This Bill is one of very far-reaching importance, because it is one of so novel a nature that the only proper thing to do with it is to send it back to the country, and let the country then say whether or not this proposal, or anything like the proposal embodied in this Bill, is such a proposal as would meet the requirements of the electors of the colony. We shall then know what position we are in; but at present we must act on our individual judgment, and my judgment is that this would be a most momentous mistake and cause irreparable mischief to the colony.

The Hon. Mr. McCULLOUGH.—Sir, the last speaker in his concluding sentences said it was impossible to say what the results of this measure may be. I agree with him: but, whereas he thought the result would be evil, I think the result will be highly beneficial to the colony. The whole tenor of his speech, and, I may say, the tenor of the speeches of most of the honourable members who have spoken in opposition to this measure, has been that the result was going to be disastrous. They have taken a most gloomy view of the whole of the surroundings.

An Hon. MEMBER.—No.

The Hon. Mr. McCULLOUGH.—Gloomy prospects of the colony; dangerous action of the Government in introducing this Bill; and they left the impression on the minds of honourable members that, even if there were anything to be said in favour of this measure, there certainly was not anything in favour of the administration of it being intrusted to the present Government.

An Hon. MEMBER.—No; any Government.

The Hon. Mr. McCULLOUGH.—That is the impression left on my mind from the speeches I speak of—any Government, and especially the present Government—because it is a plunging system of financing. The Government, I have no doubt, are pleased with the debate that has taken place upon this measure. Good speeches were made by the Hon. Mr. Stevens, the Hon. Mr. Bowen, and the Hon. Mr. Pharazyn. The speakers had certainly given a good deal of consideration to the question. I propose to refer to a few of the opinions they have expressed, and the arguments in

support of the objection they have taken to the scheme, their view of the whole of the surroundings and possible results of this measure. The Hon. Mr. Stevens said, in speaking of this loan or borrowing scheme, that there might have been some excuse for borrowing in the olden days, and he wished he were able to say our position was as good in the present day as in the olden days, but it was not so now.

The Hon. Mr. STEVENS.—No. What I said was that at the time when our experiments in borrowing took place we had an immense undeveloped territory, and my expression was, “all the world before us.”

The Hon. Mr. McCULLOUGH.—Quite true; you said we had all the world before us, and the impression left was that we were then in a much better financial position than we are in at the present time. That would be a fair inference to draw from your remarks. You said, also, we were entering now upon a reckless scheme of borrowing.

The Hon. Mr. STEVENS.—Hear, hear.

The Hon. Mr. McCULLOUGH.—And, further, that it was a bad time to borrow.

The Hon. Mr. STEVENS.—Hear, hear.

The Hon. Mr. McCULLOUGH.—You also made a great point of the fact that it would be unfair to give advantages to a section of the community—that is, pledging the credit of the State to benefit a few, and not to benefit the majority.

The Hon. Mr. STEVENS.—Hear, hear.

The Hon. Mr. McCULLOUGH.—Therefore, because all could not be benefited, none should. And you were certainly convinced that great loss would result from the effect of this scheme. The Hon. Mr. Bowen's greatest objection to the scheme was that it was a new scheme, and that there was no precedent for the Government entering upon such an undertaking, therefore that it was new; and, although he did not say so, any one would infer that he meant a new scheme must be a bad scheme.

The Hon. Mr. BOWEN.—I said it should go to the country.

The Hon. Mr. McCULLOUGH.—You certainly said that; but you also said it was a new scheme, and without any precedent, and therefore you allowed us to infer, of course, that a new scheme is not a suitable or a proper scheme for the Government to take in hand.

The Hon. Mr. BOWEN.—Before referring it to the country.

The Hon. Mr. McCULLOUGH.—The honourable gentleman, I admit, said further that before undertaking such a scheme as this it should go to the country. The Hon. Mr. Pharazyn took, of course, even a more gloomy view of the situation than either of the honourable members I have referred to. I am sorry to say that he usually does take a gloomy view when financial matters and the doings of the present Government are discussed. He thought it was very wrong for the Government to enter into such a speculation—that the Government were not likely to succeed where financial companies had failed. He said the most dangerous thing of all would be that it would create a large

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number of tenants of the Crown, who would before long bring influence to bear on the Government to get a reduction of interest, and that probably they would not repay the money. That is a very gloomy view to take of the present and the future, and of the settlers of the country. I do not think the surroundings justify those views. The Hon. Mr. Stevens commenced his speech by saying that, even if he admitted the country had given consent to such a scheme being entered upon, it had not given approval of further borrowing. I should like to ask the honourable gentleman if he used the word "borrowing" in the sense that borrowing has been generally accepted in this colony. Borrowing in the past, I consider, is quite different from the borrowing scheme we are now discussing. Borrowing in the past was for the purpose of constructing railways, public works, or defence works. I would ask the honourable gentleman if this proposal is similar to that.

The Hon. Mr. STEVENS.—I used it in the sense of adding to the public liability.

The Hon. Mr. McCULLOUGH.—My opinion is that the borrowing which we are contemplating now is not adding to the indebtedness of the colony. I would ask the honourable gentleman—because he has a good knowledge of financial matters—if, a financial company having money and intrusting it to a gentleman as agent in this colony to invest it, the money is invested in land on good security, will the company consider that the agent has borrowed, and it is not to get its money back again—that the money is being put into such a position that it cannot get it back? Borrowing in the olden days was for permanent works. The money was invested in the country, and the borrowers were not to get the money back in any form. But the borrowing under this Bill which the Government are undertaking, and also in the case of the company I have referred to, is quite different. The money is lent and invested upon certain terms. What are the terms? That the lenders get interest for the use of the money, and, when they require the principal, that they shall get it back. The money is given that it may be lent to others. But the agent of a company, or the Government under this Bill, cannot be said to be borrowing in the same sense as we understand borrowing in this colony. The same thing is in operation every day. We are all familiar with the operations of building societies. The funds of a building society are contributed by a certain number of persons who have money to spare. That money is lent to other persons who want money—on what terms? The terms are somewhat similar to those proposed under this scheme. The Government are going to lend money to farmers. They will require them to pay interest on their money, and a 1-per-cent. sinking fund, which, in the course of thirty-six and a half years, will repay the whole loan. That is exactly what the building society does. It does not run for thirty-six years, but to any number of years—seven or

ten years, as the case may be. The interest and the loan by a building society are paid back in the time agreed upon, and principal and interest will be paid back to the colony under the proposals laid down in this measure. I cannot see that there is anything new in this scheme; and I think that will answer the Hon. Mr. Bowen's contention that it is a new scheme. As I have said, it is exactly, to my mind, on the same footing as the operations of a building society. Most honourable members say that a great loss is to be sustained, and they instance the fact of great numbers of financial companies having made losses. Therefore, they say, it follows that the Government is going to make a loss also. Now, the best evidence that the Government are quite qualified to carry out such a scheme as this is the fact that they have already, to a very great extent, carried out schemes of lending money upon mortgages, and they have not lost money by the transactions. The Treasurer stated that the Public Trust Office had lent over half a million of money, and has lost only £1,000, and that the Government Insurance Department has advanced a large sum of money, and has only lost about £2,000. The very Board of Management which it is proposed shall deal with the scheme under this measure has been dealing with the funds of the Insurance and Public Trust Offices, and that Board has not lost money. I fail to see why, because certain financial companies have lost money, it follows that the Government should necessarily lose money, under such a scheme as that laid down in this Bill. The Hon. Mr. McLean objected to banks being included under the term "financial companies." Why have banks and financial companies lost money? Because they have not stuck to their legitimate business of lending money. They have been investing money in land, and have lost their money in that way. The Hon. Mr. Stewart has referred to such companies. If he will turn to the balance-sheets of any such companies he will find that the whole cause of their losing their capital has been that they have gone in for speculation, instead of keeping to their proper business of lending money and seeing that they had good security. The Hon. Mr. Bowen said that the Government lending money would not affect the rate of interest at all, but he immediately afterwards said that the rate of interest was affected by competition. I was struck by the contrast in those two statements. I should think that the Government, lending a million and a half a year, would be a very strong competitor in the money-market, and I believe that the very prospect of this measure being brought into law has had the effect during the last three or four months of bringing the price of money down, for now we hear that money can be got at 5 and 5½ per cent. Money-lending institutions and private men who have money to lend will be driven to take up good securities at the same rate as the Government propose under this Bill. They are quite right to secure the best investments by offering money at reduced rates

before their strong competitor comes into the market. The Hon. Mr. MacGregor delivered a very impassioned speech. He was very positive that nothing else than ruination would follow such a scheme as this. I am convinced that quite the contrary result will follow. I am quite convinced that it is legitimate for a Government to foster and help settlers who have taken up land. Honourable members will admit that it is universally believed that settling on the land will be the salvation of the country. We are giving land away; we require in some instances no rent for a number of years; the State is willing to lie out of its money for a time; it is willing to help to pay the survey-fees—for what purpose? To help the struggling settler. And I say it is quite a legitimate expenditure of public money. The Government propose to go a little further under this Bill. They are willing to advance money upon good and reasonable security to struggling settlers. That is legitimate, in my opinion. Objection has been taken to that part of the measure giving preference to persons requiring less than £500. These will be the poorer class of people, whose improvements will not be very valuable. But this is the very class which the Government are anxious to help. The large borrowers, men with ten thousand pounds' worth of security, can very well look after themselves; they cannot be called struggling settlers or poor settlers; and they are certainly not, in my opinion, the class who deserve most help from the Government. Therefore I think the provision that preference should be given to those requiring small advances is a legitimate provision. The amendment moved by the Hon. Mr. Stevens, I think, is not fair, on the face of it. I should have preferred his taking a vote upon the motion for the second reading—either to read the Bill a second time, or to reject it without giving the reasons stated in the amendment. The honourable gentleman said that this Bill proposes to initiate a policy of unlimited borrowing. Several speakers have called in question the statement which the honourable gentleman has made. The honourable gentleman who last spoke laid great stress upon this point, saying the scheme was one of unlimited borrowing. I say we are discussing a measure dealing with not more than three millions—a Bill proposing to borrow three millions for two years. That is quite sufficient for us to pay attention to. It should not be forgotten that part of this money will be received back yearly. A large portion of it immediately comes back, and is placed in another fund. The Government have it to lend, and it is invested by the Trust Office; therefore it is not losing anything. And for the money lent they have the security of the land, so that no great loss can follow. Therefore it is not fair to say this is introducing a policy of unlimited borrowing which must be attended with great risk and commercial responsibility. It does not at all follow, to my mind, that the operation of this measure, if it becomes law, will involve great risk and responsibility. Of course, great responsibility will be placed

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on the Government for the good administration of the money; but it does not follow that there will be great losses over it. The honourable gentleman was good enough to say—speaking of his amendment—that this question had not been before the country; and several speakers, especially the Hon. Mr. Jennings, have referred to the fact that Mr. Ballance had stated that it was in his mind to bring forward such a scheme. Mr. Seddon, long before the elections took place, almost sketched out the entire scheme in his speech at Palmerston North. On every platform in the country reference has been made to this scheme. It must have been quite evident to every one who approved of the Government going into this scheme that the State would have to borrow in order to get the money to lend; and, if objection had been taken in the country to the scheme, the reasonable question would have been asked, Where was the money to be got from? But no objection was raised to it. Every one approved of it; and members were elected believing that they would have to give their attention to some scheme the object of which was to find money to be advanced to settlers. So this question has been fairly before the country, in my opinion, and has received the consideration of the country. Honourable gentlemen were quite right in saying that the measure as now before us is not the same as when introduced into the House of Representatives; but we are to assume that it has been improved in its passage through that Chamber, and we are now only dealing with the measure as it is before us. From my point of view, the Government are quite justified in introducing this scheme. I think, after past experience, we have every reason to believe they will administer it faithfully and successfully; and therefore I think, under the circumstances, the Council will do what is right by approving of the measure, and allowing it to be read a second time.

The Hon. Mr. BOLT.—Sir, I did not intend to say anything on this Bill, although I thoroughly believe in the principle which underlies it. I only rise for the purpose of, in a very few minutes, noticing some of the peculiar, and I may say contradictory, arguments which have been used against it. The principle which underlies the Bill, so far as I can see, is this: that, if possible, the middleman in monetary matters is to be done away with; that the settler, or the man who has ordinary security to give, should come to the Government direct, and deal with the Government, and not with any middleman. This I take to be a thoroughly sound principle. I am not going to say this Bill carries this out in the best way, but it is the only way we have before us at the present time, and therefore, believing in this principle, I intend to support the Bill. But I should like to look at some of the arguments used against the Bill. The Hon. Mr. MacGregor pointed out what he considered to be an essential principle of every Act increasing the functions of the State, or, rather, he said it should have three principles—

namely, it should be practicable, it should be a social necessity in itself, and it should not impair self-reliance. With regard to the question of social necessity: Was it a social necessity to have State railways? We could have had railways outside of the State. I would ask, again, is it a social necessity that we should have education under the State? We have held it to be so, but it is a debatable question if in the last resort it is so. Is it a necessity that we should have State telegraphs or telephones? I apprehend all these things could have been obtained without the State, but we have thought, notwithstanding that that was not an absolute necessity, that it was desirable that they should be State property. And on this principle I say, if it is held to be for the benefit of the people that this Bill should pass, it should be passed whether it is a social necessity or not. I was surprised to hear the arguments used by the Hon. Mr. Bowen, the Hon. Mr. Stevens, and the Hon. Mr. Stewart. They have all, I think, looked at this measure from a most dolorous, pessimistic point of view, predicting that almost to a certainty we should lose money by it.

The Hon. Mr. MACGREGOR.—Hear, hear.

The Hon. Mr. BOLT.—Very well, my honourable friend says "Hear, hear." I took a note of what he said. He contended that this was not a Bill for poor people, that it could not help them, that it was for people who held good securities. Now, if it is for people with good securities, how can the Government lose by it? I ask him to settle that question with his friends the Hon. Mr. Bowen, the Hon. Mr. Stevens, and the Hon. Mr. Stewart. But, unfortunately for the honourable gentleman's logic, immediately after speaking of good securities, he took up the argument that this Bill was intended particularly for Southland, and that it was to meet difficulties among the Southland farmers. If the Southland farmers are in difficulties they could not give the good securities which the Hon. Mr. MacGregor said were to be taken under this Bill. I would just say, with regard to what fell from the Hon. Mr. Stewart about the enormous amount of money lost by financial companies, and notwithstanding what was said by the Hon. Mr. MacGregor, I believe there is a direct analogy between the departments of State, such as the Public Trust, the Post Office, and Insurance—between those three departments lending out money on mortgage securities and the Government lending out money under this Bill. These three departments have public moneys to invest, and have invested them, and I will just point out that, while those financial institutions which the Hon. Mr. Stewart says are so well managed and their funds so carefully guarded have been, as he admits, going to the wall, the three institutions under the Government have been flourishing and growing. I say this: that in all cases of this sort, such as the Government Insurance, you do not have the speculative spirit which enters into private financial institutions, and it is the speculative spirit that dominates them all which is the cause of their losses. The

Hon. Mr. Stevens made what he no doubt considered an excellent point when he pointed out that it was not the proper thing to pledge the credit of the State for the benefit of a few of the people. Well, that at first sight appears to be a perfectly logical argument, but I think the action of this Parliament during the present session has shown that there may be occasions when this argument should not be put into practice. I would ask, was it for the benefit of the whole people of this colony that we guaranteed two millions to the Bank of New Zealand? It was merely to guarantee the shareholders and the depositors. How much would it have affected me if the Bank of New Zealand had put up its shutters? The fact is, the credit of the colony was pledged on behalf of those directly interested in the bank; it may have affected, indirectly, all the people of the colony; and the people of the colony will all be indirectly affected by the prosperity which we hope will accrue from this measure. So that it cuts, either way, against the Hon. Mr. Stevens's argument. The Hon. Mr. Oliver, in a prayerful attitude, and with a soft devotional tone of voice, trusted we should never give up our individualism, and never come into a position where we should all become servants of the State. I would ask, are not nine-tenths of the people servants? Who are the "we" that the Hon. Mr. Oliver spoke of? Are not nine-tenths of them in a state of servitude now? And the question which each servant has to ask is, "Shall I serve a syndicate or private employer, or the Government?" It is not a question of servitude, because that is always their lot; it is a question of who is to be the employer; and the larger proportion of the people now say, "We will serve the Government, because, in that case, whatever profits accrue from our labour will come back to us again; we have no power over a private employer or syndicate; if we suffer hardship we have no redress; we can be ordered into the street and can say nothing; but if we are serving the Government and are under a hardship we can bring it before our master, the Government." It is not a question of servitude, because we shall always be servants; but the point is, Who is going to be the employer? And the large majority, who are constant workers, are beginning to think the Government should be the employer. Another point the Hon. Mr. Oliver made was when he alluded to Joseph in Egypt, and to the state of servitude there. I thought that was the most unfortunate argument ever I heard. Just fancy what a state Egypt would have been in at that time if it had been given over to a syndicate! I look on it that Joseph did a work we should endeavour to copy. We must remember he had seven years in which to hoard up, and seven in which to support a famishing people from the frugality of former years. He did it wisely and well, with all the organizing spirit we look for in the State, and that great Premier of past times carried the people over a most disastrous period. I ask, Would that have been done with such organization had it been left to a lot of competing syn-

dicates and private men to grasp as much as they could? As has been pointed out, the principle that underlies the Bill is to do away with the middleman in dealing with advances—that there should be only two parties, the State on the one side and the borrower on the other. There was an argument used by some honourable gentlemen—more especially by the Hon. Mr. Whyte—which I think almost amounts to a fallacy. They pointed out that the rate of interest of many companies was so extremely low that there was really very little difference between the rate at which money could be got from private parties and what is offered under the Bill. Why, what honourable gentlemen have omitted to notice in their arguments is the enormous amount that is paid by small people for getting loans—the enormous charges paid outside the interest contract. I have in my hand now a case in point. A poor man wanted £500. There was 2 per cent. commission charged, which amounted to £10, and law-costs, £8; in other words, a charge of £18 on a miserable, small loan of £500. And that only extended over two or three years—for a definite period—and then the whole transaction had to be repeated. That is what small people experience when they treat with outside financial companies or private individuals. Under this measure they would be relieved from these charges, and it is these enormous charges that must be looked to if we want fairly to consider the benefits which the people will receive under this Bill. I remember reading some time ago, in the *London Punch*, a skit which illustrates this question of interest. It was stated that a boy came up to be examined in arithmetic. The examiner said to him, “If I borrow from your father £500, and agree to pay him back £10 a month, what should I owe him at the end of twelve months?” “£500,” says the boy. “Tut, tut,” says the examiner, “you do not know the first principles of arithmetic.” “Oh,” said the boy, “you don’t know my father.” Sir, it is in the interests of that boy’s father the opponents of this Bill are arguing. I trust that honourable gentlemen will see that this Bill—always providing that it is honestly and efficiently administered—will be of great public benefit to the colony.

The Hon. Mr. BONAR.—Sir, it is not my intention to detain the Council with any lengthy remarks at this late hour of the evening; but I feel the importance of this Bill, and I have felt great difficulty in making up my mind as to the action I should take on the present occasion. That being so, I think it is desirable I should state why I do propose to take the course I have decided upon. I feel, on the one hand, that the objects sought to be attained by this Bill are most desirable, and yet, on the other hand, I feel very strongly the great difficulties with which the whole question is surrounded. To give aid and relief to small farmers and settlers by direct loan from the Government is an object we must all highly approve of. All of us in the Council have known cases without number where utter ruin

and desolation have been brought upon early settlers and farmers by the heavy rates of interest and the heavy charges they would have been saved from by this Bill. It is not so much the interest as the procuration charges and legal expenses which add so enormously to the numerous difficulties with which the farmers have been surrounded. I may also add another to the things enumerated by the Hon. Mr. Bolt, and that is, that it is a common thing, when persons make advances to farmers, for them not only to make full charges, but also to insist that the farmer should first offer his grain to them, as a sort of pre-emptive right, they having, of course, the privilege of taking it or not as they please; but they have practically the matter in their own hands, because, if they do not get the grain at their own price, unless a man has a market in the neighbourhood, he is called upon for a further charge, or to pay up the amount he owes. I have known many cases, as most of us have, in which men have been crushed by that system, and therefore my greatest sympathy is with the Bill. Now, the Hon. Mr. MacGregor, I think it was, was anxious to know what demand there was for this Bill. I ask, has there ever been a time during recent years when the farming interests were at a lower ebb than they are at the present moment? I maintain that if ever there was a time when the farmers required assistance it is now; and it may be prudent and probably safer to make advances to them now, when prices are at the lowest, than it would be if prices were high, with the probability of their coming down. We have been told a great deal about this cheap money that can be obtained. We have been told over and over again that money can be obtained at 5½ per cent.; but I ask any one to look over the list of mortgages that appear from time to time, and see how many farmers are paying 5½ per cent. I do not believe there is one. I think it will be found it is nearer 7, 8, or 10 per cent. Those are the rates they have been paying, and it is not likely they have dropped down all at once, so that farmers can now get money at 5½ per cent. If they could, I would not be a party to supporting the Bill; but when, to my own knowledge, such is not the case, I think we are entitled, at all events, to give the Bill a fair trial, and to allow it to go to a second reading, as I shall do, reserving to myself the right to vote against the third reading, for there are many things in the Bill, I think, that will require very careful consideration. Now, there is another point, that was referred to by the Hon. Mr. Whyte and by several other speakers, and that is that, although there is a limitation to two years, we are told that we must continue this and go on borrowing practically for ever—that we cannot stop, but must go on borrowing and borrowing. I submit such is not the case, but that Parliament must be again applied to, and asked whether it is satisfied with the way in which this is working, whether the circumstances of the colony will allow it to go on borrowing more, or whether the system is satisfactory. I say the matter will be under

Hon. Mr. Bolt

control, and that it cannot have reached such gigantic proportions that Parliament could be forced to carry it on. The three millions of money must necessarily go into comparatively few hands, and we shall not have such a large body of people concerned as will bring pressure to bear upon the Government of the colony, and it will not be continued unless it is found to be working in a satisfactory way, the advances made on judicious selections, and the instalments regularly paid. Now, there are one or two things to which I wish to refer. As this was intended to give assistance to farmers, I think the operation of the Bill should be confined to country districts. I do not think the town properties should come under this system of advances at all; they are beyond the scope of this Bill. I think that is one direction in which the Bill ought to be amended. Then, I think also, with the view of assisting farmers, the maximum amount is fixed too high. I think £5,000 is too large an amount. We do not want to have the money distributed to those who are well off and can readily get money, possibly at a low rate of interest. What we want to do is to assist the struggling country men to establish themselves in the colony, and to enable them to carry on with advantage to the country. Now, I merely say these few words to give what I consider a sufficient reason for allowing the Bill to be advanced a further stage. At the same time I recognise this: that the crux of the whole thing will lie in its administration. I think we are all agreed upon that. That is the one great difficulty, to my mind—to say whether the Government is capable of administering such an institution as this, or such a system as this, in a satisfactory manner. I recognise that care is being taken in the selection of a Board. I also recognise that companies with very capable men to manage them have made very severe losses, but that has been simply because too high advances have been made from want of discreet valuations. That is one of the chief points, and in the administration special attention must be given to it. One of the most difficult things is to get suitable and thoroughly competent valuers; I do not say honest valuers—I believe plenty of them can be got; but we want men who will have the knowledge and capability of forming a sound judgment, which is a most difficult thing, as any one knows who has had anything to do with advancing money. That is one point, at any rate. Of course, we must admit that there is a great deal of force in what has been said by several honourable gentlemen about the margin of $1\frac{1}{2}$ per cent. between the rates at which the money is to be borrowed and lent. That is a very small margin to go upon. Of course, in the question of administration we have all the departments of the Government practically at our disposal for carrying out this measure. No doubt there will be considerable saving in that; but we cannot get over this: that there must inevitably be losses of some kind. No man's judgment can be perfect, no matter how honest he may be, and therefore we have to see that

there is a sufficient margin to cover losses that may arise. There is one other point I must allude to, and that is the fact that these are to be made Crown debts, and to take precedence over all other debts for all time. That is, to my mind, a most objectionable feature, and ought to be eliminated. I think the Crown, when it makes an advance, must accept the position of ordinary advancers. They take security over the land, and they must look to that. It is not fair or just to make it a Crown debt, so as to make the debt a burden upon a man and his family for the whole of their lives. I make these remarks to show why I intend to support the second reading of the Bill, reserving to myself the right to vote against it after it has passed through Committee.

The Hon. Sir P. A. BUCKLEY.—Sir, before you put the question I should like just to make one or two remarks. In moving the second reading of this Bill I explained it so far as was possible, and no one seems to have taken exception to the explanation I made of the main features of the measure. Sir, I have listened with very great pleasure to the debate; but I have witnessed with pain a proceeding which has been introduced into this Council, and which, I trust, will not be regarded as a precedent in future. I have noticed the assiduity with which certain members of this Council have endeavoured to obtain pairs, which are not recognised in this Council.

An Hon. MEMBER.—Oh!

The Hon. Sir P. A. BUCKLEY.—I say they are not recognised in this Council, and it has been done for the express purpose of killing what I informed the Council was a policy Bill to which the Government attaches very great importance. This illustrates very clearly what has been from time to time denied in this Council, especially to young members—that there is "party" here. Sir, it is a farce to suppose there is no party here. The very phrases have been repeated often, "those on these benches," "on this side of the House"; and yet we are told there is no party here. My honourable friend Mr. Stevens, in the very able speech in which he attacked this Bill, terminated his remarks by a statement which I am surprised to see, coming from one who is so careful in his remarks and in his actions in this Council. He gives as his first reason why this Bill should not be read a second time a reason for which there is absolutely no foundation in fact. He has prepared a kind of preamble which is absolutely incorrect and without foundation. The Bill, Sir, is clear that the borrowing is to be limited; the Bill limits the time and it limits the amount. And yet my honourable friend, with a want of accuracy which is not characteristic of him, has placed upon record a statement which is absolutely without foundation. He says, "Whereas this Bill proposes to initiate a policy of unlimited borrowing, which must be attended with great risk and commercial responsibility, and whereas no opportunity has been afforded to the people of the colony to express an opinion thereon." Is my honourable friend

acquainted with the fact that on every platform throughout New Zealand this question of cheap money for farmers was one of the main planks which the present representatives of the people were returned to Parliament upon—that it was one of the biggest questions that were submitted to the people of the colony, and that the Government, in obedience to the voice of the people, have introduced as soon as they could, consistently with the other business in hand, the measure of this character which is now before the Council? It has come from another place, and it has received the sanction of the representatives of the people. My honourable friend Mr. MacGregor did me the honour to say that in introducing this Bill I used a certain amount of sophistry. Sir, I never use sophistry. I speak very plainly—perhaps too plainly sometimes for myself—and I am not in the habit of using anything but the plainest language. But I would say to the honourable gentleman to whose speech I would particularly refer that he used a great deal of sophistry in the manner in which he made his remarks. I refer to the Hon. Mr. Stevens. He says that the object of this Bill is to borrow three millions of money on the public credit and to lend it out to settlers; and while he would not deny the contention that there was a general demand at the last election that this money should be obtained for the people, yet he stated there was a mandate of another character—namely, that there was to be no borrowing. Now, how on earth could the people suppose that we are going to obtain money for lending to settlers unless it is borrowed from some quarter or another? Do they suppose that it is to drop like the manna that fell in ancient days upon the ground? We must get it from somewhere, and there is no question that, notwithstanding the sophistry I am accused of using, there was a wish expressed by the people that there should be money obtained at a low rate of interest. Who are the people who are so much against this measure? Sir, it is the financial institutions of the colony; and I say there is no single other person who has opposed this measure except those connected with or interested in the financial institutions, which have been the curse of the country. I stated, in moving the second reading of the Bill, that the people of the country were suffering intolerable burdens from the grinding rates of interest they have had to pay; and before I sit down I will give an instance to honourable members that has come within my own knowledge as to the way in which interest used to be charged in the past, and the way in which interest is charged at the present day. I am sure this Bill will have a beneficial effect in reducing those rates of interest, and will enable the people to employ their energies in the farming industry right through the country. My honourable friend took exception to the statement made with regard to the manner in which the people of Germany and France are assisted by the State, and then, in the same style of sophistry, he referred to the *crédit*

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foncier system, and he told us that it was an association of money-lenders. Well, I am aware that it is; but at the same time I have no hesitation in telling my honourable friend that Germany has on many occasions assisted people of the farming class; France has done the same; and I may also tell my honourable friend that the country which is probably the most prosperous on the face of the earth—Belgium—through its Government, assists the farmers in every possible way. I have seen myself the farmers there get the use of the cavalry horses to do their work. When they have no other means of getting in their harvest they go to the barracks and get the horses on certain conditions, and afterwards return them to the barracks; and if that is not assisting the farmers I do not know what is. And my honourable friend tells us that there is no such thing as this prevailing in other countries! Then, he tells us that this Bill is to be used for the benefit of the individual borrower and for the benefit of those who may be fortunate enough to get the money. Let me ask my honourable friend, who derived the benefit from all those large sums of money that have been squandered in the past? Were they not supposed to be for the benefit of all? Have the people not borne part of that burden, which has been crushing them, to pay the interest on the moneys that have been raised by loan and squandered in the past? And whom have they benefited? The rich landowners of the country, who got the railways run almost to their very drawing-room doors; and the people have had to suffer in consequence of that squandering of money, to which the Government of which my honourable friend was a member largely contributed.

The Hon. Mr. REYNOLDS.—What about the district railways?

The Hon. Sir P. A. BUCKLEY.—They were just as bad, and you had as great a hand in that as any one else. Then, my honourable friend, with the same ingenuity, goes on to talk about the millions which have been passed through this session, and I am thankful to my honourable friend Mr. MacGregor for the manner in which he dealt with that subject, which I shall therefore not refer to again. Then, the honourable gentleman compares the position in the past with the present. He says we had then the world before us—we had everything before us, and now we have nothing. Sir, we had chaos before us on that occasion, when we were developing the resources of the country. We have more before us to-day—a brighter future than we had then, notwithstanding all the millions that have been squandered, and I venture to say that there is a brighter prospect before New Zealand to-day, although she has had all those millions of money, than there was on the occasion to which my honourable friend refers, when he says we had the world before us. My honourable friend is not an old man yet, and I trust that he may live very much longer, and long enough to see that these opinions I am expressing are the proper ones. Then, he told us we were letting

out a floodgate of borrowing, and he compared the position of New Zealand in 1887 with her position at the present day, and I called the attention of my honourable friend by way of interjection to the fact that at the time he was referring to our bonds were at 96. Sir, they are to-day, notwithstanding the statements of my honourable friend and others, at a higher rate than any other colony can boast of: they are at the rate of 109—a rate that no other colony can claim to have. That, Sir, is the result of the legislation of the last three years. The people at Home are satisfied that the administration of the present Government is a good one; they are satisfied that we are not going to launch the colony into reckless borrowing; and the result is that the securities are at a higher rate, notwithstanding the reckless administration which certain honourable members say has taken place in the past. Now, my honourable friend talks about the recklessness of the legislation of this session, which he says will bring disaster upon us. If anything would bring disaster upon us it is the lamentations which we have heard from the money-lenders in this Chamber—it is the lamentations which we have heard from time to time spread all over the world, with everything else that could possibly be done to injure the credit of the colony. The colony is safe, however, notwithstanding these lamentations, and the result is that our position in London is secure. Let me just give an instance of the operations of some of these money-lending people I have known, because there are some members in this Chamber who know similar cases. I knew of a case in which a man had left with a merchant several thousand pounds, for which he received 2 per cent. at call, his intention being to look round and purchase Crown land. Having done so he drew upon the merchant, and was astonished to find that he was charged 10 per cent. for the money and 2½ per cent. commission, as the merchant had regarded the money as his own. Upon making inquiry, however, he was allowed 2 per cent. interest, which was graciously deducted from the 12½ per cent. He was, in fact, charged 10½ per cent. for getting the money back. That is a well-known fact. Now, we know of other cases where interest was made payable. A man wanted, say, a loan of a few thousand pounds for a station. He got the money at 15 per cent. This he had to pay regularly, sometimes half-yearly and sometimes quarterly. In those days the facilities for carrying produce were not very good, and, of course, the man did not get a return for eight or nine months, with the result that he was not able to meet the quarter's call for the loan, and the consequence was that the price of the money was raised. As the money was borrowed from a merchant, he was compelled to buy his stores from him, and all the proceeds of the sale of stock passed through the merchant's books; and for this he was charged commission. My honourable friend laughs, but he knows it is a fact. I am not speaking without a knowledge of what I am saying. I myself have seen some similar transactions, and I

assure you that the gentlemen who received the benefit are now rolling in wealth, while the farmer who worked the land, and has had to pay the interest, is to-day without house or home. It is a feeling of compassion for that man that induces me earnestly to press this matter in the Council, because I am satisfied that the bone and sinew of this country is the farmer, who should be more encouraged; and the more he is encouraged the more prosperity you will have in the country. One honourable member says that this will lead to a large number of unemployed, and that the trouble of the country just now is that the farmers cannot employ labour, because the prices of produce are so low, and because of the bad harvests. But give the farmer cheap money, and his energy will be rapidly quickened, and the country will flourish as it ought to do. Then, the honourable gentleman says there is no time worse than the present for increasing the burdens on the colony, and that we are galloping to a deficit. We have heard that old story before; but what has been the fact? We have not had a deficit yet—it has been rather the other way. My honourable friend knows about such things in connection with the Government of which he was a member, and I will undertake to say that I remember when he had to pass a million of money in one night, and directly it was passed it was found to be all wrong, and we were obliged to amend the measure.

The Hon. Mr. STEVENS.—There was a deficit when we came into office, but we changed it into a surplus.

The Hon. Sir P. A. BUCKLEY.—Yes, and you spent a good deal of that. I think I need not trouble the Council any further with my honourable friend. If I do not refer to the speeches of other honourable members it is because I wish to save their time. However, there is one other honourable gentleman to whom I would pay a little attention, and that is my honourable friend Mr. Pharazyn. He, with his usual characteristic utterance, described this as an infamous piece of legislation. It was a bad Bill, and dangerous in every respect; and he used some very nice epithets towards the Government, and went on to read some extracts from a petition, I think—from a speech of a member of the National Association. Sir, that is the most hostile association to the present Government that could possibly have given expression to that speech, and I venture to say that if my honourable friend knew the individual who wrote that very nice remark to which he paid so much attention he would not have been one to take his advice upon any financial question. He has too much sense for that. My honourable friend was good enough to call us “jubilee plungers,” “sly borrowers,” and “a pawnshop Government.” Now, I know that honourable gentlemen are wont to take illustrations from actual associations. My honourable friend, it is quite true, did not belong to an establishment which hangs out three balls, but I will undertake to say that in some of the institutions with which

he was connected there were some fine operations going on inside, although there were not three balls hanging outside. Well, I think, Sir, that nothing I can say more on this subject is likely to alter a single vote; and I notice that there is a certain amount of care taken to get every possible vote for the purpose of carrying this amendment, but I trust the Council will not allow any such thing to take place here, but will give expression to the views of the representatives of the people, and that it will read the Bill a second time. My honourable friend Mr. Stevens stated that no such measure had ever been introduced, so far as he was aware, in any Legislature; but I have now before me a Bill, which I got through the merest accident, from Western Australia, in which the Treasurer has prepared a measure on the very same lines as the Bill now before the Council, and in clause 5 will be found a provision stating that

"The Colonial Treasurer for the time being of the colony may issue from time to time mortgage bonds which shall be in the form set out in the Schedule to this Act, or in such form as shall be approved by the Colonial Treasurer, for the purpose of raising any sum or sums of money, not exceeding in the aggregate the sum of one thousand pounds, for the purposes of this Act."

That is an indication of what has already been done in another place, and I wish to call my honourable friend's attention to the fact.

The Hon. Mr. STEVENS.—Where is it?

The Hon. Sir P. A. BUCKLEY.—Western Australia.

The Hon. Mr. STEVENS.—Oh!

The Hon. Mr. REYNOLDS.—I should like to be allowed to make an explanation, and I shall not occupy the time of the Council. I rise to contradict a statement the Colonial Secretary made. The honourable gentleman stated that I had been a party to saddling the colony with the district railways.

The Hon. Sir P. A. BUCKLEY.—I did not say anything of the kind. I said you had as much to do with it as anybody else.

The Hon. Mr. REYNOLDS.—The honourable gentleman must remember how he fought and the means he adopted on a particular occasion, and under very particular circumstances, to secure the passing of the District Railways Bill through this Council, and that I was almost the sole opponent to his wishes.

The Council divided on the question, "That the words 'the Bill be now read a second time' stand part of the question."

AYES, 14.

Baillie	Jenkinson	Montgomery
Bonar	Kelly	Rigg
Buckley	Kerr	Taiaroa
Dignan	McCullough	Whitmore.
Feldwick	McLean	

NOES, 13.

Acland	Peacock	Stewart
Barnicoat	Pharazyn	Swanson
Bowen	Reynolds	Whyte
MacGregor	Stevens	Williams.
Ormond		

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PAIRS.

<i>For.</i>	<i>Against.</i>
Bolt	Oliver
Jennings	Shrimski
Kenny	Grace
Morris.	Holmes.

Majority for, 1.

Amendment negatived, and Bill read the second time.

The Council adjourned at five minutes to ten o'clock p.m.

HOUSE OF REPRESENTATIVES.

Friday, 5th October, 1894.

New Zealand Consols Bill—Native Land Court Bill—Licensing Bill—Adjournment.

Mr. SPEAKER took the chair at half-past two o'clock.

PRAYERS.

NEW ZEALAND CONSOLS BILL.

A message was received from the Legislative Council stating that they had passed this Bill with amendments, in which they requested the concurrence of the House of Representatives.

Mr. SPEAKER intimated that the amendment in clause 4 was one which he considered to be an infringement of the privileges of the House. As the Bill passed the House, repayments were to be made within forty years. That provision had been altered by making the repayments take place within twenty years. The Legislative Council had no power to make that amendment, in his opinion. There was a further amendment in the same clause making the places where payments were to be made to be places within the colony. He did not take exception to that on the score of privilege, seeing that the places fixed by section 30 were the Treasury in Wellington and any post-office money-order office throughout the colony. As these were places within the colony, this amendment did not strike him as being an infringement of the privileges of the House.

Mr. WARD moved, That the amendments be disagreed with, and that Mr. McGowan, Mr. Morrison, and the mover be appointed Managers to draw up reasons for so disagreeing.

Mr. G. HUTCHISON asked the Treasurer if any arrangement had been made by which the amount of money to be borrowed should be reduced by bringing down a message from the Governor with an amendment to that effect.

Mr. WARD said the Committee which was about to be appointed would interview the representatives of another place, and, if the reasons for disagreement submitted by the House of Representatives were assented to by the other Chamber, then a Governor's message would be brought down submitting a proposal to the House agreeing to reduce the amount from half a million to an amount not exceeding £250,000 a year.

Mr. G. HUTCHISON asked, would the message include such an amendment as had been made by the Legislative Council—namely, reducing the period from forty to twenty years?

Mr. WARD said No; he disagreed with that.

Mr. G. HUTCHISON understood the honourable gentleman disagreed with that because it was an infringement of the privileges of the House; but otherwise it seemed a desirable amendment.

Mr. WARD said there was a Conference to be appointed, and he thought it would, perhaps, be as well to wait until the deliberations of the Conference were announced.

Sir R. STOUT thought it an extraordinary thing to say that amendments which were moved in that House, and which could not be made in another place, were to be approved of by the Ministry by Governor's message. That was a peculiar form of legislation.

Mr. SEDDON said surely those who proposed those amendments in the House of Representatives ought to be very much pleased to see the course now being taken.

Sir R. STOUT merely said it was a peculiar form of legislation.

Mr. G. J. SMITH asked whether, if this House decided to disagree with the amendments of the Council, honourable members would on a future occasion have an opportunity of expressing their opinions.

Mr. SPEAKER said the matter would come up again when the reasons for disagreeing were drawn up and submitted for the approval of the House.

Motion agreed to.

Subsequently, the following reasons were submitted for disagreeing with the Council's amendments:—

"Clause 4: (1) Because the first amendment alters the time when deposits are repayable from forty years to twenty years, and consequently interferes with the financial proposals of this House; and the House does not deem it necessary to offer any further reason, hoping that the above may be sufficient. And (2) because the second amendment, with regard to the place of payment of interest, is better defined by section 30 than by the amendment."

On the question, That the reasons be agreed to, and be transmitted to the Council,

Sir R. STOUT said that, as to the first reason, he did not say that it was not right to disagree with the amendment, because that might be an infringement of the privileges of the House; but he understood when the Bill was in Committee the Treasurer said he did not want the forty years' term—that he only put that as the extreme limit. It was true that the clause, as it left the House, said "not more than forty years," and the Council's amendment simply limited it to "not more than twenty years." As to the places for payment being made "places within the colony," the object of that, no doubt, was to prevent—what, he thought, was perhaps necessary—the conversion of the stock. That was the object of this amendment: to make it clear

that the stock could not be converted, and that the principal of the bonds should be payable here.

Dr. NEWMAN thought that Messrs. Morrison and McGowan, who had been able in so very short a time to draw up this document giving reasons for disagreeing, should step forward and give to the House their reasons why they disagreed. The House would like to know those honourable gentlemen's reasons for having this elaborate document presented to the House.

Mr. G. HUTCHISON said the reasons were quite obvious. The Treasurer was the person who could best inform them of the reasons. He took it that the Treasurer did not offer objection to the second amendment, as to the places for repayment being places within the colony, on the ground of infringement of the privileges of the House. He (Mr. Hutchison) understood from Mr. Speaker that this second amendment was not necessarily an infringement of the privileges of the House; and, he submitted, it was desirable that this amendment by the Legislative Council should be on its merits adopted by the House, because it would be seen that clause 30 did not necessarily cover the same ground as clause 4. Clause 30 dealt only with the interest, whereas clause 4, as amended by the Council, provided that principal as well as interest should be payable in the colony. So it would be as well to have Mr. Speaker's ruling upon this point. Perhaps Mr. Speaker's attention had not been directed to the point. Clause 30 dealt only with the payment of interest, whereas clause 4 dealt with the question of the repayment of principal as well as interest. If that amendment was not an infringement of the privileges of the House he thought it a desirable change, so that the principal should be repayable within the colony.

Mr. SPEAKER observed that he had said that he did not consider this amendment to be an infringement of the privileges of the House, and did not desire that it should be objected to on that ground; but of course it could be objected to on the ordinary grounds, that it was not a desirable amendment.

Mr. G. HUTCHISON moved, That the House does not agree with the second reason just submitted,—because he thought that the principal should be repayable within the colony.

Mr. BUCHANAN could not see why the Colonial Treasurer should object to this amendment by the Legislative Council. Upon the second reading, and at every opportunity since, the Government had impressed upon the House and the country that their desire was to place the means of investment provided by this Bill at the disposal of people within the colony, who did not require to have the payment of either interest or principal made in London. He (Mr. Buchanan) and others had pointed out time after time that unless the Government insured the exclusion of the wicked foreign money-lender the Government would virtually be paying 4 per cent. to him under this Bill, instead of the $\frac{3}{4}$ per cent. at which he was ready to

lend his money. He hoped, therefore, the Colonial Treasurer would enlighten the House upon this point, and indicate the why and wherefore of his change of front upon this matter, because if this Bill was intended for the purposes stated by the honourable gentleman and other members of the Government they could not well object to the amendment made by the Legislative Council.

Mr. WARD said the honourable member was apparently labouring under a misapprehension. If he would be good enough to look at the Bill he would find that the amendment which he was now defending was objected to because it was unnecessary. If the honourable gentleman would look at clause 5 of the Bill he would find that the deposits to be made under this Bill were to be made in New Zealand; and if he would look at clause 30 he would find that the payments of interest were to be made at the Treasury in Wellington, or at any post-office money-order office throughout the colony. That being so, how could the honourable member suppose that, if the people in the colony invested in these Consols under clause 5, it was necessary to have an amendment such as was suggested to prevent repayments of the interest or principal from being made except at the place where deposits were to be lodged within the colony—namely, at the Treasury or at any post-office money-order office in the colony?

Mr. BUCHANAN said that did not affect the money-lender in London.

Mr. WARD said the honourable gentleman was now changing his ground; and, in fact, he very conveniently shifted his ground when it suited his purpose to do so. The point he urged was that owing to the proposed amendment the places for payment would be only those within the colony, so that, as he said, the honourable member was now changing his

ground. He seemed to forget what had taken place with regard to this Bill altogether. In Committee he (Mr. Ward) repeated frequently that it was intended that these Consols should be purchasable at the different post-offices fixed by the Bill, and at the Treasury in Wellington, and at those places only. If the honourable member put in the amendment he suggested it would not meet the objection he had raised. He held that the amendments proposed were unnecessary, and that it was tantamount to saying that they did not intend to do this. Clause 5 showed that the money could be contributed in the colony.

An Hon. MEMBER.—What about the principal?

Mr. WARD said the principal was confined only to the colony, and the interest was payable only in the colony; and what more did honourable members want, and what more could be obtained by the insertion of the twenty years by the Legislative Council in that direction? He ventured to say that even those who were opposed to the Bill could scarcely see the necessity for the Legislative Council amendments.

Mr. BELL.—They will not do any harm.

Mr. Buchanan

Mr. WARD said that was the old story, and he did not think the honourable member was serious in making that remark. Only the other evening the honourable member himself opposed an amendment that was proposed by the honourable member for Wellington City on the ground that it would do no harm. The honourable member opposed it as being unnecessary. He (Mr. Ward) did not believe in the no-harm principle. If the Bill clearly indicated what was intended, that was sufficient. With regard to the forty years, he did not say that he did not want that time. What he said was that forty years was the maximum time, and that would in all probability be the period of the Consols, and he explained that there might be instances in which forty years might be desirable. He had also stated that this Bill was to a great extent an experiment, and every member of the House must admit that, when such a new system as this was being tried, to some extent the result of that trial must be a guide as to what should be done in the future in connection with it. He thought the objections taken by the Legislative Council were such that every honourable member ought to support the motion before the House.

Mr. BUCHANAN asked if the Bill as it now stood compelled the payment of principal within the colony and not outside.

Mr. WARD would read clause 5, which was as follows:—

“Deposits under this Act may be made at any time, and from time to time, and for any amount, and may be lodged either at the Treasury, Wellington, or at any post-office money-order office in the colony.”

That was the principal, which was payable in the first instance in New Zealand. Clause 30 read as follows:—

“Interest on Consols is payable at the Treasury, Wellington, or at any post-office money-order office throughout the colony.”

Mr. BUCHANAN said what he referred to was the repayment of principal at the end of the forty years.

Mr. WARD said, if in the first instance the principal was payable at the post-office or at the Treasury in the colony, he assumed that in the ordinary course it must be repaid in the colony.

Motion agreed to.

NATIVE LAND COURT BILL.

IN COMMITTEE.

Clause 135.—Dealings with Native land prohibited. (Government right of pre-emption.)

Mr. SEDDON moved the insertion of the words “except as provided in Part IV., Division II., of this Act.”

Amendment agreed to.

Mr. SEDDON moved, That the words “as has been acquired by a Native or Natives from the Crown or from Europeans” be struck out after the word “land,” and the following inserted: “acquired by way of purchase, gift, or testamentary disposition from any person or persons, or by purchase from the Crown.”

Amendment agreed to.

Mr. G. HUTCHISON moved the addition of the following words: "or granted under the New Zealand Settlements Acts."

Amendment agreed to.

Mr. PARATA moved, That the following words be added: "Provided that nothing in this Act shall preclude the leasing of lands situated in the Middle Island, subject to confirmation under section fifty-three of this Act."

Amendment agreed to.

The Committee divided on the question, "That the clause, as amended, stand part of the Bill."

AYES, 34.

Buddo	Kelly, J. W.	Pinkerton
Button	Lawry	Pirani
Carncross	Mackintosh	Reeves
Carnell	Maslin	Russell, G. W.
Carroll	McGowan	Saunders
Earnshaw	McKenzie, J.	Seddon
Green	McNab	Smith, G. J.
Hall	Meredith	Stout.
Hall-Jones	Millar	
Harris	Mills	<i>Tellers.</i>
Hogg	Montgomery	Collins
Hutchison, W.	O'Rorke	Tanner.

NOES, 19.

Crowther	Massey	Te Ao
Duthie	McKenzie, R.	Thompson
Fraser	Newman	Willis.
Graham	O'Regan	
Houston	Parata	<i>Tellers.</i>
Kelly, W.	Russell, W. R.	Heke
Lang	Smith, E. M.	McGuire.

PAIRS.

<i>For.</i>	<i>Against.</i>
Allen	Buick
Buchanan	Cadman
Buick	McLachlan
Cadman	Morrison
McLachlan	Ward.
Morrison	
Ward.	

Majority for, 15.

Clause agreed to.

Clause 146.—Committee may alienate.

Mr. HEKE moved a proviso to the effect that a Committee cannot alienate, lease, or mortgage until after having obtained the consent in writing of the owners.

The Committee divided.

AYES, 14.

Crowther	Lang	Smith, G. J.
Duthie	Massey	Te Ao.
Fraser	McGuire	<i>Tellers.</i>
Green	Newman	Heke
Kelly, W.	Parata	Stout.

NOES, 40.

Buddo	Hall-Jones	McGowan
Button	Harris	McKenzie, J.
Carncross	Hogg	McKenzie, R.
Carnell	Houston	McNab
Carroll	Hutchison, W.	Meredith
Collins	Joyce	O'Regan
Earnshaw	Kelly, J. W.	Pinkerton
Flatman	Larnach	Pirani
Graham	Mackintosh	Reeves
Hall	Maslin	Russell, G. W.

Russell, W. R.	Steward
Saunders	Tanner
Seddon	Thompson
Smith, E. M.	Willis.

Tellers.
Mills
Montgomery.

PAIRS.

<i>For.</i>	<i>Against.</i>
Allen	Buick
Buchanan	Morrison
Mackenzie, T.	McLachlan
Mitchelson	Ward
Stevens	Lawry
Wilson.	Cadman.

Majority against, 26.

Amendment negatived, and clause agreed to.
Clause 65A.—Mode of securing payment of survey-fees.

Mr. BUTTON moved to add these words to the clause: "Every such mortgage shall, unless otherwise ordered by the Court, carry interest at the rate of five pounds per centum per annum from such date as the Court may appoint."

The Committee divided.

AYES, 15.

Allen	Lang	Parata
Buchanan	Larnach	Wilson.
Carnell	Mackenzie, T.	<i>Tellers.</i>
Crowther	Massey	Button
Houston	McGowan	Russell, W. R.
Kelly, W.		

NOES, 37.

Buddo	Mackintosh	Russell, G. W.
Carncross	Maslin	Saunders
Carroll	McKenzie, J.	Seddon
Collins	McKenzie, R.	Smith, E. M.
Earnshaw	McNab	Smith, G. J.
Flatman	Meredith	Stout
Graham	Mills	Tanner
Hall	Montgomery	Te Ao
Hall-Jones	Morrison	Willis.
Heke	Newman	
Hogg	O'Regan	<i>Tellers.</i>
Hutchison, W.	Pinkerton	Duncan
Joyce	Pirani	Kelly, J. W.

PAIRS.

<i>For.</i>	<i>Against.</i>
Duthie	Cadman
Green	Buick
McGuire	Harris
Mitchelson.	Ward.

Majority against, 22.

Amendment negatived.

Sir R. STOUT moved the addition of the following new clause:—

"All lands disposed of by sale under this Part of the Act by the Land Board shall be disposed of by auction."

Clause agreed to, and added to the Bill.

Mr. THOMPSON moved the addition of the following new clause:—

"Subject to confirmation under the provisions of section fifty-three of this Act, any land held by a Native in severalty may be alienated as heretofore."

Clause read a second time.

The Committee divided on the question, "That the clause be added to the Bill."

AYES, 20.

Allen	Heke	Mills
Buchanan	Kelly, W.	Newman
Carroll	Lang	O'Regan
Crowther	Mackenzie, T.	Te Ao.
Fraser	Massey	<i>Tellers.</i>
Graham	McGuire	Houston
Harris	McKenzie, R.	Thompson.

NOES, 34.

Buddo	Lawry	Reeves
Button	Mackintosh	Russell, G. W.
Carncross	Maslin	Saunders
Carnell	McGowan	Seddon
Collins	McKenzie, J.	Smith, E. M.
Earnshaw	McNab	Smith, G. J.
Flatman	Meredith	Stout
Hall	Montgomery	Tanner.
Hall-Jones	Morrison	
Hutchison, W.	O'Rorke	<i>Tellers.</i>
Joyce	Parata	Hogg
Kelly, J. W.	Pirani	Pinkerton.

PAIRS.

<i>For.</i>	<i>Against.</i>
Duthie	Cadman
Green	Buick
Hutchison, G.	Larnach
Mitchelson	Ward
Russell, W. R.	Stevens
Wilson.	Duncan.

Majority against, 14.

Motion negated.

Clause not inserted.

Mr. SEDDON moved the addition of the following new clause:—

"Where a person has acquired from the owners a valid lease for a term one-half of which shall have expired on the first day of January, one thousand eight hundred and ninety-five, and such person is in actual beneficial occupation of the land demised, it shall be lawful for him, if the owners consent, within one year after the passing of this Act, to obtain a renewal of his lease for the whole or part of the land the subject thereof for a further term not exceeding fourteen years, upon such terms as may be agreed upon between the owners and the lessee, and be approved by a Judge of the Native Land Court: Provided no lease shall in all exceed the term of twenty-one years from the first day of January, one thousand eight hundred and ninety-five."

Clause agreed to.

Mr. SEDDON moved the addition of the following new clause:—

"Wherever any land is charged by way of mortgage to secure payment of the cost or portion of the cost of any survey made prior to the passing of this Act, the Court may include in such cost such sum by way of interest as to the Court shall seem fair and reasonable, but such sum shall in no case exceed five per centum per annum, computed from one year from the date of the order of the Court granting such survey lien, and in no case shall interest be allowed for more than five years."

Clause agreed to.

Bill reported, with amendments.

LICENSING BILL.

IN COMMITTEE.

Clause 2.

Mr. GRAHAM moved, That progress be reported.

The Committee divided.

AYES, 26.

Allen	Heke	O'Regan
Buchanan	Hogg	Parata
Button	Houston	Russell, W. R.
Carncross	Kelly, W.	Smith, E. M.
Collins	Lang	Steward
Crowther	Mackintosh	Te Ao.
Fraser	Massey	<i>Tellers.</i>
Green	McGuire	Graham
Hall	Mills	Mackenzie, T.

NOES, 29.

Buddo	Maslin	Reeves
Carnell	McGowan	Russell, G. W.
Carroll	McKenzie, J.	Seddon
Earnshaw	McKenzie, R.	Smith, G. J.
Flatman	Meredith	Stout
Harris	Montgomery	Tanner
Hutchison, W.	Morrison	Thompson.
Joyce	Newman	<i>Tellers.</i>
Kelly, J. W.	Pinkerton	Hall-Jones
Lawry	Pirani	McNab.

PAIRS.

<i>For.</i>	<i>Against.</i>
Duthie	Cadman
Green	Buick
Hutchison, G.	Larnach
Mitchelson	Ward
Russell, W. R.	Stevens
Wilson.	Duncan.

Majority against, 3.

Motion negated.

Clause 3.—Saving of persons.

Mr. McNAB moved the insertion of the following words: "except when the sale of liquor is prohibited under a national option poll taken under this Act as hereinafter provided for."

Mr. BUCHANAN moved, That progress be reported.

The Committee divided.

AYES, 16.

Allen	Houston	O'Regan
Crowther	Lang	Steward.
Fraser	Mackintosh	
Graham	Meredith	<i>Tellers.</i>
Heke	Mills	Buchanan
Hogg	Montgomery	Smith, E. M.

NOES, 36.

Bell	Kelly, W.	Parata
Buddo	Lawry	Pinkerton
Carncross	Mackenzie, T.	Pirani
Carnell	Maslin	Reeves
Carroll	Massey	Seddon
Collins	McGowan	Smith, G. J.
Earnshaw	McGuire	Stout
Flatman	McKenzie, J.	Tanner
Hall	McKenzie, R.	Thompson.
Hall-Jones	McNab	<i>Tellers.</i>
Harris	Morrison	Joyce
Hutchison, W.	Newman	Russell, G. W.
Kelly, J. W.		

PAIRS.		
<i>For.</i>		<i>Against.</i>
Duthie		Cadman
Green		Buick
Hutchison, G.		Larnach
Mitchelson		Ward
Russell, W. R.		Stevens
Wilson.		Duncan.

Majority against, 20.

Motion negatived.

Mr. ALLEN moved, That strangers be ordered to withdraw.

The Committee divided.

AYES, 21.

Buchanan	Lang	Parata
Carncross	Lawry	Reeves
Collins	McGowan	Smith, E. M.
Crowther	McGuire	Steward.
Fraser	McKenzie, J.	<i>Tellers.</i>
Heke	Montgomery	Allen
Houston	Morrison	Massey.
Kelly, W.		

NOES, 30.

Bell	Hutchison, W.	O'Regan
Buddo	Joyce	Pinkerton
Carnell	Kelly, J. W.	Russell, G. W.
Carroll	Mackenzie, T.	Seddon
Earnshaw	Maslin	Smith, G. J.
Flatman	McKenzie, R.	Stout
Graham	McNab	Thompson.
Hall	Meredith	<i>Tellers.</i>
Hall-Jones	Mills	Pirani
Harris	Newman	Tanner.
Hogg		

PAIRS.

<i>For.</i>		<i>Against.</i>
Duthie		Cadman
Green		Buick
Hutchison, G.		Larnach
Michelson		Ward
Russell, W. R.		Stevens
Wilson.		Duncan.

Majority against, 9.

Motion negatived.

Mr. BUCHANAN moved, That progress be reported.

The Committee divided.

AYES, 17.

Allen	Hogg	O'Regan
Carncross	Houston	Parata
Crowther	Kelly, W.	Steward.
Fraser	Mackintosh	<i>Tellers.</i>
Graham	Mills	Lang
Heke	Montgomery	Smith, E. M.

NOES, 31.

Bell	Joyce	Pirani
Buddo	Lawry	Reeves
Carnell	Mackenzie, T.	Russell, G. W.
Carroll	Maslin	Seddon
Collins	Massey	Smith, G. J.
Earnshaw	McGowan	Stout
Flatman	McGuire	Tanner.
Hall	McKenzie, R.	<i>Tellers.</i>
Hall-Jones	McNab	Morrison
Harris	Meredith	Pinkerton.
Hutchison, W.	Newman	

PAIRS.		
<i>For.</i>		<i>Against.</i>
Duthie		Cadman
Green		Buick
Hutchison, G.		Larnach
Mitchelson		Ward
Russell, W. R.		Stevens
Wilson.		Duncan.

Majority against, 14.

Motion negatived.

Mr. MCGOWAN moved, That the Chairman leave the chair.

The Committee divided.

AYES, 7.

Carncross	O'Regan	<i>Tellers.</i>
Houston	Steward.	Buchanan
McGowan		Smith, E. M.

NOES, 33.

Bell	Lawry	Pinkerton
Buddo	Mackenzie, T.	Pirani
Carnell	Maslin	Reeves
Carroll	Massey	Russell, G. W.
Collins	McGuire	Seddon
Crowther	McKenzie, R.	Smith, G. J.
Earnshaw	McNab	Stout
Graham	Meredith	Tanner.
Hall	Montgomery	<i>Tellers.</i>
Harris	Morrison	Flatman
Hogg	Newman	Hall-Jones.
Kelly, W.		

PAIRS.

<i>For.</i>		<i>Against.</i>
Buick		Green
Button		Russell, W. R.
Kelly, J. W.		McKenzie, J.
Mills		Hutchison, W.
Mitchelson		Cadman
Willis.		Millar.

Majority against, 26.

Motion negatived.

Mr. W. KELLY moved, That progress be reported.

The Committee divided.

AYES, 14.

Allen	Hogg	O'Regan
Buchanan	Houston	Smith, E. M.
Carncross	McGowan	<i>Tellers.</i>
Crowther	Meredith	Fraser
Graham	Montgomery	Kelly, W.

NOES, 28.

Bell	Joyce	Pirani
Buddo	Lawry	Reeves
Carnell	Mackenzie, T.	Russell, G. W.
Carroll	Massey	Seddon
Collins	McGuire	Stout
Earnshaw	McKenzie, R.	Tanner.
Flatman	McNab	<i>Tellers.</i>
Hall	Morrison	Maslin
Hall-Jones	Newman	Smith, G. J.
Harris	Pinkerton	

PAIRS.

<i>For.</i>		<i>Against.</i>
Buick		Green
Button		Russell, W. R.
Mills		Hutchison, W.

Mitchelson	Cadman
McKenzie, J.	Kelly, J. W.
Willis.	Millar.

Majority against, 14.

Motion negatived.

Mr. ALLEN moved, That progress be reported.

The Committee divided.

AYES, 14.

Buchanan	Houston	O'Regan
Fraser	Kelly, W.	Smith, E. M.
Graham	Massey	Tellers.
Harris	McGowan	Allen
Hogg	Montgomery	Carncross.

NOES, 22.

Buddo	McKenzie, R.	Smith, G. J.
Carroll	McLachlan	Steward
Earnshaw	McNab	Stout
Flatman	Meredith	Tanner.
Hall-Jones	Morrison	Tellers.
Joyce	Pinkerton	Russell, G. W.
Mackenzie, T.	Seddon	Collins
Maslin		Pirani.

PAIRS.

For.

Against.

Buick	Green
Button	Russell, W. R.
Carnell	Lawry
Kelly, J. W.	McKenzie, J.
Mills	Hutchison, W.
Mitchelson	Cadman
Reeves	Newman
Willis.	Millar.

Majority against, 8.

Motion negatived.

The Committee divided on Mr. McNab's amendment.

AYES, 20.

Bell	Massey	Seddon
Buddo	Meredith	Smith, G. J.
Earnshaw	Montgomery	Stout
Hall-Jones	Morrison	Tanner.
Joyce	O'Regan	Tellers.
Mackenzie, T.	Pirani	Flatman
Maslin	Russell, G. W.	McNab.

NOES, 18.

Allen	Harris	Pinkerton
Buchanan	Hogg	Smith, E. M.
Carncross	Houston	Steward.
Carroll	Kelly, W.	Tellers.
Collins	McGowan	Fraser
Duncan	McLachlan	McKenzie, R.
Graham		

PAIRS.

For.

Against.

Buick	Green
Button	Russell, W. R.
Carnell	Lawry
Duncan	Wilson
Hutchison, W.	Mills
Mackintosh	Duthie
McKenzie, J.	Kelly, J. W.
Mitchelson	Cadman
Reeves	Newman
Willis.	Millar.

Majority for, 2.

Words inserted.

Mr. McNAB moved, That the words "*bona fide*" be inserted in subsection (2) before the words "for medicinal purposes."

The Committee divided.

AYES, 35.

Allen	Hall-Jones	Morrison
Bell	Harris	O'Regan
Buchanan	Hogg	Pinkerton
Buddo	Joyce	Russell, G. W.
Carncross	Mackenzie, T.	Seddon
Carroll	Maslin	Smith, E. M.
Collins	Massey	Smith, G. J.
Duncan	McGowan	Steward
Earnshaw	McNab	Stout.
Flatman	Meredith	Tellers.
Fraser	Mills	Pirani
Graham	Montgomery	Tanner.

NOES, 3.

Kelly, W.

Tellers.

McKenzie, R.
McLachlan.

PAIRS.

For.

Against.

Buick	Green
Button	Russell, W. R.
Carnell	Lawry
Hutchison, W.	Pere
Mackintosh	Duthie
McKenzie, J.	Kelly, J. W.
Mitchelson	Cadman
Reeves	Newman
Willis.	Millar.

Majority for, 32.

Words inserted.

Mr. T. MACKENZIE moved, That progress be reported.

The Committee divided.

AYES, 19.

Allen	Houston	Pinkerton
Carncross	Kelly, W.	Smith, E. M.
Collins	Massey	Steward.
Fraser	Meredith	Tellers.
Graham	Mills	Buchanan
Harris	Montgomery	Mackenzie, T.
Hogg	O'Regan	

NOES, 21.

Bell	McGowan	Saunders
Buddo	McKenzie, R.	Seddon
Earnshaw	McLachlan	Smith, G. J.
Flatman	McNab	Stout.
Hall-Jones	Morrison	Tellers.
Heke	Pirani	Hutchison, W.
Joyce	Russell, G. W.	Tanner.
Maslin		

Majority against, 2.

Motion negatived.

Mr. BUCHANAN moved, That the Chairman leave the chair.

The Committee divided.

AYES, 10.

Carncross	Kelly	Tellers.
Carroll	McGowan	Buchanan
Duncan	McLachlan	Mills.
Houston	Steward.	

NOES, 30.

Allen	Hutchison, W.	Pirani
Bell	Joyce	Saunders
Buddo	Mackenzie, T.	Seddon
Collins	Maslin	Smith, E. M.
Earnshaw	Massey	Smith, G. J.
Flatman	McKenzie, R.	Stout
Fraser	McNab	Tanner.
Hall-Jones	Meredith	Tellers.
Harris	Montgomery	O'Regan
Heke	Morrison	Russell, G. W.
Hogg		

Majority against, 20.

Motion negatived.

Mr. BUCHANAN moved, That progress be reported.

The Committee divided.

AYES, 21.

Allen	Hogg	Meredith
Carncross	Houston	Mills
Carroll	Kelly, W.	Montgomery
Collins	Mackenzie, T.	Smith, E. M.
Duncan	Massey	Tellers.
Fraser	McGowan	Buchanan
Harris	McLachlan	Duthie.
Heke		

NOES, 21.

Bell	Morrison	Steward
Buddo	O'Regan	Stout
Earnshaw	Pirani	Tanner
Hall-Jones	Russell, G. W.	Te Ao.
Hutchison, W.	Saunders	Tellers.
Joyce	Seddon	Flatman
Maslin	Smith, G. J.	McNab.
McKenzie, R.		

The CHAIRMAN gave his casting-vote with the "Noes."

Motion negatived.

Mr. DUTHIE moved, That progress be reported.

The Committee divided.

AYES, 23.

Allen	Hogg	Montgomery
Carncross	Houston	Pinkerton
Collins	Kelly, W.	Russell, W. R.
Duncan	Mackenzie, T.	Smith, E. M.
Duthie	Massey	Steward.
Fraser	Meredith	Tellers.
Harris	Mills	Buchanan
Heke	Mitchelson	Graham.

NOES, 22.

Bell	Maslin	Saunders
Buddo	McGowan	Seddon
Button	McGuire	Smith, G. J.
Carroll	McKenzie, R.	Stout.
Flatman	McLachlan	
Hall-Jones	McNab	Tellers.
Hutchison, W.	Morrison	Earnshaw
Joyce	Russell, G. W.	O'Regan.

Majority for, 1.

Motion agreed to, and progress reported.

ADJOURNMENT.

Mr. SEDDON moved, That the House, at its rising, do adjourn to half-past two o'clock on Monday.

The House divided.

AYES, 23.

Bell	Heke	Pirani
Buddo	Hutchison W.	Saunders
Button	Joyce	Seddon
Carroll	Maslin	Smith, G. J.
Collins	McNab	Stout.
Earnshaw	Meredith	Tellers.
Flatman	Morrison	Massey
Hall-Jones	Newman	Mitchelson.

NOES, 27.

Allen	Houston	O'Regan
Buchanan	Hutchison, G.	Pinkerton
Carncross	Kelly, W.	Russell, G. W.
Duncan	Lawry	Russell, W. R.
Duthie	Mackenzie, T.	Steward
Fraser	McGuire	Tanner.
Graham	McKenzie, R.	Tellers.
Guinness	McLachlan	Montgomery
Harris	Mills	Smith, E. M.
Hogg		

Majority against, 4.

Motion negatived.

The House adjourned, at a quarter to eleven o'clock a.m., to half-past seven o'clock p.m. on Monday.

LEGISLATIVE COUNCIL.

Monday, 8th October, 1894.

Sunnyside Asylum—Personal Explanations—Land for Settlements Bill—Shearing at Benmore Station—Switchback Railways—New Zealand Consols Bill—Government Advances to Settlers Bill—New Zealand Consols Bill.

The Hon. the SPEAKER took the chair at half-past two o'clock.

PRAYERS.

SUNNYSIDE ASYLUM.

On the motion of the Hon. Mr. JENKINSON, it was ordered, That the return laid on the table on the 3rd instant, relative to the expense of building at Sunnyside Asylum, be printed.

PERSONAL EXPLANATIONS.

The Hon. Mr. OLIVER said he had to claim the attention of the Council on a matter of privilege. Last week there appeared in a portion of the newspaper press of Wellington some comments on the vote he gave on the second reading of the Consols Bill. Those comments touched his honour and the honour of the Council. His honour was dear to him, and the honour of the Council, on which depended its usefulness, was dear to all of them. He regarded it, therefore, as a solemn duty to declare that he had never in his life given a more simply straightforward vote than that which he had given on the occasion to which he referred. He had had no communication, direct or indirect, with any member of the Government on the subject of that Bill, or on any other Bill, or measure, or business; nor had any member of the Council

asked him to vote for the Bill, nor had the way he was going to vote been the subject of conversation with any one. The reason which induced him to vote for the New Zealand Consols Bill was simply that he attached little importance to it, being quite willing that the experiment should be tried, believing, as he did, that it would prove inoperative. The Council was justly jealous of the character of its members, and he had claimed their attention, believing it to be his duty to repel an imputation touching its honour, the retention of which unsullied was a most precious possession.

The Hon. Mr. McLEAN quite approved of all his honourable friend had said, but he felt that he had been attacked in the Press much more than his honourable friend had. Still, he did not lay any stress upon that. The Press was quite welcome to make any remarks it chose about him. It would not cause him to deviate one iota from the course he intended to pursue. He agreed with his honourable friend that the Press should not make these remarks; but still he had not the slightest objection, so far as he was concerned, to their making any remarks they thought fit. If it did them any good, it certainly would do him no harm.

The Hon. Mr. KELLY wished to make a personal explanation with respect to some remarks he had made on the second reading of the Middle District of New Zealand University College Bill, in reference to the attendance at the University College classes in Auckland. He had used these words: "We have already three universities, and I question whether, with our limited population, we shall find students to fill another. I am told that there are very few students in Auckland—only two or three in some classes." Well, the authorities of the Auckland University College felt aggrieved at that statement, and, though it was technically correct, it might lead to an interpretation he never intended his words to have. It was very true that the students attending some of the classes were few in number, but those were confined to students who went in for honours. He found, from statistics with which he had been supplied, that there were 127 students—67 males and 60 females; and in physical science especially the classes were very well attended, reaching to 27 or 28; while in mathematics and chemistry the attendance was from 20 to 24, and English language and literature 17 to 19. Therefore the interpretation he wished to put was that, though in some of the classes the students were few in number, the University was, on the whole, doing very good work.

LAND FOR SETTLEMENTS BILL.

The Hon. Mr. STREVS brought up the following reasons for insisting on the Council's amendments in this Bill:—

"Clause 5: That clause 4 contemplates the making of an agreement between the Board and the owner or lessee including the price, without any interference by the Minister be-

yond a direction to negotiate. It therefore seems reasonable that the view of the Board as to price should guide the purchase in all cases.

"Clause 8: The term 'one complete estate' is not defined in the Bill, and requires to be made clear, and it is submitted that the term 'block' does this.

"New proviso to clause 8: It is considered that this constitutes a sufficient direction to the Council.

"Clause 21: The amendment merely places beyond doubt what is understood to be intended by the House."

Reasons agreed to.

SHEARING AT BENMORE STATION.

The Hon. Mr. REYNOLDS asked the Colonial Secretary, Whether the correspondence between Mr. Thomas Middleton and the Commissioner of Police, which appeared in the *Wellington Evening Post* of the 4th October, is correct? If so, and if there is any other correspondence on the subject, will he lay it on the table? He moved, That the correspondence be read.

Motion agreed to.

The CLERK read the following correspondence:—

"Benmore Station, 27th August, 1894.

"DEAR SIR,—Shearing will begin here first week in December, and I should like if you could arrange so that the men who are coming to work may not be subjected to insult or violence while passing through Kurow or on their way up the river. Friends inform me that the 'rash spirits' amongst the members of the Shearers' Union advise strong measures being taken to prevent shearing commencing here peaceably. Judging by what is being committed by the unionists in Australia against those whom they choose to injure, and from the fact of the failure of their mischievous attempt last season to prevent the shearing here, there may be sufficient in the rumour to conclude that there is trouble in store for me. Over and above protection for the men, I think it unjust that any attempt to destroy property on the station should not be guarded against by the authorities. I need not point out to you the helpless position we should be in on the station in the event of any preconcerted disturbance arising, say, on the day shearing begins, and without police protection. I have known in past years to have had nearly one hundred men gathered upon the station more than were required. At this time there may not be more than three or four permanent hands at the homestead—the shepherds are invariably fifteen or twenty miles away, on the ranges. Then, again, there is no telegraphic communication with the nearest police-station (forty-five miles distant): so that I earnestly trust you will take measures whereby we shall be protected from illegal molestation.—Yours, &c.,

"THOS. MIDDLETON.

"Constable Bradshaw, Kurow."

Hon. Mr. Oliver

"Police Department
 "(Commissioner's Office),
 "Wellington, 21st September, 1894.

"SIR,—Your letter of 27th ultimo to Constable Bradshaw re police protection for Benmore Station during shearing-time has been duly submitted to the Hon. the Defence Minister, who has directed me to inform you that, from inquiries made, it appears that, if there is any disturbance, it will undoubtedly arise from your injudicious action in arranging with an Oamaru shearer now in New South Wales to bring over sixteen shearers from that colony, and therefore in this matter you must take the responsibility of your own actions; but the Police Department most distinctly decline to assist in bringing about a quarrel between shearers and employers, and therefore you must not depend upon the department for protection under those circumstances. From all that can be learned, it appears that this Oamaru shearer has not, for some time past, been on good terms with the workers' union, and it appears to be well known in New Zealand that you have commissioned him to bring over sixteen men; and therefore this department cannot acquiesce in or support dangerous actions, which may lead to very grave difficulties all over the colony.—I am, &c.,

"A. HUME,

"Commissioner of Police.

"T. Middleton, Esq.,

"Benmore Station, Oamaru."

"Benmore Station, Oamaru,
 "1st October, 1894.

"SIR,—I have the honour to acknowledge receipt of your letter of the 21st ultimo. It is surely an extraordinary state of affairs that the head of the Police Department should intimate to any citizen that, because he has ventured to employ what he considers the best and surest method of getting his work efficiently done, he must consider himself beyond the pale of police protection, and that if lawless men choose at their pleasure to attack, and perhaps kill, himself and employes the police will not interfere, and he must take his chance. I have done no wrong. I was worried and annoyed over my last year's shearing almost beyond endurance, and my employes were subjected to very considerable loss, and this through the action of men many of whom I had employed year after year at the shearing here. And this year, simply because I have taken steps to prevent my employes and myself being at the mercy of these same men, I am to be told that I must not look to the police to afford me or my men any protection. Surely things have come to a pretty pass in New Zealand when, notwithstanding all the people pay annually for protection of life and property, they are told by the police, 'You must not depend upon us for protection, because you have ventured to employ a man who is not on good terms with the workers' union.' Sir, I call upon you to do your duty in this matter. If the lives of men who are coming to earn a living at peaceful avocations are to be endangered by lawless spirits, even though they

do belong to workers' unions, it is your duty to protect them, and if you fail to do so the consequences will rest on your head. In calling your attention to the threatened danger I am only doing my duty, and if you will not protect myself and my employes you must be held responsible for the consequences, if we are driven by your refusal to protect us to take the law into our own hands and protect ourselves.—I am, &c.,

"THOS. MIDDLETON,

"Manager.

"The Commissioner of Police, Wellington."

The Hon. Sir P. A. BUCKLEY said he had made inquiries of the department, and had received an answer to the effect that the correspondence which appeared in the *Post* was correct; and it would be laid on the table with other correspondence on the subject.

SWITCHBACK RAILWAYS.

The Hon. Mr. RICHARDSON said he had that morning brought under the notice of the Colonial Secretary an account of a very serious accident that had taken place in Christchurch on a show called a switchback railway. There was a considerable amount of machinery in connection with these shows, and he wished to know whether the Government Inspector had inspected this machinery in Christchurch and passed it. He saw that a show of the same sort was being constructed in Wellington, and was to have been opened last week, and it was commonly reported that it was some serious derangement of the machinery which had prevented it from being so opened. It would be well if these shows were inspected by direction of the Government.

The Hon. Sir P. A. BUCKLEY said immediately his honourable friend had spoken to him on the subject he had sent for the Inspector of Machinery to make inquiries with regard to the so-called switchback railway—which was a misnomer—that was being erected here. The Inspector had informed him that it was within his jurisdiction, and that he would not allow the proprietor in Wellington to have any performance until he had passed it. He had not yet done so, but the proprietor would not be allowed to proceed until he had inspected it. The Inspector had also told him that he would get from the Inspector in Christchurch a report as to the position of affairs there, and he hoped to have it that day; and as soon as he (Sir P. A. Buckley) had it he would inform the Council.

NEW ZEALAND CONSOLS BILL.

The Hon. Sir P. A. BUCKLEY, in asking the Council not to insist on its amendments in this Bill, said he hoped to be able to show that he was doing what would probably meet the views of honourable members. The first reason of the House of Representatives for disagreeing with the Council's amendments was as follows: "(1.) Because the first amendment alters the time when deposits are repayable from forty years to twenty years, and consequently interferes with the financial proposals of this House;

and the House does not deem it necessary to offer any further reason, hoping that the above may be sufficient." He took it that this was a question of privilege, which probably a Conference might not satisfactorily settle; that, however, was, of course, in the hands of the Council. With regard to the second of the reasons—namely, that the second amendment, with regard to the place of payment of interest, is better defined by section 30 than by the amendment—if honourable members would refer to section 30 of the Bill he thought they would find it was much more definite.

The Hon. W. DOWNIE STEWART said it did not refer to the principal there.

The Hon. Sir P. A. BUCKLEY said he thought it did. It was exceptionally clear, and section 30 was to be preferred to the amendment. He was satisfied that the question in regard to the first reason was one of privilege, and he would be sorry to see that question raised at the present time. He was equally satisfied that the place of payment of the principal was sufficiently defined by the clause intended to be amended—better defined than in the amendment, because, after all, in the payment of interest the original document must be produced. For these reasons, he would move, *That the Council do not insist on its amendments.*

The Hon. Mr. BOWEN hoped, on the contrary, that the Council would insist on its amendments. His honourable friend said that this was a question of privilege, and that possibly it would not be advisable to raise it now. He, on the contrary, thought that it would be advisable that the question should be discussed and settled, because it was evident they would have many questions raised similar to this if Bills of this sort were to be introduced into the Council. They were a new departure in legislation, and precedents could not be found in English practice for cases of this sort. When they could not find precedents they must fall back on the principle underlying all the precedents. The principle on which the Commons House of Parliament insisted upon having the sole control of money Bills was that the representatives of the people could alone make grants to the Crown on behalf of the people by way of supply or aid, or pass Bills to tax the people. Now, it could not be said that there was in a Bill of this sort either appropriation or taxation. In the clause in question there was no question of that kind; and his honourable friend said, in introducing the Bill, that there was no appropriation of the funds which were to be raised—that the Bill was one to promote thrift amongst the people of New Zealand. This, in fact, was the statement made in the preamble to the Bill. He thought if they gave way in this case it would remove almost every Bill from amendment by the Council. If money was borrowed for public works it might be said that the Council should not discuss how these public works were to be carried out, because the money had been appropriated by the House. The fact was, this money was

borrowed without stating what it was borrowed for, and the Bill only provided that the money might be deposited for a time and invested for that time—that people might deposit their money and the Government might issue certificates acknowledging the deposits.—all for the convenience of the people who deposited the money. Surely that could not be said to be appropriation. He was satisfied that honourable members could not find any precedent in any English authorities for such a Bill as this being treated as a money Bill. Therefore he hoped the Council would stand upon the principle, which none of them disputed, that the questions which the Legislative Council was debarred from dealing with should be strictly questions of appropriation or taxation. And, looking at this Bill, he was satisfied that the clauses amended by the Council were not clauses of appropriation or taxation. As this was not the time for discussing the matter at length, he would move, *That the Council disagree with the reasons given by the House of Representatives, and that a Committee be appointed to prepare reasons for so disagreeing.*

The Hon. Mr. MACGREGOR hoped the Council would not agree to the motion of the Attorney-General. The question raised with regard to the amendment made by the Council in clause 4 of the New Zealand Consols Bills was a very important one, and the Council, by yielding to the contention set up with regard to that amendment by the House of Representatives, would be allowing what seemed to him a very serious interference with its powers and privileges. The expression used in the reasons given by the other House was that it interfered with the financial proposals of the House. So far as he was aware, there was no authority at all for the proposition implied in such a statement, that the Council had no power to interfere with financial proposals. The doctrine as to the power of the Council with regard to money Bills should be very strictly limited in accordance with practice and precedent, and, as far as one could gather, that practice was limited entirely, as the Hon. Mr. Bowen had said, to ways and means and appropriation of revenue. He did not think it could be seriously contended by any one that this clause in the Consols Bill fixing the term of Consols—the term within which the principal was repayable—in any way came within that definition. It was neither in any sense an appropriation Bill nor in any sense a Bill imposing taxation. To yield on a point of that sort would be giving up so much that the power of the Council would be gone to amend in almost any part a Bill which the House of Representatives chose to call a money Bill. There seemed to be an impression, and, he thought, a very erroneous impression, that the Council had no power to amend in any part what was called a money Bill. There was no authority at all for the proposition that the clauses even in a money Bill which were not appropriating or taxation clauses could not be amended. But a very important question arose

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beyond that, and that was, whether the Bill was, in the strict and proper sense, an appropriation Bill at all, or a Bill levying taxation. It was unnecessary at present to discuss that question; but to accept the motion of the Attorney-General and yield that point would be a very serious matter indeed. He hoped the Council would not accept the motion.

The Hon. Mr. KELLY said, with regard to the question of privilege on money Bills, he did not see how a Committee of the Council could settle it even after bringing in a report. It was laid down by the Constitution Act and "The Parliamentary Privileges Act, 1865," what their powers and privileges were, and, if the latter Act was to be ever amended by way of diminution or extension with regard to the powers of the Council, surely that must be done by statute, and not by report of a Committee.

An Hon. MEMBER.—A Conference.

The Hon. Mr. KELLY said a Conference could not settle the point. What was really wanted was a proper definition of the powers of the two Houses by statute, and that would be best brought about by a Joint Committee of both Houses sitting early during the session and submitting a joint report.

The Hon. Mr. BONAR thought the only way by which they could arrive at a settlement of the question was to have a Conference, in which the interpretation of the Act under which they were constituted should be defined, and he thought it was absolutely essential for the well-being and good of the Council that this thing should be defined now. If they were to be debarred making such alterations as this one, their powers as a Council would be absolutely gone, and they might just as well go home and not attempt to amend anything done by the other House. He thought this was one of the most serious and important matters that could possibly arise, involving as it did the existence and value of the Council as a branch of the Legislature.

The Hon. Sir G. S. WHITMORE said he always had admitted, and always would admit, that the Council should either reject or accept without any amendment any Bill dealing with revenue or taxation. But in what particular did this clause bring in a question of taxation at all? It could not be said that the money was to be raised from the people by taxation. It could not be called revenue proper; and it appeared to him to be straining the Act under which the Council existed to say that they could not amend such a clause. Their Speaker had ruled in one way. He granted that the Speaker of the other Chamber had ruled otherwise. He thought this was a fair question between the two Houses, and he might suggest, rather than stop the business, under protest, the Council might, if the Conference agreed, recommend that the point be referred Home, as they did on a former occasion, on the application of the other branch of the Legislature. They at that time had come to a position in which they could not get any further forward or backward, and the House of Representatives meanwhile considered the

point, and insisted that the Council should refer the case to the highest authorities at Home. That question was settled, and the Council accepted that decision. This being a totally new practice, of treating loans as public revenue raised by taxation, and an inconvenient practice having grown up of putting in clauses which dealt with such loan-moneys, and finding the House of Representatives regarded these Bills as revenue Bills, or Bills dealing with the appropriation of revenue, he thought the time had come when the Council should take a stand somewhere and propose to have the case referred to constitutional authorities at Home; or that they should lay the Bill aside. For his part, he did not wish to see the Bill laid aside, and he should very much prefer to see an authoritative decision obtained upon the point. He could not help thinking that that would be the wisest and most harmonious way of settling the matter—that was, if the House of Representatives, at the Conference, still insisted on their objections to the amendments made by the Council on the ground of privilege. He thought that was the best course to adopt. There was scarcely a Bill which came before them on which the same question might not be raised, and he thought the sooner they got the thing settled the more likely it would be to insure harmonious working between the two branches of the Legislature.

The Hon. Sir P. A. BUCKLEY would like to make an explanation. So far as he was personally concerned, his course was clear. That, of course, was to move the motion which he had moved. That was well recognised as the proper course for any one who sat where he did. At the same time, he was as anxious as any living man to preserve the dignity and the position of the Council. He had always endeavoured to do so, and he trusted he always would do so. He was not at all sure that a Conference would not be desirable, because he was bound to say that the position of the Council was very indefinite. Under an Act, which he could not for the moment remember, there was a peculiar expression—namely, that they had the privileges of the House of Commons—which was probably some mistake; while at the same time there had been a contrary decision given by Sir Erskine May on the subject in answer to a question sent Home from the other House. The Council's position with regard to these money Bills—or he might call them these so-called money Bills—was, he thought, determined, owing to the fact that the Bills were introduced into another branch of the Legislature by Governor's message. That had been the assumption all along. If he might be permitted to refer to what had occurred in another place, he might point out that the Speaker of the other House had ruled that this Bill could not be altered, whereas the Speaker of the Council had ruled that the Bill could be amended. Therefore, with the view of getting a fair decision, or, if they could get nothing else, an expression of opinion, he was not at all averse to a Conference,

while he was bound to make the motion which he had moved. He thought a Conference might not do any harm: and he hoped at least it would do good, because he was quite sure that the gentlemen placed on the Conference would fairly represent the Council, and would place before the Conference their position. He was bound to say the position of the Council was unsatisfactory with regard to these Bills, because very often, in moving the second reading of these Bills, one felt that they could not be altered. That was to say, the position of the Council was not sufficiently defined. If occasionally there could be give and take he felt sure the passage of these Bills would be much easier than had been the case in the past. While he moved the motion standing in his name, he should not, of course, resist a Conference. He never had done so, and was not inclined to do so now.

Motion, "That the Council do not insist upon its amendments," negatived.

The Hon. Mr. BOWEN moved, *That the Hon. Mr. Stewart, the Hon. Mr. MacGregor, and the mover be appointed Managers for the Conference.*

Agreed to.

GOVERNMENT ADVANCES TO SETTLERS BILL.

IN COMMITTEE.

Clause 26.—Classes of funds to be invested.

The Hon. Mr. McLEAN moved, That subsection (2) be struck out.

The Committee divided.

AYES, 12.

Buckley	Jennings	Rigg
Dignan	Kelly	Stewart
Feldwick	Kerr	Walker, L.
Jenkinson	Montgomery	Whitmore.

NOES, 19.

Acland	MacGregor	Richardson
Barnicoat	McLean	Stevens
Bolt	Morris	Swanson
Bonar	Oliver	Taiaroa
Bowen	Peacock	Whyte
Holmes	Pharazyn	Williams.
Kenny		

Majority against, 7.

Subsection struck out, and clause as amended agreed to.

Clause 42.—How advances to be made.

Subsection (3).—"No advance shall be granted for a sum of less than twenty-five pounds nor more than five thousand pounds, and every advance shall be for fifty pounds or a multiple of fifty pounds."

The Hon. Mr. McLEAN moved to strike out "twenty-five," and insert "fifty" in lieu thereof.

The Committee divided on the question, "That the words proposed to be omitted stand part of the clause."

AYES, 25.

Acland	Buckley	Jenkinson
Barnicoat	Dignan	Jennings
Bolt	Feldwick	Kelly

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Kenny	Pharazyn	Taiaroa
Kerr	Reynolds	Walker, L.
McCullough	Rigg	Whitmore
Montgomery	Stewart	Whyte
Morris	Swanson	Williams.
Peacock		

NOES, 8.

Bonar	MacGregor	Richardson
Bowen	McLean	Stevens.
Holmes	Oliver	

Majority for, 17.

Word retained.

The Hon. Mr. McLEAN moved to strike out the word "five," with a view to inserting "one."

The Committee divided on the question, "That the word proposed to be omitted stand part of the clause."

AYES, 14.

Barnicoat	Kenny	Reynolds
Buckley	Kerr	Rigg
Dignan	McCullough	Walker, L.
Feldwick	Montgomery	Whitmore.
Kelly	Morris	

NOES, 19.

Acland	MacGregor	Stevens
Bolt	McLean	Stewart
Bonar	Oliver	Swanson
Bowen	Peacock	Taiaroa
Holmes	Pharazyn	Whyte
Jenkinson	Richardson	Williams.
Jennings		

Majority against, 5.

Word "five" struck out.

The Hon. Mr. FELDWICK moved, That the word "four" be inserted.

The Committee divided.

AYES, 12.

Barnicoat	Kelly	Rigg
Buckley	Kerr	Taiaroa
Dignan	McCullough	Walker, L.
Feldwick	Montgomery	Whitmore.

NOES, 21.

Acland	Kenny	Reynolds
Bolt	MacGregor	Richardson
Bonar	McLean	Stevens
Bowen	Morris	Stewart
Holmes	Oliver	Swanson
Jenkinson	Peacock	Whyte
Jennings	Pharazyn	Williams.

Majority against, 9.

Amendment negatived.

Progress reported.

NEW ZEALAND CONSOLS BILL.

The Hon. Mr. BOWEN brought up the following reasons for the Council insisting on their amendments in this Bill, and moved, *That the reasons be agreed to:—*

"1. The financial proposals alluded to in the reasons of the House of Representatives do not deal with questions of appropriation or taxation, and the amendment made by the Council is within the proper limits of the Council's action.

"2. The place of repayment of capital is not prescribed in section 30."

Motion agreed to.

The Council adjourned at five minutes to five o'clock p.m.

HOUSE OF REPRESENTATIVES.

Monday, 8th October, 1894.

First Reading—President of the Bank of New Zealand—Licensing Bill—New Zealand Consols Bill—Land for Settlements Bill.

Mr. SPEAKER took the chair at half-past seven o'clock.

PRAYERS.

FIRST READING.

Little Barrier Island Purchase Bill.

PRESIDENT OF THE BANK OF NEW ZEALAND.

Mr. WARD.—I desire, Sir, to inform the House that the Government have made the appointment of President of the Bank of New Zealand. The gentleman who has been selected to fill the position is Mr. William Watson, and the salary is £2,250; during good behaviour being a limitation of the appointment. I may state, for the information of the House, that the gentleman who has been chosen is a man of very considerable experience. He is recognised in commercial and banking circles to be a man of undoubted ability, and his integrity is of the highest possible character. I hope and believe he will discharge the onerous and responsible duties devolving upon him with satisfaction to the country.

Mr. LARNACH.—I should like to say this: I think this is another injustice on the part of the Government to the Colonial Bank.

Mr. SPEAKER.—There is no question before the House.

Mr. LARNACH.—Am I not allowed to say anything?

Mr. SPEAKER.—Nothing at present. Probably later on an opportunity will arise, such as on presentation of the terms of appointment.

Captain RUSSELL.—I should like to ask the Hon. the Colonial Treasurer what is meant by "during good behaviour." Is it a life appointment?

Mr. WARD.—No; it is not a life appointment. I may say the terms of the communication clearly indicate that it is not so.

LICENSING BILL.

IN COMMITTEE.

Clause 3.—Serving of persons.

Mr. G. J. SMITH moved, That the word "wine" be struck out.

The Committee divided on the question, "That the word proposed to be omitted stand part of the clause."

AYES, 30.		
Allen	Lang	Russell, W. R.
Buchanan	Maackintosh	Seddon
Collins	Massey	Smith, E. M.
Crowther	McGowan	Stevens
Duncan	McGuire	Steward
Duthie	McKenzie, J.	Thompson
Green	McLachlan	Ward.
Harris	Mills	Tellers.
Hogg	Parata	Graham
Houston	Pinkerton	O'Regan.
Kelly, W.		

NOES, 22.		
Bell	Hutchison, W.	Saunders
Buddo	Joyce	Stout
Button	Kelly, J. W.	Tanner
Earnshaw	Mackenzie, T.	Te Ao.
Flatman	Maslin	
Hall	Meredith	Tellers.
Hall-Jones	Montgomery	McNab
Heke	Pirani	Smith, G. J.

PAIRS.	
For.	Against.
Cadman	Mitchelson
Carncross	Russell, G. W.
Carroll	Morrison
Fraser	Newman
Green	Flatman
Larnach	Hutchison, G.
Pere.	Buick.

Majority for, 8.

Word retained.

Mr. TANNER moved, That all the words in subsection (5) after the words "to any person" be struck out.

The Committee divided on the question, "That the words proposed to be omitted stand part of the subsection."

AYES, 23.		
Allen	Kelly, W.	Russell, W. R.
Buchanan	Mackenzie, T.	Seddon
Crowther	Mackintosh	Smith, E. M.
Duncan	McGowan	Stevens
Duthie	McKenzie, J.	Thompson.
Graham	McLachlan	Tellers.
Hogg	Parata	Mills
Houston	Pinkerton	Steward.

NOE 26.		
Bell	Kelly, J. W.	O'Regan
Buddo	Lang	Pirani
Button	Maslin	Saunders
Collins	Massey	Smith, G. J.
Hall	McGuire	Stout
Hall-Jones	McKenzie, R.	Te Ao.
Harris	McNab	Tellers.
Hutchison, W.	Meredith	Earnshaw
Joyce	Montgomery	Tanner.

PAIRS.	
For.	Against.
Cadman	Mitchelson
Carncross	Russell, G. W.
Carroll	Morrison
Green	Flatman
Larnach	Hutchison, G.
Pere	Buick
Reeves.	Heke.

Majority against, 8.

Words struck out.

Rest of subsection struck out.

The Committee divided on the question, "That clause 8 as amended stand part of the Bill."

AYES, 38.

Allen	Joyce	Montgomery
Bell	Kelly, W.	O'Regan
Buchanan	Lang	Parata
Buddo	Mackenzie, T.	Pinkerton
Button	Mackintosh	Russell, W. R.
Crowther	Maslin	Saunders
Duthie	Massey	Seddon
Graham	McGowan	Smith, G. J.
Hall	McGuire	Stevens
Hall-Jones	McKenzie, J.	Steward
Harris	McLachlan	<i>Tellers.</i>
Hogg	McNab	Mills
Houston	Meredith	Smith, E. M.

NOES, 10.

Collins	Kelly, J. W.	<i>Tellers.</i>
Duncan	McKenzie, R.	Pirani
Earnshaw	Stout	Tanner.
Hutchison, W.	Te Ao.	

PAIRS.

<i>For.</i>	<i>Against.</i>
Cadman	Mitchelson
Carncross	Russell, G. W.
Carroll	Morrison
Green	Flatman
Larnach	Hutchison, G.
Pere	Buick
Reeves.	Heke.

Majority for, 28.

Clause agreed to.

Clause 4.—Interpretation.

On the motion of Mr. SEDDON the definition of "premises" was struck out, and the following inserted in lieu thereof: "'Premises' includes any house, place, room, billiardroom, closet, cellar, yard, stable, outhouse, shed, or any other place whatsoever belonging or in any manner appertaining to premises."

Clause 4 as amended agreed to.

Clause 7.—"When a district constituted under this Act, or under any Act hereby repealed, is abolished, and has been constituted into new districts, the poll in force in such first-mentioned district shall remain in force until the time appointed for taking the next poll of the electors under this Act.

"Nothing in this section contained, or in section twenty-one of 'The Alcoholic Liquors Sale Control Act, 1893,' shall be construed to affect or to have affected any suit or proceeding pending in any Court of law and initiated before the commencement of that Act."

Mr. TANNER moved to strike out the words down to "districts," and insert, "When a district under this Act shall be abolished and constituted into a new district"; also to strike out the proviso, and insert, "Nothing in section twenty-one of 'The Alcoholic Liquors Sale Control Act, 1893,' shall be construed or be deemed to affect or to have affected the position of the licenses in any proceedings taken regarding them in the Licensing Districts of

Addington, Newtown, and Sydenham East, which were constituted under 'The Licensing Act, 1881.'"

The Committee divided on the question, "That the words proposed to be omitted stand part of the clause."

AYES, 21.

Duncan	McKenzie, R.	Smith, E. M.
Graham	McLachlan	Stevens
Hall	Montgomery	Ward
Hogg	Parata	Willis.
Kelly, W.	Pinkerton	<i>Tellers.</i>
Mackintosh	Reeves	Collins
McGowan	Seddon	Mills.
McKenzie, J.		

NOES, 31.

Allen	Hutchison, W.	Pirani
Bell	Joyce	Saunders
Buchanan	Lang	Smith, G. J.
Buddo	Mackenzie, T.	Steward
Button	Maslin	Tanner
Crowther	Massey	Te Ao
Duthie	McGuire	Wilson.
Earnshaw	McNab	
Fraser	Meredith	<i>Tellers.</i>
Hall-Jones	Newman	Kelly, J. W.
Harris	O'Regan	Stout.

PAIRS.

<i>For.</i>	<i>Against.</i>
Cadman	Mitchelson
Carroll	Morrison
Duthie	Buick
Green	Flatman
Larnach.	Hutchison, G.

Majority against, 10.

Words struck out, and amendment agreed to
Clause 9.—Who may not be members of Committee.

Mr. R. McKENZIE moved to strike out the words, "or in partnership with any such person."

The Committee divided on the question, "That the words proposed to be omitted stand part of the clause."

AYES, 46.

Allen	Houston	O'Regan
Bell	Hutchison, W.	Parata
Buchanan	Kelly, J. W.	Pinkerton
Buddo	Kelly, W.	Pirani
Button	Lang	Reeves
Carncross	Mackenzie, T.	Saunders
Carnell	Mackintosh	Seddon
Crowther	Maslin	Smith, J. G.
Earnshaw	Massey	Stevens
Fraser	McGowan	Steward
Graham	McKenzie, J.	Stout
Hall	McNab	Wilson.
Hall-Jones	Meredith	
Harris	Mills	<i>Tellers.</i>
Heke	Montgomery	Russell, G. W.
Hogg	Newman	Tanner.

NOES, 5.

Collins	<i>Tellers.</i>
Duncan	Lawry
McKenzie, R.	Willis.

PAIRS.	
<i>For.</i>	<i>Against.</i>
Buick	Duthie
Hutchison, G.	Larnach
Mitchelson.	Cadman.

Majority for, 41.

Words retained.

Mr. BUTTON moved to add the words, "in any such trade or business."

Amendment agreed to.

Mr. COLLINS moved to strike out the words, "who is an auctioneer, commission agent, or broker."

Amendment agreed to, and words struck out.

Clause 10.—Penalties.

Mr. R. MCKENZIE moved, That the words "fifty pounds" be struck out, with the view of inserting the words "five pounds."

The Committee divided on the question, "That the words proposed to be omitted stand part of the clause."

AYES, 22.

Allen	Hutchison, W.	Pirani
Beil	Joyce	Saunders
Buddo	Kelly, J. W.	Smith, G. J.
Carnell	Maslin	Stout.
Earnshaw	McNab	
Flatman	Meredith	<i>Tellers.</i>
Hall-Jones	Morrison	Russell, G. W.
Heke	Newman	Tanner.

NOES, 37.

Buchanan	Kelly, W.	Pinkerton
Button	Lang	Reeves
Carncross	Mackenzie, T.	Seddon
Carroll	Mackintosh	Smith, E. M.
Collins	Massey	Stevens
Crowther	McGowan	Steward
Duncan	McKenzie, J.	Ward
Fraser	McKenzie, R.	Willis
Green	McLachlan	Wilson.
Hall	Mills	
Harris	Montgomery	<i>Tellers.</i>
Hogg	O'Regan	Graham
Houston	Parata	Lawry.

Majority against, 15.

Words struck out.

Mr. SEDDON proposed, That the words "twenty pounds" be inserted in lieu of "fifty pounds."

The Committee divided.

AYES, 50.

Allen	Hall-Jones	McNab
Bell	Harris	Meredith
Buchanan	Heke	Mills
Buddo	Hogg	Montgomery
Cadman	Houston	Morrison
Carncross	Hutchison, G.	Newman
Carnell	Hutchison, W.	Pirani
Carroll	Kelly, J. W.	Reeves
Crowther	Lang	Russell, G. W.
Earnshaw	Mackenzie, T.	Russell, W. R.
Flatman	Mackintosh	Saunders
Fraser	McGowan	Seddon
Graham	McKenzie, J.	Smith, E. M.
Hall	McLachlan	Smith, G. J.

<i>Steward</i>	<i>Ward</i>	<i>Tellers.</i>
Stout	Willis	Pinkerton
Tanner	Wilson.	Stevens.

NOES, 5.

Duncan	<i>Tellers.</i>
Green	Lawry
McKenzie, R.	O'Regan.

Majority for, 45.

Words inserted.

Clause 10 as amended agreed to.

Clause 11.—Opinion of member not to disqualify.

Mr. COLLINS moved, That the following words be added to the clause:—

"Notwithstanding anything in this section, no person shall be deemed eligible for a seat on any Licensing Committee who is known as a professional or paid advocate for or against the suppression of the liquor traffic."

The Committee divided.

AYES, 28.

Allen	Lang	Russell, W. R.
Buchanan	Lawry	Seddon
Carncross	McGowan	Stevens
Carroll	McKenzie, J.	Steward
Crowther	McKenzie, R.	Ward
Graham	Mills	Willis.
Hall	Montgomery	
Harris	Parata	<i>Tellers.</i>
Hogg	Pinkerton	Collins
Houston	Reeves	Smith, E. M.

NOES, 26.

Bell	Mackenzie, T.	Pirani
Button	Maslin	Russell, G. W.
Carnell	Massey	Saunders
Earnshaw	McLachlan	Smith, G. J.
Fraser	McNab	Stout
Hall-Jones	Millar	Tanner.
Heke	Morrison	<i>Tellers.</i>
Hutchison, W.	Newman	Buddo
Kelly, J. W.	O'Regan	Meredith.

PAIRS.

<i>For.</i>	<i>Against.</i>
Cadman	Buick
Duncan	Wilson
Kelly, W.	Joyce
Larnach.	Hutchison, G.

Majority for, 2.

Amendment agreed to.

Clause, as amended, agreed to.

Clause 12.—Constitution of Licensing Committee within ordinary districts. Provisions applicable to all Committees.

Mr. WILLIS moved, That progress be reported.

The Committee divided.

AYES, 30.

Allen	Harris	McLachlan
Buchanan	Hogg	Millar
Button	Houston	Mills
Carncross	Hutchison, W.	Montgomery
Collins	Lang	Parata
Fraser	Mackenzie, T.	Pinkerton
Graham	Massey	Russell, W. R.
Hall	McGowan	Saunders

Smith, E. M.	Steward	<i>Tellers.</i>
Stevens	Tanner.	Crowther
		Willis.
NOES, 23.		
Bell	McKenzie, J.	Russell, G. W.
Buddo	McKenzie, R.	Seddon
Carnell	Meredith	Smith, G. J.
Earnshaw	Morrison	Stout
Heke	Newman	Ward.
Kelly, J. W.	O'Regan	<i>Tellers.</i>
Lawry	Pirani	Hall-Jones
Maslin	Reeves	McNab.
PAIRS.		
<i>For.</i>	<i>Against.</i>	
Cadman	Buick	
Duncan	Wilson	
Kelly, W.	Joyce	
Larnach.	Hutchison, G.	
Majority for, 7.		
Progress reported.		

NEW ZEALAND CONSOLS BILL.

A message was received from the Legislative Council transmitting reasons for insisting upon the Council's amendments in this Bill.

It was resolved to take the reasons into consideration at next sitting of the House.

LAND FOR SETTLEMENTS BILL.

A message was received from the Legislative Council transmitting reasons for insisting upon its amendments in this Bill.

On the motion of Mr. J. MCKENZIE, it was resolved, That the House disagrees with the reasons; and that Mr. Montgomery, Mr. Duncan, and Mr. J. McKenzie be appointed Managers for a Conference.

The House adjourned at twenty minutes past two o'clock a.m.

LEGISLATIVE COUNCIL.

Tuesday, 9th October, 1894.

Third Reading—President of the Bank of New Zealand—J. C. Retter and Others—Public Works Bill—Government Advances to Settlers Bill—Factories Bill—New Zealand Consols Bill—Adjournment.

The Hon. the SPEAKER took the chair at half-past two o'clock.

PRAYERS.

THIRD READING.

Foreign Insurance Companies' Deposits Bill.

PRESIDENT OF THE BANK OF NEW ZEALAND.

The Hon. Sir P. A. BUCKLEY.—Before proceeding to the business on the Order Paper I may say that I promised the Council some time ago that when the appointment of President of the Bank of New Zealand was made I would officially inform the Council of the fact. After considerable anxiety, the Government at last have been enabled to secure the services of a gentleman who, I believe, is in every possible

way fitted for the position. We have secured the services of Mr. William Watson, who holds a very high position in a banking institution in this colony. The salary is to be £2,250 a year. I have not the pleasure of knowing this gentleman myself, but I am informed that the nomination is a very good one. There are gentlemen here who know him. I hope the appointment will give general satisfaction.

The Hon. Mr. STEVENS.—May I ask my honourable friend what is the duration of the appointment?

The Hon. Sir P. A. BUCKLEY.—During good behaviour.

J. C. RETTER AND OTHERS.

On the motion of the Hon. Mr. RIGG, it was ordered, That the petition of J. C. Retter and other residents of Horowhenua, together with the report of the Public Petitions Committee thereon, be referred to the Government for its consideration.

PUBLIC WORKS BILL.

The Hon. Sir P. A. BUCKLEY.—This looks a voluminous document which I have in my hand, and which I ask the Council to read a second time. Before I proceed further, perhaps I may state that the Joint Statutes Revision Committee recommended that this Bill be allowed to proceed, with certain amendments. The Bill, as reported by the Joint Statutes Revision Committee, was as nearly perfect as any such piece of machinery could be, and I think it is rather improved, if possible, by the amendments made in another place. I might point out to the Council that this Bill was referred to the Joint Statutes Revision Committee on the 5th July last, and it was from time to time considered by that Committee up to the 16th August, so that it received more than ordinary attention from that Committee, which pays the most marked attention to every matter which is submitted to it. I take this opportunity of saying that I do not believe that any such work has ever been done by any Committee as has been done during the last two years by the Joint Statutes Revision Committee, and I also take the opportunity of expressing my own thanks to it, because very often measures imperfect in shape are brought before it. The ability evinced by the Committee merits the gratitude of everybody who has had to do with it. Several other heavy Bills being before that Committee, it was resolved that this Bill should be submitted to a special Committee. That special Committee consisted of two eminent lawyers—Mr. Bell and Mr. McNab—and they were ably assisted by the experience of a member of this Council, the Hon. Mr. Kelly; and I am bound to say that the labour bestowed upon that Bill deserves the thanks of this Council. The Bill then was referred from the special Committee, after being several weeks before them, to the Joint Statutes Revision Committee, and they produced the measure which is practically in the form now before us. The amendments, to which I will call attention

presently, I think are rather improvements. There were probably some things which were overlooked. The Bill is absolutely a consolidation measure. It purports to deal with fourteen Acts dealing with the subject of public works. It repeals these fourteen Acts, with the exception of two sections of the Public Works Act of 1887—sections 22 and 23. The reason why these two sections were not repealed also is that they are dealt with in the Tramways Bill, which has passed through this Chamber and is now in another place. Should that measure become law these two sections will be cut out, of course; but, in order that no difficulty may arise, it has been thought better to leave them here for the present. The clauses to which I wish to call the attention of honourable members are as follows: Clause 5 contains the addition of the following words: "Except as provided in Part VI. hereof." Part VI. of the Act has reference to another matter entirely, and I think it is very wise that this provision should be inserted here. Next as to clause 19. This is a new clause, and is as follows:—

"Whenever it shall be made to appear to the satisfaction of the Governor that any local authority has not made provision for the payment of the compensation which would probably be awarded for the land proposed to be taken, the Governor shall not issue the Proclamation taking such land until such time as he is satisfied that the local authority has made provision for the payment of such compensation."

This is a clause which requires very little explanation. It simply provides that a Proclamation taking land is not to issue until the Governor is satisfied that compensation has been provided for by the local authority. Clause 94, as honourable members will see, is a new clause. As sent from the Statutes Revision Committee, the time fixed was ten years. That has now been altered to fifteen years. Clause 99 is also a new clause, and is simply a definition of the word "Minister." Clause 115 is a clause to which I would call attention. It is a new clause, and is as follows: "Any local authority having control of a ferry may let such ferry for a period not exceeding three years." There was no such clause in the Bill as sent from the Statutes Revision Committee. Clause 117 provides that the local authority may agree as to gates on roads taken through private lands by agreement; and to that clause there is this proviso:—

"Provided always that permission to erect a swing-gate across any road shall not be granted unless and until after notice of any application in that behalf shall have been given at least once in each of two consecutive weeks in some newspaper circulating in the district, and the cost of all such notices shall be defrayed by the person applying for such permission."

That has been considered a desirable amendment. Clause 130 enables Road Boards to make by-laws in counties where the Counties Act is not in force.

The Hon. Mr. RICHARDSON.—Is there not an alteration in clause 119?

The Hon. Sir P. A. BUCKLEY.—I do not think there is an alteration in that clause. The next is clause 171. That is a new clause, and is as follows: "In cases where the making of a railway-line has cut off all access by road to land other than Crown land, the Government shall make such crossing or crossings as may be necessary to give access to such land." I do not think any exception can be taken to that. In clause 253 there are some additions. Subsections (2) and (3) are new. In the original Bill there were only subsection (1) and what is shown as subsection (4). The original clause 293, which had reference to Government railways, has been struck out as being unnecessary. These are the only alterations which were made by the House of Representatives in the Bill, which, as I said, was carefully considered by the Joint Statutes Revision Committee and by the sub-committee. Otherwise the law is exactly as it stands at present; but in this Bill it is better put together and worded than it was before, and the Bill is better now, I think, than when it reached the House of Representatives. As honourable members will recollect, there was a Public Works Bill introduced into the House, and when it reached the Committee it was found not to be in such perfect order as the Committee desired, and it was referred back, and the Public Works Bill (No. 2), which is this Bill, was introduced in its place. I beg to move, *That the Bill be now read the second time.*

The Hon. Mr. BOWEN.—Is there not some alteration in original clause 32, about compensation?

The Hon. Sir P. A. BUCKLEY.—Clause 32 was struck out altogether. I overlooked that.

The Hon. Mr. McLEAN.—I presume these are the alterations as made by the House of Representatives after the Bill came from the Committee. But it would be desirable to know what new matter was introduced by the Joint Statutes Revision Committee.

The Hon. Sir P. A. BUCKLEY.—No new matter.

The Hon. W. DOWNIE STEWART.—It would have been more satisfactory, I think, if the new matter introduced in the Bill in the other House—that is to say, the alterations made in the present law—had been indicated. That would have been very desirable. But there are two points which I should like to direct attention to. I had not the opportunity of being present very often on the Joint Statutes Revision Committee when this Bill was going through, as I had other Committees to attend to. The Public Works Act was originally introduced for the purpose of enabling the Government to take strips of land for railways and roads, and ordinary public purposes of that kind. But the provisions of this Bill will be incorporated under the Land for Settlements Bill, and it gives the right to take practically very large areas of land—thousands of acres. What would be perfectly proper, per-

haps, when the amount of compensation is comparatively trifling would not, I think, be proper or desirable where the compensation may amount to hundreds of thousands of pounds—at all events, to considerable sums. These remarks are directed to section 76, which states that—

“(2.) Such award shall be final as regards the amount awarded, but shall not be deemed to be final as regards the right or title of the claimant or any other person to receive the same, or any part thereof.”

There are many cases in which it would be very desirable, where an obvious mistake has been made by the Court, that the Court should have power to correct the award. At present this Bill would practically place the Court in this position: that, however anxious the Court might be to amend its award, either through discovering some oversight or other circumstances that were not brought before the Court at the time, it would be unable to do so; and I think the Court should have the power, within thirty days after it has made its award, to review it or to alter it to meet any special circumstances which might arise. The other point I wish to direct attention to is this: The two parties in a Compensation Court are what are called the claimant and the respondent. In practice the respondent may have very little interest in the land taken. The land may be under mortgage to such an amount or extent that the mortgagor will not exert himself or go to any expense in getting evidence as to the value of the land; and it seems to me that the mortgagee, or any other person who has an interest in the land, should be entitled to be heard before the Court, and to give whatever evidence he can to satisfy the Court as to the value of the property affected. I am aware that it may be contended that a Court should not proceed to hear compensation cases until all the parties are before it; but in practice the only parties who do come before the Court are simply the complainant and the respondent; and other persons who may be substantially interested in the case are not recognised by the Court at all. I think it would be very desirable that notice should be given not only to the nominal owner of the land, but to all persons who may have mortgages and other charges on the land, and they should be allowed—at the risk, of course, of being liable for costs, if the Court thought proper—to bring forward whatever evidence they can as to the justice of their claim. I should like the honourable gentleman to direct his attention to that, so as to give all parties a right to be heard. The remarks that I have now made would not have been so material if the Bill were confined to its own legitimate object—namely, taking land for roads or railways, or other such purposes. But when the provisions of this Bill are to be incorporated under other Acts, and when large blocks of land may be taken, it seems to me that the provisions do not give those safeguards which should be given in dealing with such large transactions. The Bill is, I think, in many respects a

Hon. W. Downie Stewart

very great improvement on the present law; but I confess I have not attempted to read the Bill through. It would have been more satisfactory, I have no doubt, if the departures from the present law had been pointed out. I believe the Joint Statutes Revision Committee did satisfy themselves as to how far this Bill departed from the present law.

The Hon. Mr. RICHARDSON.—Perhaps the Chairman of the Joint Statutes Revision Committee could tell us whether there is really any new matter introduced into this Bill. I have watched these Public Works Acts in all their various phases since the first introduction of the Act in 1876. In regard to the Bills this session, the first Bill was introduced into the other Chamber, and then the Public Works Bill (No. 2) was considered by the Joint Statutes Revision Committee, and a copy of that Bill I now hold in my hand. I see that the Public Works Bill (No. 2) was altered very largely by the Committee, and, as far as I am able to judge, it has been altered for the better. Still, there are a great many alterations that have been made in the Bill, and I think those alterations should be pointed out to the Council. The honourable member opposite will see that the clause which I referred to has been altered.

The Hon. Sir P. A. BUCKLEY.—Which is that?

The Hon. Mr. RICHARDSON.—Clause 119. It is not a very material alteration. I should like to know from the honourable gentleman, when he is replying, whether there is any new matter in the Bill. The Chairman of the Committee, I believe, is present, and perhaps he will give us that information.

The Hon. Mr. BOWEN.—I may state that a sub-committee was appointed, of which my honourable friend Mr. Kelly was a member, and he will be able to tell honourable members any little matters of detail which were dealt with by that Committee; but as a question of principle there was no new matter introduced into the Bill. There is one amendment, perhaps the most important, and that is the new clause with regard to the taking of land for defence purposes. That is a most important matter. That provision was not in the Public Works Act before. With regard to the Bill generally, there are a few small amendments which are always made in consolidation Bills, but as a matter of general principle I think, as the Hon. the Attorney-General has said, the principles of the Bill have not been altered. The clause which was referred to just now as having been struck out was the one with regard to compensation. However, that is a matter for consideration when we come to that clause in Committee. To fulfil the intention both of this Council and the House of Representatives, part of the clause struck out should be reinstated.

The Hon. Mr. KELLY.—The clause which was struck out by the other branch of the Legislature referred to the taking of reserves and endowment lands without compensation. The Statutes Revision Committee erased that

clause. Therefore the House only confirmed the decision of the Committee on the matter. With regard to new matter, of course in a large Bill like this there is always a considerable amount of new matter introduced, because many of the clauses are redrafted, and have been put in what we consider to be better technical language. The whole Bill has been readjusted; clauses have been put in their proper places, and under their proper heads. It includes a better definition of "cattle trespassing on roads," provides more effectively for damage done to roads, and gives a simpler and more effective form of notice. It also enlarges the sphere of the local authority, and includes Education Boards. Education Boards may take land for school-sites. Generally speaking, there have been no large amendments made. The Bill, I think, is much more perfect and satisfactory than when it was introduced.

Bill read the second time.

GOVERNMENT ADVANCES TO SETTLERS BILL.

IN COMMITTEE.

Clause 42.—Advances on mortgages. Amount of advance.

The Hon. Mr. KERR moved, That the word "three" be inserted in lieu of the word "five," struck out, so as to make the amount read "three thousand pounds."

The Committee divided on the question, "That the word 'three' be inserted."

AYES, 14.

Barnicoat	Jenkinson	Montgomery
Bolt	Jennings	Rigg
Buckley	Kelly	Taiaroa
Dignan	Kerr	Whitmore.
Feldwick	McCullough	

NOES, 18.

Acland	McLean	Richardson
Bonar	Morris	Stevens
Bowen	Oliver	Stewart
Holmes	Peacock	Swanson
Kenny	Pharazyn	Whyte
MacGregor	Reynolds	Williams.

Majority against, 4.

Amendment negatived.

The Hon. Mr. BOLT moved, That the word "two" be inserted.

The Committee divided.

AYES, 15.

Acland	Feldwick	McCullough
Barnicoat	Jenkinson	Montgomery
Bolt	Jennings	Rigg
Buckley	Kelly	Taiaroa
Dignan	Kerr	Whitmore.

NOES, 16.

Bonar	Oliver	Stevens
Bowen	Peacock	Stewart
Holmes	Pharazyn	Swanson
MacGregor	Reynolds	Whyte
McLean	Richardson	Williams.
Morris		

Majority against, 1.

Amendment negatived.

The Hon. Mr. McLEAN moved, That the word "one" be inserted.

Amendment agreed to.

Clause 43.—Conditions subject to which advances will be made.

The Hon. Captain MORRIS moved, That the word "two-thirds" be struck out, with a view to inserting "one-half."

The Committee divided on the question, "That the word proposed to be omitted stand part of the clause."

AYES, 10.

Barnicoat	Jenkinson	Montgomery
Buckley	Kelly	Rigg
Dignan	Kerr	Taiaroa.
Feldwick		

NOES, 18.

Acland	McLean	Richardson
Bolt	Morris	Stevens
Bonar	Oliver	Stewart
Bowen	Peacock	Swanson
Holmes	Pharazyn	Whyte
MacGregor	Reynolds	Williams.

PAIR.

<i>For.</i>	<i>Against.</i>
McCullough.	Ormond.

Majority against, 8.

Word struck out.

The Hon. Mr. PEACOCK moved, That the word "three-fifths" be inserted in lieu of "two-thirds."

The Committee divided.

AYES, 12.

Barnicoat	Feldwick	Kerr
Bolt	Jenkinson	Montgomery
Buckley	Kelly	Rigg
Dignan	Kenny	Taiaroa.

NOES, 16.

Acland	Morris	Stevens
Bonar	Oliver	Stewart
Bowen	Pharazyn	Swanson
Holmes	Reynolds	Whyte
MacGregor	Richardson	Williams.
McLean		

PAIR.

<i>For.</i>	<i>Against.</i>
McCullough.	Ormond.

Majority against, 4.

Word not inserted.

Amendment to insert "one-half" agreed to.

The Hon. Mr. OLIVER moved, That all the words after the word "security" be struck out, for the purpose of inserting other words.

The Committee divided on the question, "That the words proposed to be omitted stand part of the clause."

AYES, 12.

Barnicoat	Feldwick	McCullough
Bolt	Jenkinson	Montgomery
Buckley	Kelly	Rigg
Dignan	Kerr	Taiaroa.

NOES, 16.

Acland	Bowen	MacGregor
Bonar	Holmes	McLean

Morris	Reynolds	Stewart
Oliver	Richardson	Swanson
Peacock	Stevens	Whyte.
Pharazyn		

Majority against, 4.

Words struck out.

Progress reported.

FACTORIES BILL.

A message was received from the House of Representatives desiring a Conference with the Council on the Council's amendments in this Bill.

On the motion of the Hon. W. DOWNIE STEWART, the Hon. Mr. Oliver, the Hon. Mr. MacGregor, and the Hon. Mr. Stewart were appointed Managers on behalf of the Council at the Conference.

NEW ZEALAND CONSOLS BILL.

A message was received from the House of Representatives desiring a Conference with the Council on the Council's amendments in this Bill.

On the motion of the Hon. Mr. BOWEN, the Hon. Mr. Stewart, the Hon. Mr. MacGregor, the Hon. Mr. Stevens, and the Hon. Mr. Bowen were appointed Managers on behalf of the Council at the Conference.

ADJOURNMENT.

On the question, *That the Council do now adjourn*,

The Hon. Mr. RIGG suggested that the Council should sit that evening, and then adjourn till Thursday. He might point out that next day was Eight-hours Day, and was a public holiday. There were to be a procession and sports and other amusements, and some of the members of the Council would like to go and take part in the proceedings.

An Hon. MEMBER.—We have nothing to do to-night.

The Hon. Mr. RIGG said, that being so, he intended to call for a division on the adjournment, in order to test the feeling of the Council on the eight-hours question.

The Hon. Sir P. A. BUCKLEY said they had nothing to do that evening.

The Hon. Mr. RIGG asked if the honourable gentleman would agree to adjourn till Thursday.

Hon. MEMBERS.—No.

The Hon. Mr. RIGG said, then he would move, as an amendment, *That the Council, at its rising, adjourn till Thursday*.

The Council divided on the question, "That the word 'now,' proposed to be omitted, stand part of the question."

AYES, 26.

Acland	Kelly	Stevens
Barnicoat	Kenny	Stewart
Bolt	McLean	Swanson
Bonar	Montgomery	Taiaroa
Bowen	Oliver	Walker, L.
Buckley	Peacock	Whitmore
Dignan	Pharazyn	Whyte
Feldwick	Reynolds	Williams.
Holmes	Richardson	

NOES, 4.

Jenkinson	Kerr	Rigg.
Jennings		

Majority for, 22.

Amendment negatived, and motion agreed to.

The Council adjourned at five minutes past five o'clock p.m.

HOUSE OF REPRESENTATIVES.

Tuesday, 9th October, 1894.

First Reading—Second Readings—Third Readings—
Judge Barton Correspondence—Land for Settlements Bill—Audit Office and Public Trust Office—Factories Bill—New Zealand Consols Bill—Native Land Court Bill—Government Railways Bill—Licensing Bill.

Mr. SPEAKER took the chair at half-past two o'clock.

PRAYERS.

FIRST READING.

Ministerial Residences Sale Bill.

SECOND READINGS.

Offensive Publications Bill, Indictable Offences Summary Jurisdiction Bill.

THIRD READINGS.

Offensive Publications Bill, Mining Companies Bill.

JUDGE BARTON CORRESPONDENCE.

On the motion of Mr. DUTHIE, it was ordered, That the further correspondence to date with Judge Barton, being a continuation of Return 169g, be laid on the table.

LAND FOR SETTLEMENTS BILL.

Mr. J. McKENZIE asked permission to move a motion without notice in connection with a resolution come to at an early hour that morning on this Bill. He thought it was necessary this should be brought down, in order that the privileges of the House might be closely guarded. What he asked the House to do was to rescind the resolution come to that morning in connection with the amendments made by the Legislative Council in this Bill. After considering the matter carefully, he thought it was better that this question should be postponed until such time as the question raised as between the two Houses in connection with the privileges of the House was first settled by a Conference, which he understood his colleague would move for immediately. He wished, therefore, to move, That the resolution passed at yesterday's meeting, requesting a Conference on the Legislative Council's message insisting on its amendments in the Land for Settlements Bill, be rescinded, and that the consideration of the message be postponed until the House has dealt with the Council's message insisting on its amendments in the New Zealand Consols Bill.

Sir R. STOUT asked what was the resolution which it was proposed to rescind.

Mr. SPEAKER said that at two o'clock that morning he read a message from the Legislative Council intimating that they insisted on their amendments in the Land for Settlements Bill, which amendments the House had regarded as being an infringement of the privileges of the House. A Conference was unexpectedly asked for; and the Minister, at his (Mr. Speaker's) suggestion, now asked the House to rescind the resolution until such time as the House had considered how it would deal with the numerous other questions of a similar nature raised in connection with other financial measures.

Captain RUSSELL did not offer any objection, but wished to point out that the bringing-down of messages from the Legislative Council, or any other business, when the House was fairly worked out, as it must be at two o'clock in the morning, was prejudicial to the proper conduct of business and to the interest of the country. He therefore again raised his voice against what he must call a scandalous condition of things, under which members were obliged to sit night after night until they got into such a state of exhaustion and confusion that it was impossible to know what was going on. Day after day they found themselves getting more and more into that condition in which it was impossible to know what they were doing, and in which they were unable to give proper attention to the business that they were sent to the House to do.

Mr. SEDDON thought it was only fair, as a reflection was cast by the remarks of the honourable gentleman upon Mr. Speaker, to state that in what they had done at the previous sitting they had only followed the usual custom. Messages came down from the Legislative Council, and the rule was to lay them before the House at the earliest possible opportunity. The moving of the resolution it was now desired to rescind was an oversight, the other Bills not being thought of at the time. There was no harm done, and if it had been done at half-past five instead of at half-past two the same course would have been adopted, and he had no doubt would have been agreed to by the House. He was sorry the honourable member admitted the sad condition in which he was at the present time; but, at all events, he (Mr. Seddon) thought it better that the course should be followed which was indicated by his colleague, and that this question of privilege should be dealt with as a whole, and not piecemeal. There were two or three Bills in respect of which the privileges of the House had been infringed.

Mr. SPEAKER wished to state that the messages from the Legislative Council reached the House when it was in Committee on the Licensing Bill, and he could not communicate these messages until the House resumed. The Standing Orders required that messages from the Council should be communicated at the earliest moment after they were received, which

was done on the House resuming from Committee.

Captain RUSSELL said that nothing was further from his intention than to reflect on anything whatever that Mr. Speaker had done. He had merely complained of the business being conducted in such a way as to compel them to inquire into a question of that sort at that time. It seemed to him a rather dangerous proceeding they were asked to agree to that afternoon. The House came to a resolution yesterday, and they were asked now to rescind a resolution of the House by motion brought down without any notice whatever. He did not think that the honourable gentleman should be allowed to ask the House to do this.

Mr. SPEAKER said it was a matter affecting the privileges of the House, and could come on without notice.

Mr. ALLEN said that surely the rescinding without notice of motion of a resolution passed by the House was something more than a question of privilege. If it were done in one case it might be done in a great many others, and the consequence might be extremely serious. A full House might one afternoon or evening pass a resolution, and the next day or the next morning, in an almost empty House, a motion might be brought on without notice and carried rescinding that resolution. It seemed to him unaccountable altogether, and, as he understood the matter, without the consent of every member of the House the question asking the House to rescind the resolution deliberately agreed to yesterday could not be put. He protested against the proceeding; and whether or not the raising of his voice as a "No" against the putting of the question was of any avail, he did so, and did it deliberately.

Mr. BUCHANAN said any one who had taken a part in the proceedings of the House for any length of time must know that Mr. Speaker followed only the usual practice that morning in communicating the message to the House from the Upper House; but the proper proceeding for the Minister in charge at the time was to move that the message be taken into consideration at some later period — namely, when more members were present, and, presumably, in a fit condition to do business, and not, as was the case that morning, with an almost empty House, and members exhausted. The Premier, in his jocular way, expressed his regret that the leader on that side of the House should have pleaded fatigue as an objection to proceeding with business. The honourable gentleman himself was not easily overcome with work, but any one noticing him for the last two or three nights must have seen the inroads which excessive work and want of sleep were making even upon him. The Premier was often asleep, or only half-awake, when the utmost vigilance was absolutely necessary. He joined with the honourable member for Bruce in protesting generally against such methods of doing business. He did not wish to offer any objections to this particular item, but as a precedent it was a

very dangerous one, and should be discontinued.

Mr. J. McKENZIE did not think there was any necessity for all this indignation on the part of the honourable member for Wairarapa and the honourable member for Bruce. If there was anything wrong in connection with this matter he took the blame of it at once. The message from the Upper House came there, as was stated, at an early hour in the morning, and he got up and moved that Managers be appointed. That was all that was done. On reconsideration of the whole subject that day in connection with the action of the Upper House in regard to this and other Bills, the Government thought it best this motion should be rescinded. He did not think it at all necessary for those two honourable gentlemen to be so indignant over this matter. If they had been kept there until a late hour that morning the honourable member for Wairarapa had a great deal to do with it, and the honourable gentleman was responsible for a good deal of the delay that had taken place.

Mr. BUCHANAN, as a matter of personal explanation, had no objection to the motion. His objections were of a different character; and he would remind the honourable gentleman that he had said nothing at all on the previous night about the Licensing Bill, but had kept absolute silence.

Motion agreed to.

AUDIT OFFICE AND PUBLIC TRUST OFFICE.

Mr. WARD.—In accordance with notice on Supplementary Order Paper No. 83, I desire to move a motion in connection with this matter. The motion is as follows: This House regrets that the Controller and Auditor-General should, under the circumstances which he has related, have regarded himself as justified in suspending the performance of any duties imposed upon him by statute. I think, Sir, that honourable members will agree with me it is regrettable that there have been strained relations existing between the Audit Department and the Public Trust Office Department for some considerable time past. Although I regret that this is so, I do not think that the Audit Department is justified in suspending the responsible duties of audit which are thrown upon that office by statute in regard to any department with which it may for the time being have disagreed. It appears to me to be necessary in the first place for this House to give expression to its opinion that the audit of the Public Trust Department should be continued. I merely wish to point out what has taken place between these two departments during the last few years. In 1891 a Royal Commission was appointed for the purpose of investigating complaints made against the Public Trust Department, and, as a result of that investigation, the contentions of the Audit Department were not upheld. Legislation followed, removing the control of the Audit, and dispensing with some portions of the system then existing, with a view of effecting necessary reform.

Mr. Buchanan

Honourable members may recollect that for the last three years the Public Trust Office system of accounts has been subject to very strong adverse comments from the Audit Department; and, in consequence of this, the Government considered it desirable this session that a Commission should be appointed for the purpose of investigating the complaints as far as the Public Trust Office was concerned. In the selection of gentlemen to perform that duty the Government purposely selected one who was known not to favour this side of politics—a man who occupied a first-class position as an accountant in this city, Mr. Kember. That gentleman was one of those selected for the purpose of making an investigation, together with an experienced accountant from the Government Insurance Department. The result of that investigation has been placed on the table of the House; and that result, which recommended certain changes of systems, did not uphold the complaints that were made against the Public Trust Office by the Audit Department. The special point to which the Auditor-General has taken exception is the doubt cast upon the veracity of the Audit Department official who has conducted this branch of the business of the department. It is, of course, a proper thing for the Auditor-General to uphold an officer of his department, and particularly to take exception to anything in the shape of a charge against that officer's veracity; but, although the Auditor-General is justified in upholding his officers to the utmost of his ability, I do not think it was ever contemplated by this House that the fact of an officer's veracity being called in question should be a sufficient reason for setting aside the important duties which the Audit Department ought to exercise over another department over which audit inspection was necessary. Inquiry into the officer's veracity would be quite right and fair, but the duties of the Audit should not cease on this account. Now, Sir, it seems to me, in connection with this matter, that, as there is distinctly some friction between the Audit Department and the Public Trust Office, it must, in the interest of both departments, come to an end; and I think it would be an easy solution of the difficulty, and is the common practice in other departments, and in the ordinary undertakings of every-day life, that where undue friction does exist some officer should be changed in order to prevent the continuance of that friction. It would seem to me to have been better had the Audit Department changed the officer conducting the Public Trust Office audit business and given a fair trial to another officer before withholding the examination of the Public Trust Office accounts. I do not think—I do not express any opinion upon the question of the officer's veracity, nor reflect upon him in any way—that the course taken by the Auditor-General was a justifiable one, and I only regret that the Controller has thought it necessary, in the interests of his own department, to adopt it. I am of opinion that [the calling into question of the veracity of one of

his officers is not a sufficient reason for withholding the audit of the Public Trust Office accounts. Speaking from my own experience, the Public Trustee is a very able man, a man who devotes himself zealously to the discharge of his duties; and, whatever objection may be taken to his system of conducting the business of his department, he is thoroughly in earnest and is a capable and straightforward man, actuated, I believe, by every desire to do his best for the proper discharge of his important duties. On the other hand, the Controller is an estimable and honourable man, and is, I am sure, animated by the same desire in the discharge of his important duties, and is, I know, anxious to see that the audit of the Public Trust Office accounts should be properly carried out on the lines which he has laid down. But as the result of the Commission's report in 1891 the system of audit was changed by this House, and, that being so, the Audit Department ought loyally and willingly to see that that system of audit was carried out strictly, but without friction. There seems to me not a sufficiency of reasons adduced for a further investigation into the carrying-on of the business of the Public Trust Office, inasmuch as two examinations of its affairs have taken place during the last two years. First, there was the Commission of 1891, which made a very searching inquiry, and recently there was the investigation specially into the accounts of the department. And this is to a large extent a business department, dependent upon the good will and confidence of the public for its support. It is not desirable that the business of a department such as this should be continuously before the country in the way of fault-finding, unless there is something absolutely to justify it; and, if there is justification for such reports about this department, then the officer in control of the Public Trust Office ought not to be continued in the position he fills. I now desire to move the motion notice of which I have given on the Supplementary Order Paper.

Sir R. STOUT.—I understood the honourable member was going to move that the matter be referred to the Public Accounts Committee. You are not going to do that?

Mr. WARD.—No.

Sir R. STOUT.—Then, it is a most unfortunate position for this House to be placed in. Here is this House asked practically to pass a vote of censure on the Auditor-General, without having any inquiry—any evidence or justification. This is simply strangling the Audit Department. What is that department? A department of this House controlled practically by this House. It is beyond the control of the Minister. Its sole duty is to report to this House, and the Minister is not justified in asking us to pass this motion without affording us an opportunity of seeing who is to blame. You are simply destroying your Audit Department. I object altogether to the proposal of the Colonial Treasurer; and I will move, as an amendment, That the whole question of the dispute be referred to the Public Accounts Committee.

Mr. WARD.—You agree that the audit should be suspended in the meantime.

Sir R. STOUT.—What would this suspension mean? Suspension for a week: and there is no harm in that. It seems to me that the honourable member has overlooked the position of this matter, as the suggestion he has made censures the Audit Department, and says that the Audit Inspector should be shifted and a new officer appointed. What will happen if you send a further Audit officer to the Public Trust Office? What would any Audit Inspector expect? That, unless he could make things pleasant for the Public Trust Office, he would be shifted also, and there would be further trouble. I say it is the duty of the House to investigate the matter, and that can only be done by sending it to the Public Accounts Committee, and by the taking of evidence in regard to the whole matter. I am not going to deal with the question of the report of the Royal Commission, or of the report of the accountants who lately examined the accounts of the office. I have not examined fully the last report of Messrs. Todd and Kemmer, but that report is not sufficient to enable one to come to any conclusion as to who was right or wrong on the matter in dispute. But I consider that the whole matter in dispute between the Auditor-General and the Public Trust Office ought to be sent to the Public Accounts Committee, in order that the matter may be fully investigated; and, if the Committee is not sufficiently strong in regard to accounts to deal with the question, then it may be strengthened by adding other members of the House to it who have a knowledge of accounts.

Mr. BUCHANAN.—I think it must be a matter for extreme regret to find the Colonial Treasurer of this colony taking up his present attitude, and asking the House to carry what is practically a vote of censure upon an officer who for so many years has held such a high position, inside the House and outside of it, as the Auditor-General. Had the honourable gentleman done his duty he would have refused to receive correspondence couched in such language as was sent to him in his position as Colonial Treasurer by the Public Trustee. The Colonial Treasurer should know, if he does not, that the dispute as to the auditing of the Public Trust Office accounts on the present occasion is not the only difference which has arisen between the Auditor-General and the Public Trust Office. On a previous occasion the Hon. Mr. Ballance absolutely refused to receive correspondence of the unseemly character now sent by the Public Trustee to the head of his department, insisting that the tone of it should be altered; and the honourable gentleman should have similarly refused to receive such correspondence as is now laid on the table. The honourable gentleman also referred to the Commission which has lately reported on the accounts of the Public Trust Office. Even "the man in the street" could have told him that the report of the Commission would be in the direction of exonerating the Public Trustee and of condemning the Auditor-General. That this would

be so was a matter of confident anticipation amongst all business-men in Wellington who had paid any attention to the subject, and the honourable gentleman should therefore have known that the report would be of the class known as "made specially to order." I regret to have to say so much, but the facts are too notorious to be for a moment in doubt, and many members of this House are perfectly well aware of them. I hope, therefore, that the amendment moved by the honourable member for Wellington City (Sir R. Stout) will be accepted, because I think it would be a flagrant wrong to pass what is practically a vote of censure upon the Auditor-General under the circumstances. I am not for a moment saying that the Auditor-General in this matter has taken the best course that could be followed; I scarcely think that he has done so; but I do say that he is not at all deserving of the censure which would necessarily be conveyed by the passing of such a resolution as this. What does the Treasurer fear from a reference of the whole thing to the Public Accounts Committee, in order that they may examine the whole of the facts of the case from the beginning, and present to this House an authoritative report based on the evidence? It is utterly wrong to ask the House to pass this resolution with no evidence before it except that which is contained in the correspondence which was laid on the table some time ago, together with that recently furnished. I therefore hope the honourable gentleman will agree to the amendment.

Mr. DUTHIE.—I regret, with the Colonial Treasurer, that this very important department, the Public Trust Office, has been so much before the public, which must be disastrous to its success; and, if matters are not very speedily improved, it is impossible to expect that people will make wills putting their affairs in the hands of such an institution, unless it is conducted very differently, and so restores that confidence which is essential. So far as this matter in dispute is concerned, the Auditor-General is a gentleman of high standing and experience, a gentleman of historical repute in this colony, and I have nothing to say about him; yet one cannot shut one's eyes to the fact that, as far as my experience in local bodies is concerned, and in regard to the question of such audit, he is a man of a great many "fads." As a case in point I refer to the experience, in bygone years, in the Wellington Harbour Board. This is only a small matter. The Auditor-General, however, is a gentleman who has conscientiously discharged his duties, and I do not intend my remarks in any manner of censure. I further agree with the Colonial Treasurer when he says that the Public Trustee is an earnest and conscientious man; but I think at the same time—one cannot help saying so after reading his correspondence—that he also is a man full of "fads." His correspondence with the Auditor-General shows him to be an exceptionally contentious, not to say a cantankerous man, unfitted for the position of Public Trustee. A man of that disposition would wreck any office.

Mr. Buchanan

If members will closely follow his train of thought in these letters they must be convinced as to how unsuited he is for such a position. The report of the auditors on the dispute is exceedingly weak; it does not go to the bottom of the question. I think, therefore, the Public Accounts Committee ought to look into this department; and it is the duty of the Colonial Treasurer, in the ordinary course, to give that Committee the opportunity of examining this matter closely, as the public interests at stake are large. That Committee has the best means of investigating it, and I hope the Colonial Treasurer will accept the amendment without making it a party question.

Mr. SEDDON.—There are two questions involved in this matter. The amendment deals with one question, and the resolution of the Colonial Treasurer with another. The amendment is that the matter in dispute as between the Public Trustee and the Auditor-General be referred to the Public Accounts Committee. The resolution of the Colonial Treasurer deals entirely outside of the dispute as between the two departments. It deals with the question which I say is of importance to this House, and which I say should be dealt with at once, because we have the fact before us that a most important branch of the service, one in which the greatest public confidence should exist, is not being audited, and, if that department is to remain for an indefinite period without its accounts being audited, I say that such a state of things should not continue. What would be thought if the whole of our railway service and postal service were allowed to remain without an audit, simply because of a query having been raised as to some particular officer's truthfulness, it having been impugned? If that officer, of his own motion, refuses to audit the accounts, is that department to be allowed to remain unaudited for an indefinite period? I am sorry to say notice has been given that no audit is going on; and the question is, Are we to remain here in our places and not take any action? The Auditor-General is a parliamentary officer; and supposing this had occurred after the end of the session of Parliament, what would then have been the position? I say that officer is not justified in taking upon himself under such circumstances to absolutely refuse to perform the duties which devolve upon him by statute, and which, if not performed, may lead to serious difficulty. That is the position now before the House; and I would also say that the honourable member, in moving the amendment, has admitted, so far as the Public Accounts Committee are concerned, that in dealing with accounts of the nature of these accounts it would, perhaps, be required that the constitution of that Committee should be considered.

Sir R. STOUT.—I did not express any opinion.

Mr. SEDDON.—The honourable gentleman said the Committee would bear strengthening.

Sir R. STOUT.—I said that if necessary it could be strengthened.

Mr. SEDDON.—The Colonial Treasurer stated on Friday that, in his opinion, there should be a Select Committee appointed to deal with the question. That indicates that only such members as would be well up in accounts would be selected for the purpose; and I think, myself, that, of the two courses, it would be preferable to appoint a Select Committee, rather than to strengthen the Public Accounts Committee, as mentioned by the honourable member for Wellington City (Sir R. Stout). In the meantime, however, the Auditor-General has refused to go on with the audit of the Public Trust accounts; and I think Parliament is called upon to take action, and, no matter how unpleasant it may be to us, we have to do our duty. I admit that the Auditor-General is an old and deserving officer, and that he has done good service to the colony. I have for him the highest respect, and I would not be one to cause him any pain; but I say that the course he has adopted under the existing circumstances is a mistaken one.

3.30. And as he has taken this attitude we ought to say that we do not approve of this course. We have a right to do that, and then to deal with the matters in dispute. The Auditor-General is not satisfied with the report of the Royal Commission. There is no doubt that is at the bottom of this. I only say that in the selection of the gentlemen who were on that Commission the Government obtained the fullest information, and were under the impression that they were obtaining men in whom the public would have confidence—that they would be conscientious in the discharge of their duties as Commissioners. I do not, myself, think that the remarks made by the honourable member for Wairarapa are justified. I say they contained reflections cast upon two men of standing, two competent accountants, who had, we believe, gone into this question fairly, impartially, and conscientiously, and had sent in their report to His Excellency. I think, when we have men who perform their duties in that way, it is very hard to have it said in this House, without any proof whatever, that “the man in the street” could have told the House, or its members, what the report would be. I say that expressions of that kind—that charges of that kind that have been made, really are such that at all events we should not approve. A statement has been made by the honourable member for Wellington City (Mr. Duthie), who has told the House, practically, that the Auditor-General is not fit for his position, and that the Public Trustee is not fit for his. That is what the honourable gentleman has told the House. I think he has told us they are both “faddists.” That is a term that might be applied to many honourable members; but will the honourable gentleman tell the House that they are not fit to be here? I say it may be, and sometimes truthfully is, said that our “faddists” are simply advanced thinkers: and, Sir, I think it is just as well that we should have advanced thinkers in the colony. I myself say that both the Auditor-General and the Public Trustee are compe-

tent, and that both men are conscientious; but we cannot have all men cast in the same mould—the same dry, hard, matter-of-fact mould as the honourable member for Wellington City (Mr. Duthie). Of course, we differ in reading these papers, and in reading the correspondence different men will hold different views. Men of my honourable friend's training and way of thought will think as he thinks; others again will hold entirely different opinions. In fact, I undertake to say that if the honourable member for Wellington City and the honourable member for Wairarapa were to discuss this question they would differ entirely in their opinions as to the relative merits of the Public Trustee and the Auditor-General. But, still, that is outside the present question altogether. Regarding the matter in dispute, I say there is no objection whatever to refer it to a Select Committee; but that is outside the question raised to-day in the resolution. The resolution is, “That this House regrets that the Auditor-General should, under the circumstances which he has related, have regarded himself as justified in suspending the performance of any duties imposed upon him by statute.” Sir, what would be the proper amendment or addition? I say it is, “That this House is of opinion that the Auditor-General should resume his duties, and proceed with the audit of the Public Trust accounts.” That could not be refused. The alternative is to withdraw the amendment, and to carry the resolution. In reading it I hope it does not, and I am sure the Colonial Treasurer does not mean that this resolution should, cast any undue reflection upon the Auditor-General. It expresses regret, but I do not think anything could be nicer or milder than that, at the same time pointing out what we believe to have been a mistake. It is an error of judgment on the part of the Auditor-General to have taken the course he has taken. We have a right to say so, and it is our duty to say so. Then, as to settling the dispute definitely between the two departments, we have now the benefit of the report of the Royal Commission. We can place that before the Committee, as mentioned by the Colonial Treasurer, and, at all events, we should not be brought into friction on the two questions. There is matter for inquiry. If the House is not satisfied with the report of the Royal Commission, well and good. Let it go to a Select Committee, and in the selection of that Committee there should be no haste. It ought to be carefully selected, and composed of members of the House who are competent, and who are experts in the particular duty that will devolve upon them. Of course, I take that to be a matter which my friend the Colonial Treasurer would see to on moving the resolution; but in the meantime I think we ought to say that the Auditor-General has committed an error of judgment in suspending the auditing of the accounts of the Public Trust. If this is allowed to go on it may happen that other branches of the service will come into conflict sometimes with the Auditor-General. There is conflict sometimes between

the Audit and the local authorities, but in such a case the Auditor-General would simply apply to this House to protect him. In this case he has simply refused to do his duty, and has told the House that he has not done it; and I say we have a duty to perform, and that is, to tell him that in this matter he has committed an error of judgment. We respect him, and our confidence in him is not shaken, but at the same time there has been an error of judgment committed: in fact, I would say myself he has acted, I think, childishly in this case, and not as I should expect a man with such large and varied experience to act. All the same, we have our duty to perform, and I would ask the House to carry the resolution, and then, with regard to the matter in dispute, to refer that to a Select Committee.

Mr. BELL.—Sir, I am not doubtful, after what the Premier has said, and the way in which the Colonial Treasurer has spoken, that they will see their way to frame this resolution in different terms. The terms in which it has been proposed are such as the House uses to express a vote of censure on one of its members, and, from what they have said, I do not think there is any desire on their part, as I believe there certainly is none on the part of the House, to express anything which might be taken by the gentleman referred to as a vote of censure. That gentleman has been a member of this House. He was the first Prime Minister of the colony. He has served the colony in his present office for, I think, thirty years; and, if he has on this occasion acted hastily and unwisely, we ought not, I submit to the House, to express an opinion in the terms that the Colonial Treasurer has chosen. I am very anxious that this question between the Public Trustee and the Auditor-General should not be used so as to make the Controller and Auditor-General a shuttlecock for the battledoors of the Government and the Opposition. The Auditor-General is an officer of this House—the only officer, indeed, whom this House has outside its own walls. He stands between the Government and Parliament. He reports to Parliament upon the accounts of the Government, and is entirely independent of the Government. On this occasion, a difference having arisen during the session of Parliament between him and a department whose accounts he audits, he has reported the occurrence and asked the direction of the House. This House may give him a direction without the use of terms implying censure. My opinion on the procedure which the Controller should adopt is not of much weight, but I feel bound to express it, as I might otherwise appear to be an advocate of the Audit Department. I do not, myself, think that the audit ought to cease because the auditor is insulted. But this House, as my honourable friend the member for Wellington City (Sir R. Stout) pointed out, will incur some danger if it acts upon a hasty judgment on the matter so submitted to it, because, inevitably, if a quarrel arises between the Auditor and a department, if the Auditor

makes a mistake, and appeals to this House, and the House, at the instance of the Government, immediately rebukes its officer, it will make the officers of the Audit far too careful of giving offence. The Audit officers must necessarily give offence in many cases, and they do give offence. They give offence to the local authorities, to the departments, and to the Government. My honourable friend the Colonial Treasurer must know that between the departments and the Audit constant questions arise, and it is very necessary that this House should not assume hastily that the Audit officers are wrong. I feel bound to admit that both the Colonial Treasurer and the Prime Minister spoke in relation to this matter not at all from the point of view of defenders of the Public Trustee as against the Controller and Auditor-General; and, except so far as the language of the Premier was somewhat disrespectful to the Auditor-General, I should have found no reason on my part to object to what he said. But surely when a question of this kind arises our first duty is to refer it to a Committee. If we proceed to determine it in this way, on so short a notice as has been given by the Colonial Treasurer, and by a resolution, without any inquiry or report of a Committee of this House, we shall be setting a very dangerous precedent. Understand me, I am not suggesting that in this case the matter is one which it is difficult to decide, but the precedent is one which it is dangerous to establish—namely, that where the Auditor-General refers a question to this House, the House should deal with it summarily by resolution, upon the motion of the Government, adversely to the Controller and Auditor-General. Wherever we find reason to differ from the Controller and Auditor-General, I venture to submit to my honourable friends opposite we should do it with the gravest caution, after taking the most careful method of ascertaining what is the exact position. I venture to suggest that something like what was suggested by the Premier in one part of his speech might be adopted by the House—namely, that the motion of the honourable member for Wellington City—that the matter be referred to the Public Accounts Committee—should be passed, with the addition, "That this House is of opinion that in the meantime the audit should be proceeded with." That would avoid any expression of censure, and express the feeling of the House. I should be only too happy to support that; but if it is put in the form proposed by the Hon. the Colonial Treasurer, whether it is so intended or not, it cannot be but that it will convey a censure upon an old and distinguished servant of the colony and of Parliament, which we ought to be very slow to permit. I hope, therefore, my honourable friend will adopt some other language in which to express the resolution.

Mr. WARD.—I may inform the House that there is no intention, in the motion which was submitted, of suggesting anything in the nature of a reflection or that is intended to reflect upon the Controller and Auditor-General. If

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honourable members will look at the correspondence that reached the Government on the 3rd instant from the Auditor-General they will see that he indicated that it was his intention to cease auditing the Public Trust Office until after an investigation had taken place by the House. The communication from the Public Trustee was not received till Saturday at five o'clock, and, that being so, the time at the disposal of the Government was very short. The Government was very anxious to place the matter before the House, and it has therefore been brought up at as early a date as possible. I admit that the time has been very short. The Government would be very sorry to carry anything in the shape of a reflection upon the Auditor-General, or upon any other officer who is discharging his duties. If it is thought this resolution is in the direction of casting a vote of censure on the Controller and Auditor-General, I would suggest that, now I have placed the matter before the House, if some honourable member would move the adjournment of the debate, I would go further into the matter with a view of submitting a modified resolution, as it is very far from my wish to hurt the feelings of any officer in the service. The matter is, of course, a very important one. If members will look at the correspondence it will disclose the fact that the Controller and Auditor-General is not satisfied with the report made on the Public Trust Office by the two accountants selected to report, and the main point on which exception is taken is the reflection on the Audit officer. I make no remark on that matter, further than to say that that is not a good and sufficient reason for withholding the audit of the Public Trust Office accounts. I should just like to say, in connection with this matter, that I think the honourable member for Wairarapa was very unjust to the gentlemen selected. He could not have read the report of those who reported on the Public Trust Office.

Mr. BUCHANAN.—I have read it.

Mr. WARD.—Then, I am very much surprised, because the honourable gentleman stated that "the man in the street" said the report would be made to order.

Mr. BUCHANAN.—Allow me to amend my statement. The expression "the man in the street" was perhaps not the most appropriate term. I did not mean exactly that, and I now wish to say that business-man after business-man in Wellington, in the best position to know, voluntarily came to me and predicted what the nature of the report would be; and their prediction has turned out, I am sorry to say, too true.

Mr. WARD.—The honourable gentleman has, I think, made it rather worse, because he said before that "the man in the street" said the report would be made to order. Now he says that business experts stated that would be so. Now, I invite the honourable gentleman to look at the report sent in by Messrs. Kember and Todd, and he will find they made several recommendations in the direction of changes in the system of the Public Trust Office. The

honourable gentleman says the report was made to order. Now, the two accountants, in the report, made one or two important recommendations in the direction of a change, which were at once assented to by the Public Trustee, and have been carried out ever since. When the honourable gentleman says he was told the report was going to be sent in to order, it would be inferred that it was going to uphold the Public Trustee, whereas in one or two important items it did not do so. On the important complaints of the Audit Office it completely upheld the Public Trustee. I have not met either of those two gentlemen, nor in any way discussed either the department or the report with them, and, this being the case, I think the reflection upon them is unwarranted. All I can say is, that the desire of the Government was to know what the facts really were, and, if the system of accounts was faulty, that we might have it altered. I desire to say, further, the Government has no desire to prevent this matter from being investigated by a Select Committee; and, had the Auditor-General in his last letter, in which he indicated that it was his intention to cease auditing the Public Trust Office, said that he was dissatisfied with the report of the two accountants, and expressed a wish to have the matter investigated by a Committee set up to inquire into the whole matter, the Government would have agreed to it. The Government is anxious that the continual friction existing between the Auditor-General and the Public Trust Office, considering the latter department is an important business office of the State, should cease, and that a proper system should be established. That is all we are anxious to bring about; and the object of bringing the resolution forward was to insure that the audit of the office should continue; and I should then be prepared to move that the whole matter in dispute between the Public Trust Office and the Controller and Auditor-General be referred to a Select Committee to investigate and report to the House, and I am prepared to do that still. I do not think the two matters should be mixed up. The point is, the Auditor-General has indicated to the House, of his own free will, that he has decided to discontinue auditing the department, and I take it the Auditor-General is not justified in telling the House that he will, of his own free will, discontinue what by statute he is called upon to perform. If the matter is adjourned, I will undertake to have the resolution altered in such a way as to insure what is desired by the Government without in any way reflecting upon the Auditor-General, and will endeavour to have the matter finally and satisfactorily settled.

Mr. MILLS.—I move the adjournment of the debate.

Dr. NEWMAN.—I second the motion, and I ask the Colonial Treasurer if he will not refer the matter to the Public Accounts Committee, which all this session has had nothing to do.

Mr. G. W. RUSSELL.—I object to the adjournment of the debate, and I do so because

I think the motion should be entirely withdrawn. That, I think, is the proper way of dealing with the matter.

Debate adjourned.

FACTORIES BILL.

Mr. REEVES moved, That the House disagrees with the reasons of the Legislative Council for insisting on their amendments in this Bill; and that Sir R. Stout, Mr. J. W. Kelly, and the mover be Managers of a Conference.

Motion agreed to.

NEW ZEALAND CONSOLS BILL.

Mr. WARD moved, That the House disagrees with the amendments made by the Legislative Council in this Bill; and that Mr. Seddon, Major Steward, Mr. Bell, and the mover be Managers of a Conference on the matter.

Motion agreed to.

NATIVE LAND COURT BILL.

RECOMMENDED.

480. Mr. SEDDON moved the following new clause:—

"Nothing in this Act shall enable an appeal to be made from any decision upon a rehearing in pursuance of any order for rehearing made prior to the passing of this Act."

Clause added.

Bill reported, with further amendments.

Mr. SEDDON.—I move, That the amendments be agreed to.

Mr. HEKE.—I wish to move, That the Bill be recommitted, for the purpose of adding the following new clause:—

"This Act shall not come into operation until Her Majesty's pleasure shall have been taken thereon, and the same shall have been confirmed by Her Majesty, with the advice of her Privy Council, and a Proclamation of such confirmation having been given shall have been issued by the Governor and published in the *New Zealand Gazette*."

There are two clauses in this Bill which are inconsistent with the Treaty entered into between Her Majesty the Queen and the Native chiefs of New Zealand; and I find that the Royal Instructions to the Governor issued in 1892, clause 6, subsection (5), say,—

"Any Bill the provisions of which shall appear inconsistent with obligations imposed upon Us by treaty must not be assented to in Our name by the Governor."

We have in this Bill two clauses—60 and 61—which are inconsistent with the Treaty I have referred to, and which ignore the rights of the Natives entirely. Article II. of the Treaty of Waitangi plainly sets out that the Natives are to have all rights over their lands, which they may hold either individually or in common, and those rights are not to be disturbed at all. Now, clause 65 of this Bill says that when a survey takes place the costs are to be charged against any land the survey of which has been forced upon the Natives, and any surveyor can force his costs to be paid by the Natives, and,

Mr. G. W. Russell

if not paid, he can apply to the Native Land Court and have a portion of the block sold without their consent, which is inconsistent with the provisions of the Treaty referred to. It does not matter what objections the Natives may raise, as under the provisions of this Bill the costs are imposed upon the Natives, and they have to accept them. It is an indirect sale, without obtaining the consent of the owners; and I presume the reasons I have given form a sufficient ground for asking this House to agree that the Bill should be recommitted for the purpose of inserting the clause I have read. I do not see any reason why this House should have any objection to allowing the clause to be inserted.

Mr. SEDDON.—I hope the honourable member will not press his amendment, as he must be aware that the original Act we are now amending and consolidating by the Bill now before us was not submitted to Her Majesty, and why we should follow the course proposed in the amendment I do not understand. I might also inform the honourable gentleman that this legislation is in the interests of the Native race, and he is delaying the advantage of it being given to them by the course he is suggesting. He must agree, I think, that free-trade in Native land has been detrimental to the race to which he belongs, and, if the passing of this law is to be longer delayed, that relief and benefit which it is designed to give to the Natives will be withheld. This Bill is to benefit the Natives, and, that being so, the sooner it is passed the better it will be for both races. Delays in this case are, I say, dangerous, and I should think the honourable member for the Northern Maori District would have been the last to propose what he has now proposed. He has proposed a very unusual course. I pay every consideration to recommendations made by him, because I feel assured that he desires to do his duty conscientiously, and to do that which at all events he believes to be in the best interests of the Natives. But I think he is mistaken in the course he has proposed, and therefore, Sir, I cannot accept it.

Mr. GUINNESS.—I would point out to the honourable member for the Northern Maori District that he might just as well withdraw the amendment, because under the Instructions which he read it would be the duty of the Governor, if he finds the Bill is one which has to get the Royal assent, to transmit the Bill Home for that purpose, and not to assent to it.

Mr. SEDDON.—It is not a Bill which under the Royal Instructions has to be sent Home. I do not desire to deceive the honourable member.

The House divided on the question, "That the words 'the amendments be agreed to' stand part of the question."

AYES, 39.

Buddo	Collins	Hall
Carnecross	Duncan	Harris
Carnell	Earnshaw	Houston
Carroll	Flatman	Joyce

Kelly, J. W.	Mills	Smith, G. J.
Larnach	Mitchelson	Steward
Lawry	Morrison	Tanner
Mackintosh	Pinkerton	Thompson
Maalin	Pirani	Ward
McGowan	Russell, G. W.	Willis.
McKenzie, J.	Saunders	<i>Tellers.</i>
McLachlan	Seddon	Hogg
McNab	Smith, E. M.	Montgomery.
Meredith		

Noes, 12.

Duthie	Newman	Wilson.
Guinness	Russell, W. R.	<i>Tellers.</i>
Hall-Jones	Stevens	Heke
Mackenzie, T.	Stout	Parata.
McKenzie, R.		

Majority for, 27.

Amendments agreed to.

On the question, That the Bill be read a third time,

Mr. HEKE said,—I wish to enter my last protest against this Bill. Clauses 60 and 61 are clauses which do not do any justice to the Natives at all. These clauses, as I have said, ignore the rights of the Natives, the original owners of the soil, the people who had their rights confirmed to them by the Treaty of Waitangi in 1840. It is only fair for me to say that I intend to raise a protest in reference to these and to other clauses in this Bill. It is my intention to protest against this Bill when it leaves this House, and when it goes before the Council; and should the Council pass the Bill I intend to send a protest to the Governor, and to call his intention to the provision set out under the Royal Instructions of 1892. The Premier said a while ago that this course was not taken in reference to other Bills touching upon Native matters that were introduced into this House in years past. I may inform the Premier that I find a Bill that was introduced in 1862 was reserved for Her Majesty's assent. The passing of that Act, I may say, was a breach of covenant: the Natives were not consulted at all. Now, when Native Bills were introduced into this House after that this course was not taken, and I presume the reason why it was not taken is not that it was not a proper course to take, but that the Native representatives in this House could not understand that some of the provisions that were set out in the different Bills introduced into this House were inconsistent with the Treaty. Now, it is quite clear that under the Treaty all the rights of the Natives are confirmed in reference to all their properties. In the Royal Instructions to the Governor of New Zealand in 1892, under the heading of "Bills not to be assented to by the Governor in Our Name," section 5 says that the Governor has no right at all to give his assent to any such Bill as appears to be inconsistent with any treaty. Now, this is such a Bill. I refer to clause 65A of this Bill. There it is set out that survey-fees stand a charge on Native lands as a mortgage, and under that mortgage the surveyor can enforce it by applying to the Native Land Court, and have a portion of that land cut off and sold as

the Court may direct. When a survey is forced upon any Native land without the consent of the Natives, as set out in clauses 60 and 61 in this Bill, I say that is inconsistent with the Treaty signed in 1840; and therefore it is only fair that such a provision as I had intended to move should have been inserted in the Bill. I will take this opportunity of reading the clause that I intended should be inserted in the Bill:—

"This Act shall not come into operation until Her Majesty's pleasure shall have been taken thereon, and the same shall have been confirmed by Her Majesty, with the advice of Her Privy Council, and a Proclamation of such confirmation having been given shall have been issued by the Governor and published in the *New Zealand Gazette*."

I will say nothing further with respect to that. What I wish to say now is in reference to the pre-emptive-right clause, and the clauses to allow the Government of New Zealand to act as agent for the Natives. In the first

place, with reference to the pre-emptive right, the main objection I have is the unfair prices offered to the Natives for their lands. By way of comparison, I will quote an instance that has occurred in Wai-kato. An area of 500 acres was offered to the Government Land-purchase Agent, and the price he agreed to give the Native was 6s. an acre. The Native, knowing that 6s. an acre was too small a price for that land, inquired whether private individuals were willing to buy it; and private individuals were willing to give him 30s. per acre for the same 500 acres for which the Government officer offered 6s. an acre. The whole price, at 6s. an acre, would be £150. By way of deduction I find that the survey costs of 500 acres would be £41 13s. 4d. This amount would have to be deducted from the £150 which would be payable to the Natives should they desire to sell, leaving a balance of £108 6s. 8d. In sales to the Crown of Native lands I understand that the survey cost is the only item deducted. Then, I will come to the same 500 acres at 30s. an acre, and I find the Natives would receive £750 at that price. Deducting survey costs, you would have a balance of £708 6s. 8d. Then, there is another item which would have to be deducted, by way of stamp duty, at 10 per cent. on the whole sum. That charge for stamp duty would be £75. Deducting this amount, it leaves a balance of £633 6s. 8d. Assuming the moneys to be paid to an interpreter to be five guineas—which, I think, would be quite sufficient to meet the case—deducting five guineas, you get a balance of £628 1s. 8d. Allowing 10 per cent. on the whole for the agent who negotiates the sale, amounting to £75, if you deduct this you get £553 1s. 8d. Then, I have given £50 to be deducted for solicitors' fees, which leaves a balance of £503 1s. 8d. Then, under the heading of "Miscellaneous" I allow £50. Deduct £50 from £503 1s. 8d., and you have £453 1s. 8d. On deducting all these sums you get a balance of £453 1s. 8d., which the Native owner will get

for his land. Reverting again to the Government purchase at 6s. an acre, after deducting survey costs the Native gets a balance of £108 6s. 8d., which, compared with the other, shows a difference of £344 15s. I think it is very unfair, when the Natives can stand on the off-chance of getting a large price for their lands, that they should be prevented by such clauses as are introduced into this Bill. The intention and desire of members of this House are no doubt good, and perhaps the Premier's intention may be to promote the welfare of the nation. I can quite conceive that; but, at the same time, I can quite see that, although wishing to carry that intention out, he is blinded to the fact that the Natives will not receive the benefits from any negotiations that may take place between them and the Government.

An Hon. MEMBER.—Why?

Mr. HEKE.—It is only natural, when one person is appointed by law to buy property, that he can command the market values as he pleases. In reference to the Government acting as agent, I wish to say this: that the expenses that may be put upon the Natives in reference to this procedure would be something enormous. We find all the expenses of laying out roads and the construction of roads have to be borne by the Natives themselves. Now, expenditure of this kind in regard to Crown lands is paid for by the State. And not only that, but we have to pay for the Government acting as agents. There are other incidental matters that will tend to increase the expenses in reference to this procedure; therefore, by the time all this is finished and done with, the Natives will get just a paltry sum for the sale or lease of their lands. If it is the desire of the House to bring forward any measure that may be for the benefit of the Natives and Europeans as a whole, they should try and introduce into the Native Land Bills all the necessary safeguards to prevent such practices. I do not wish to say that the Crown and private individuals are the only persons who wish to try to "do" the Natives out of all their rights to any purchase; I can conceive there are some Natives also who might be found trying to work a point against their own fellow-Natives. That I quite admit. With reference to the system of appointing Native Committees to act on behalf of the Natives: We have several instances where the Committees appointed have given a transfer of land, depriving all their fellow-owners of their rights in reference to the land they sold. To prevent that, you must have any transaction to be negotiated made public before all the Native owners and members of any tribe who may claim an interest in any block that the Government or a private individual may wish to obtain. By carrying on negotiations in public you will prevent a recurrence of the sharp practices of the past, and those that are going on at present. In conclusion, I must say that it is my desire to see fair play done to the Natives as far as possible. Looking at the Treaty made between Her Majesty and the Native chiefs in 1840, that

Mr. Heke

Treaty should be respected and acted up to. Are we to believe that our parents were deceived by Her Majesty the Queen? It appears that such was the case. When you look at the action of the Government and compare the provisions of this Bill with the Treaty and the Royal Instructions to the Governor of New Zealand you cannot come to any other conclusion. If this Treaty is not acted up to, or if it is ignored by Her Majesty's European subjects in New Zealand, I wish to say that it will be my desire to raise a test case in reference to the whole thing, and the sooner the Natives are given to know that the Treaty is not worth anything at all the better it will be for them. I would protest against this Bill being assented to by the Governor. I wish honourable members may consider hereafter, in reference to any Native Bill introduced into this House, that the wish of the Natives ought to be acceded to, at least in allowing them to have a voice in reference to their lands being encumbered with charges such as set out in this Bill.

Bill read a third time.

GOVERNMENT RAILWAYS BILL.

Adjourned debate on the question, "That the amendments made by the Governor in this Bill be agreed to."

Mr. SEDDON.—I beg to move, That the first amendment be agreed to.

Dr. NEWMAN.—Is this to take away from the railway servants all rights they might have as Civil servants?

Mr. SEDDON.—It gives them all the rights they had at the time they came under the Railway Commissioners.

Dr. NEWMAN.—But that was not in the Bill. I think it is a most unjustifiable and ungenerous course to take. We pay these people just in the same way, and out of the same funds, and most of them have the same salaries as before they were placed under the Railway Commissioners; and, although the Premier declares that they have forfeited their rights as Civil servants by coming under the Railway Commissioners, they were not in a position to do otherwise at that date. They were told, in effect, "You are either to give up your positions and go out into the streets or take service in the manner we propose." They only accepted those terms because no other terms were open to them. The manner in which they were compelled to accept them was no better than that of the highway robber, who presents a pistol at your throat and orders you to give up your money. They had no alternative; and the course which the honourable gentleman ought to have taken is exactly the same course as was pursued when the Government Life Insurance was taken over from independent control as an association. On that occasion all the Civil servants in the employ of that department had their time counted while they were under the association, and when the company was abolished they again became Civil servants, and had all their rights restored to them. All the time they

were in the Life Insurance Department was counted to them just as if they had remained in the Civil Service without interruption. I take this case because it is the last change of the kind that we have had; and I maintain that, when these people took office under the rules of the Civil Service, they were entitled during good behaviour to continue in that position; they should have all the rights, and they should have all the compensation, and they should have the retiring-allowance and other privileges just the same as the Civil servants. Directly they were put under the Railway Commissioners, it is contended, they forfeited all those rights. I ask this House—and I hardly think there is a member of the House who is not interested in the question—whether it is fair to say, because during five and a half years these men have been employed under the Railway Commissioners, they should be debarred from the Civil Service, and not be put back into their proper position. Why should they not be, simply because the House said that henceforth, instead of having three Commissioners to control the railways, they should be controlled by the Minister for Public Works? What is the position of these gentlemen? They are paid out of public moneys: and now, because the House has seen fit to terminate the rule of the Commissioners, they are to be put back into their former positions, but at the same time they are to be told that all the time they have been under the Commissioners is not to be counted. I contend that is a great injustice to a great number of men. I was surprised, when the honourable gentleman was moving in this matter the other day, that he said that there were certain salaries to be paid which, if there were no Commissioners, would not be in accordance with the rules of the Civil Service. But that matter could be settled, and it is not fair or just that these Civil servants should be deprived of all retiring-allowance. These men, before they came under the control of the Railway Commissioners, were entitled to retiring-allowances and all the other privileges which were granted to Civil servants; but now the honourable gentleman suddenly proposes to deprive them of all those advantages. I ask the Premier, when he is replying, to say why, seeing that the Government Insurance people were restored to all their rights after the association ceased to exist, these railway servants should not also be restored to the rights they formerly enjoyed. I say this House will be breaking faith with these gentlemen if it does not restore to them these rights.

Mr. SEDDON.—It was in 1887 the thing was done, not now. It was when the Government Railways Act was passed.

Dr. NEWMAN.—As to that point, I quite agree with the honourable gentleman; but why, if an injustice was done them then, should an injustice be done them now? I hope the honourable gentleman will, on second thoughts, withdraw this message, or bring down an amending Bill. Why should a distinction be made between the two cases I have mentioned?

Mr. SEDDON.—Why not place all the railway servants in the Civil Service?

Sir R. STOUT.—Why not?

Dr. NEWMAN.—If the honourable gentleman wants to know why they should not be, I am with him. Why should not the men in the Government Printing Office, and, in fact, every one who has been employed by the State for a considerable time, not become Civil servants?

Mr. GUINNESS.—Why not the police?

Dr. NEWMAN.—I agree with the honourable gentleman. Why should not they also? Why give rights to one class of servants and not to the others? We should extend these rights to all of them; and I think if the honourable gentleman did so he would give wide satisfaction. I do hope other honourable gentlemen will urge the Premier to change this clause, which certainly has much unfairness about it.

Mr. J. W. KELLY.—I do not think it is a question whether the whole of the railway servants should be placed in the Civil Service or not; but I think it is a question of maintaining the rights they had as Civil servants when they entered the Civil Service of the colony, and I think it is only just that the conditions on which these men entered the Service should be preserved to them. No matter how much we may object to the terms of the agreement, the State should religiously keep its part of the contract; and, on these grounds, I shall support the honourable member for Wellington Suburbs in any step he may take to assure to these railway officials such rights as they had as Civil servants upon entering the Government service.

Sir R. STOUT.—I understood the honourable gentleman was going to withdraw this message, and that a new message was coming down to make another alteration in the clause.

Mr. SEDDON.—What I said previously was that the matter was before the Law Officers, and from the consultation I had had with the Law Officers I was under the impression that I should have to withdraw this message and bring down another; but one of the Law Officers half an hour ago informed me that, after carefully going into the matter, it was seen that it would not be necessary.

Sir R. STOUT.—I understood the position was simply this: By the Act of 1887 all the railway servants were in the Civil Service, and they were taken out of that Service and transferred to the Commissioners' service; and it is now proposed, in this Bill, to take them from what is practically the Commissioners' service and put them back into the Civil Service—that is, into the position they were in before. I think that would be perfectly fair. Now, however, it is proposed to strike that provision out of the Bill, and to treat these people as if they still were under the Commissioners, and were not really under the Ministers of the Crown, and not to restore them to the Civil Service again. The fair thing is not to accept the first amendment of the Governor—namely, that in subsection (3) of clause 4—but let the Bill stand as it is. I understand the amendments are to

be put separately, and I therefore ask that the amendment in clause 4 be not agreed to. As to clause 12, the amendment there is a necessary verbal amendment, which, of course, the House will accept. The whole point turns on this: As to whether the servants who were in the Civil Service before the Commissioners were appointed are now, when the Commissioners are to cease to have control, to be put back into the Civil Service, or whether they are to remain in an anomalous position. The position would be that they are to be treated as if the Commissioners had remained in office. I do not think that fair. As to the other point, the right of the railway servants to be made Civil servants, I do not see why they should not be. Every servant of the Crown is practically a Civil servant, and there should be no distinction between one class of Civil servants and another class. I do not see why the railway servants should be put under any disability whatever.

7.30. Mr. MITCHELSON.—What I intended to do at the dinner adjournment was to ask the Minister in charge of the Bill to adjourn consideration of the Governor's message until the honourable member for Wellington City (Mr. Bell) was in his seat. I should like to say that I do not think the Premier intends doing justice to the railway servants by the manner in which he proposes to treat them in the amendment now before the House. It is not at all reasonable or just that one portion of the service of the colony should be considered Civil servants and another railway servants. I think the course the Government should adopt is the same as that pursued at the time when the Government Insurance Bill was passed in 1886, when the Government Insurance Department took back into the Civil Service those officers who had previously been in the service of the Insurance Board and reinstated them as Civil servants. Seeing that the Bill which was passed in 1887 conserved the rights of Civil servants up to the time that they took office under the Commissioners, I think, the House having decided to take the railways back, all the Civil servants who served under the Railway Commissioners should be considered Civil servants of the colony; and I see no reason why the Government should attempt to treat the servants of the railways, now that they have reverted to the Crown, in a different manner from those of other departments.

Mr. BELL.—I desire to explain that when this notice of motion was called on in the afternoon I was absent as one of the Managers for the House on a conference with the Council. The Bill in the form it passed through the Legislature this session, I submit to the House, did justice to the railway servants; and the House is now asked, by Governor's message, to amend that portion of it relating to railway servants in such a manner as, I submit, would not be fair. I wish to put the matter as clearly as I can before the House, because I feel sure the House desires to do what is just and fair with regard to these men. As I

have said on two occasions, this is not in any sense a party question. I wish to submit what I conceive to be the fair position, and I ask the House to reject this amendment proposed by the Governor, on the ground that the resolution which the House itself arrived at in the Bill was fair, and that this is not fair. When the Government Railways Act of 1887 was passed it was provided that the servants should retain such rights as they had in the Civil Service at the date of their transference to the railway service: that is to say, if they left the Civil Service and entered the railway service they remained entitled to such compensation for loss of office as they were entitled to on the day they entered the railway service, and no more. Any service in the railways did not count as service in the Civil Service. They obtained compensating advantages from their transfer to the railway service: that is to say, they had a more permanent form of office, and were not subject to political control of any kind. What I specially ask the House's attention to is that the Railways Act of 1887 in this respect precisely follows the precedent of an exactly analogous case in 1884, in regard to the constitution of the New Zealand Life Insurance Association. The officers of the Government Insurance were, by the Act of 1884, transferred to the service of the new Insurance Board. They retained their rights, but their rights did not grow under the association. Now, neither the constituting of the New Zealand Life Insurance Association by the Act of 1884 nor the constituting of the Railway Commissioners by this House in 1887 was at the instance of the Civil Service. It was the policy of the Legislature which transferred them from their position as Civil servants to a position under the Insurance Board in the one case, and, in the case of the railways, to the Railway Board. The Legislature, in both cases, recognised that it could not compel them to transfer their service, and they remained entitled to the compensation they were entitled to at the time each Act was passed. This change of service was created, not by the servants, but by the policy of the Legislature. When, in the year 1886, the Insurance Board was dissolved and the Insurance Department was returned to the control of the Government, the Legislature inserted a provision exactly similar to that which the House and the Council inserted in the present Railway Bill. That is to say, we said, in 1886, "It was our act which transferred you from the Civil Service to the Insurance service; it is our act which puts an end to that service, and puts you back as Civil servants. We will restore you to the same position as if you had remained Civil servants all the time." What was done in 1886 was surely fair. Parliament tried an experiment at the cost of the country, and possibly at the cost of the policyholders, but it did not try it at the cost of the Service. When Parliament found it necessary to put an end to the service which it had previously constituted, it returned those gentlemen to the same position, no better, no worse than they would have

Sir R. Stout

held if Parliament had not tried the experiment. Again, in passing the Government Railways Act we created a separate Board, and we transferred the Civil servants then in our employ to the employ of the Railway Board. The Legislature now says, "That experiment has failed; we are going to resume the control of the railways, and you will again become Civil servants." Neither the creation of the Board nor its extinction was the act of the railway servants; and it seems only just, now Parliament has determined that the experiment has been a failure and has resolved to constitute the railway service again a branch of the Civil Service, that we should say to the men, "You shall be in the Civil Service to-day as you would have been if that Act had never passed—no better, no worse." The position is this: If the Act of 1887 had never passed they would have remained Civil servants until to-day. That is the position which they ought now to occupy. The alternative proposal of the Premier is to leave them as the Act of 1887 left them—that is to say, to leave them in the railway service, notwithstanding that they have again become Civil servants, with no other rights than they had in 1887. I ask the House to compare the position of these men with that of those who in 1887 were working side by side with them in the Public Works Department. The men who remained in the Public Works Department are Civil servants to-day, with the increased right which has accrued to them since 1887; whilst those who were transferred to the service of the Railway Board remain as railway servants, with no rights for the service since 1887, and no rights for any service to be rendered hereafter. If it be answered that they have had increased salaries, or some other adventitious emolument, that ought to be proved to the satisfaction of Parliament; it ought to be proved to this House that there has been an additional advantage to each of them sufficient to compensate them for the loss which they have sustained by the experiment which Parliament has tried, before Parliament places them in a position unlike that occupied by others upon whom the experiment has not been tried. Honourable gentlemen will remember there were two branches of the Public Works Department—one the constructive and public works, which has remained unchanged until to-day; the other the working railways branch, created a separate department, taken from political control, and placed under the Board. These two branches of the same department will be in a different position to-day, if the Minister's amendment is carried. The men who remained in the Public Works Department will have the rights which will have accrued to them from 1887 to 1894, and the rights to accrue by future service; and the other men, retained in the same service, will find themselves debarred of all the rights that have accrued or that might hereafter accrue. I venture to submit that when we find it necessary to make an experiment of the kind, and afterwards find it necessary to put an end to it, we ought to be most careful that the coun-

try, and not its servants, should suffer. I hope I have put the matter fairly, and I submit that the amendment ought not to be carried.

Mr. HOGG.—Sir, I think there is very great reason for supporting the amendment proposed by the Premier. I am quite well aware that very powerful arguments can be brought to bear to show that officers of the Railway Department should be placed precisely in the position they occupied before the railways were placed under the control of the Commissioners. But then, on the other hand, you must consider this aspect of the question: The railways do not pass from the hands of the Commissioners until the end of the present year; and for that reason alone I think it would be somewhat premature for an alteration of the kind proposed to be made at this stage. The officers of the Railway Department will keep in a tolerable state of preservation until this time next year, and I do not think they will suffer materially if their present position in the service of the colony up to that time remains unaltered. In the meantime Parliament will have something to guide them, and members of Parliament will be able to consult their constituents, who are really the people most interested in a question of this character. It is all very well to shed the last drop of your brothers' blood, for the taxpayers of the colony are those who will have to defray the emoluments which are paid to those occupying positions in the public service, and we ought to consider the taxpayers just as much as we consider those particular officers. I will ask honourable members to look at the matter in this light, again: During the period that the Commissioners have had the control of the Railway Department they have been making promotions; they have altered salaries, and have made new appointments; and I should like to know if the officers who have been appointed by these Commissioners are to occupy the position of Civil servants. It is only fair that whoever may be appointed Minister of Railways or appointed to have control over the railways should have a tolerably free hand. He will no doubt have to keep down expenditure, and make the railways as remunerative as they were during the term of the Commissioners, and I say, therefore, it is only fair that he should have a voice on this question. For that reason I think the proposal that the officers should be placed in the position they occupied some years ago is somewhat premature. But there is another very large consideration, and that is this: Here is now an opportunity of dealing fairly with an important branch of the public service, and I would appeal to honourable members, especially those who are here as the representatives of labour, whether this is not a right time for considering whether it is simply the well-paid officers who are enjoying large salaries that are to receive all these benefits, or whether those receiving various rates of pay are to be placed on exactly the same footing. I think there ought to be no material difference made between the highly-salaried officers and such men as the plate-

layers, the permanent-way men, and the porters. These men have frequently to perform arduous services, and undergo not only hard work but long hours. I say these men are clearly as much entitled to retiring-allowances, or any of the other benefits conferred by the Civil Service Regulations, as the officers. Now, we know what has been the system under the management of the Commissioners, and what have been some of the chief charges brought against the Commissioners during their term of office. Has it not been said that they have selected certain officers who have had their salaries increased from year to year, and increased to a much greater extent than would have been the case had they remained under the control of a Minister? Is that not the case? Then, on the other hand, have not officers been passed by without any increases of salary whatever, while other officers, who have been receiving tolerably large salaries, have had their salaries increased considerably for the last four or five years? But what do we find with regard to the men in the railway workshops—the platelayers, and the men employed on the permanent-way? Do we not find that every opportunity has been seized for the purpose of reducing the men's wages, first from 9s. to 8s., then from 8s. to 7s., and even from 7s. to 6s. a day? And the Commissioners have gone beyond that. Taking advantage of the troubled state of the labour-market, when they have seen a chance of doing so they have replaced many of these men by boys. I say, we must consider this matter seriously, and place those employed in the service on a fairly equal footing. I hope honourable members in voting on this amendment will give the Minister of Railways an opportunity of considering the alterations to be made. In the first place, whoever is to be the Minister of Railways should be afforded an opportunity of fully considering the alterations that may be found necessary in the machinery, and in the next place we ought to be allowed time to obtain the opinion of the taxpayers of the colony on this very important question.

Mr. BUCHANAN.—Sir, the honourable gentleman who has just sat down has told the House, and very properly, I think, that what we have to consider on this question is the people of New Zealand. I quite agree with him in that; but the question therefore is, whether we can best do this by paying our railway staff at such rates as shall give to the people of the colony the best value for their money. The Colonial Treasurer has made an announcement to this House that a certain gentleman had been appointed President of the Bank of New Zealand at a salary of £2,250—a very handsome salary indeed. But I say that the salary, although handsome, is not at all too high provided the colony has secured the right man in the right place. The same considerations necessarily apply to the railway service of New Zealand, and I do not suppose that any thinking man in this House will say for a moment that we have the right to have the right man in the right place unless we are

able to compete for the right class of men in the open market by offering them a rate of pay which shall compare fairly with what they can obtain elsewhere. That is the whole question. The honourable member for Masterton dwelt upon the hardships of the men who do the platelaying, and who have to fill subordinate positions in the railway service. These men have just as much right to be fairly considered by this House as the highest officers in the railway service; but this motion will not in any way help to attain that. On the contrary, we shall run the risk of depriving the railway service of New Zealand of its best officers, and we cannot do that without detriment to every class of the service.

An Hon. MEMBER.—No.

Mr. BUCHANAN.—The honourable gentleman says "No," but this must remain a matter of opinion. My opinion is that this motion will not be conducive to the welfare of the railway service, and I shall therefore be compelled to vote against it.

Captain RUSSELL.—Sir, the question has been summarised in so judicial a manner by the honourable member for Wellington City (Mr. Bell) that there is really very little left to say on the subject but this: that there was a large number of officers, when the Government Railways Bill was passed, who held the dual positions of Postmasters in country towns in the colony and also Railway Stationmasters, and these persons were virtually compelled to leave the Civil Service of the colony, in which they had rights accrued, in order to enter the service of the Commissioners. I may be told that such was not the case; that they had an option: but practically the result has been that many of those officers have been compelled to give up their positions as Civil servants in order to remain in the service of the Railway Department. I know many of those gentlemen have felt very much aggrieved at the position they find themselves in, inasmuch as under the Post Office classification scheme they would now be receiving far higher salaries, and would occupy better positions, with far less onerous duties, than they have occupied in the railway service, and these persons, if the motion of the Premier is agreed to, notwithstanding the hardships they have suffered in extra work on lower salaries, will be debarred from deriving the benefits which would have accrued to them had they been so fortunate as to remain in the service of the Post Office. What reason can there be that these servants of the Crown should be treated differently, whether they are called servants of the Post Office or servants of the Railway Department, from the remainder of the Civil Service? I can see none at all. To me it is perfectly clear that we owe a duty to the Civil servants, whatever grade of the service they may occupy; and I shall be only too happy to consider the question put forward by the honourable member for Wairarapa, that all classes and grades in the Railway or other departments of the Service shall have the same consideration extended to them relatively with the higher grades of the Ser-

Mr. Hogg

vice in being treated as Civil servants. But I would point out to the House that we who have objected to handing over the railways again to political control are now being justified in the opinions we held and expressed before the Railways Bill has become the Railways Act. For even here we are discussing the question of the grievances of the men before the Act has come into force. All those evils which we have predicted from the political control of the railways will come showering upon us in the very next session of Parliament. I repeat, Sir, here we are discussing the grievances of the railway servants before the Bill has become law, and I say that year after year we shall find that the servants of the Railway Department are to be treated in a manner different in many essentials from other services of the colony. And therefore, if we place the railways under the management of a Minister, we shall have all those difficulties and grievances cropping up every session, and Parliament will regret that we ever placed them again under political control.

Mr. SEDDON.—I think, Sir, that the remarks of the last speaker should be quite sufficient to cause honourable members to vote for this amendment. The honourable member has said that there is a difference of opinion on the floor of the House as to the requirements of the railway servants and the best way in which they can be attended to, and on that account he says it would be better if we had allowed the railways to remain as they were. Well, that is exactly what the amendment does. It places the railway servants exactly where they were under the Railway Commissioners. The honourable member for Wellington City (Mr. Bell) has evidently not read the amendment.

Mr. BELL.—They are made Civil servants.

Mr. SEDDON.—They are not made Civil servants there—they are simply servants of

8.0. Her Majesty. My honourable friends who are members of the legal profession will understand the difference. I myself am rather pleased than otherwise with the objections that have come from the Opposition side of the House, because it will be the means of making a number of friends in favour of bringing back the railways to the people. I say that this difficulty must be met, and, if it is not met now, we shall have further trouble later on. The honourable gentleman who last spoke voted against Parliament taking control; and, Sir, if he had been successful in this, would those men whose rights he is now advocating have come into the Civil Service—that is, if the railways had remained under the Commissioners? He was quite content to leave them with the Railway Commissioners; and now, as soon as the Government has resumed control, he tries to force further expenditure upon the colony. It is quite clear that the Opposition are now trying to prove that Parliament, in taking over the railways, has made a mistake

Mr. BELL.—It is not fair to the servants to put it in that way.

Mr. SEDDON.—I must put it to the House in the way I believe correct, and the position is clear that by a majority of this House Parliament has now agreed to take over the railways. Those persons whose rights have been so ably advocated by both the members for Wellington City and Wellington Suburbs and the members for Eden and Hawke's Bay had absolutely lost their rights as Civil servants by being under the Railway Commissioners since 1888; but it is a matter of history that it was the Conservative party who, by the Railways Act of 1887, took away those rights. The next question is this: When a majority of members here carried an amendment to bring back the railways to the people, did we do it on the understanding that a much larger increase of expenditure should be incurred, and that these men should be placed in a better position than they were in at the time of our taking over the railways? What we have urged all along is this: that there should be an equality, and that there should not be the distinction that has occurred, and that there should not time after time be an increase in the salaries of the highly-paid officers, whilst those who were really doing the work were receiving no increase at all. I was more than surprised at the sympathy shown with this class of servants by the honourable member for Eden, who said, "I think we are not doing these men justice." Who was it that passed this Act in 1887? I refer honourable members to the following section of "The Government Railways Act, 1887." That Act was introduced by the honourable member for Eden, who was then Minister for Public Works, and subsection (4) of section 62 reads as follows:—

"(4) All persons in the employment of the Government in the railway service at the time of the passing of this Act shall, subject to the provisions of this Act, be deemed to have been appointed or employed by the Commissioners under this Act, and such of them as shall then be in the Civil Service of the colony shall cease to be in such service."

Who passed this Act? If an injustice has been done, the honourable gentleman and the majority who supported him in this House were those who did the injustice. At the same time the honourable member for Wellington Suburbs stated—and it is quite true—that those of the Civil servants who did not desire to enter the Railway Commissioners' service could have left the railway service altogether, and could have received compensation. The honourable member used these words: He said, "It was just the same as though a highwayman placed a revolver at your head, and said, 'Stand and deliver.'" Therefore these servants did not voluntarily surrender their rights on entering the service of the Railway Commissioners. The fact of the matter is that they surrendered their rights when they entered the Commissioners' service, and they have been there from 1888 till the present time. I shall show that, though there may be something in the honourable member's contention that, though a man had no option, his rights on that date were con-

served, and that if he had left the service he would have been paid his compensation and other allowances up to 1888,—yet from that date forward he would receive nothing except what was provided under the regulations of the Railway Commissioners in respect to retiring-allowances. In respect to retiring-allowances, I might say that these allowances under section 76 of the Government Railways Act are not so liberal as those under the Civil Service Act, which members are perhaps aware of, and if they look at the amendment they will see that what I propose by this amendment is to keep the railway servants who were in the service prior to 1888 in exactly the same position as they were in when the Railways Act was passed. The clause referred to is as follows:—

“The rights of all persons, whether absolute or contingent, who at the commencement of this Act were in the Civil Service of the colony, and who by virtue of this Act shall be deemed to be in the service of the Commissioners, shall, as regards claims for compensation for loss of office, or otherwise in respect thereof, or for superannuation allowance, be and the same are hereby preserved up to the time when they entered the service of the Commissioners.”

It is necessary to pass this amendment because in the event of the Railways Acts being repealed these rights would have to be conserved to them; but I say it is not the desire at the present time that we should go further, and as the Bill stands at present it means that not only were their rights conserved since 1876, but during the whole of the time that they have been in the service of the Railway Commissioners. It was never intended by this House that this Bill should be retrospective and cover the six years. Honourable members will ask, “How has this come about?” It came about in this way: When the amendment was proposed by the honourable member for Dunedin City (Mr. Pinkerton)—I refer to the amendment in Part III. of the original Bill—when that was under consideration the Railway Commissioners wrote to me and called my attention to Part III. as it then stood. The communication I received was from Mr. McKerrow, the Chief Commissioner, and it covered this letter from the Secretary:—

“If the proposed clause in Part III. of the Government Railways Act Amendment Bill, which is also incorporated in Mr. Pinkerton's proposed amendment, to place the railways immediately under the control of the Government, is carried in its present form, a large number of the railway employés will be seriously affected. By the operation of ‘The Government Railways Act, 1887,’ section 76, the rights of all persons who were at the commencement of that Act in the Civil Service of the colony were preserved up to the time they entered the service of the Commissioners. The proposed clause apparently proposes to replace such persons again in the service of Her Majesty without continuing to them the rights which they had earned prior to 1889, and under which they entered the service originally.”

Mr. Seddon

Upon receipt of that, some amendments were submitted, and I concluded that they would not go further than was necessary to secure the rights of the railway servants since 1876, and I gave instructions to make the proposed amendments. I found subsequently, however, that this amendment went very much further, and covered the time that these officials had been serving the Commissioners. It is quite true, if I had examined closely the letter which accompanied the amendment, I should then have seen that this was proposed; but I am sure it was never intended by the House; and it was only when the honourable member for Wellington City (Sir R. Stout) called my attention to the point, after the Bill was reported from the Council, that I looked into it myself. I then found that an error had been committed, and I considered it my duty to take the House into my confidence, and have the matter put right, and in the position that was, I believe, originally intended. I will do Mr. McKerrow the justice to say that his note is as follows: “As I do not suppose it is the intention of the Government to in any way curtail or deprive officers of rights already accrued, I would respectfully ask you to see that provision is made for the conservation of those rights.” As I have said, the amendment went very much further than in the direction of conserving the rights of these servants which had accrued at the date they accepted office under the Railway Commissioners.

Sir R. STOUT.—It does not do that.

Mr. SEDDON.—It was never intended, but it does, and this amendment will make it clear, and we shall only conserve their rights up to the time of the coming into force of the Act of 1887. That is the intention of the amendment, and it will leave the whole of the railway servants in the position that they were in at that time; and, as they have been in the railway service, it is only fair, I say, that they shall have no superannuation allowances and no retiring-allowances, but shall be in the same position as if they were working side by side with those who have entered the railway service since the Commissioners have had control. I consider that there should be no distinction, but that they should be put in the same position, in order to save friction in the railway service. This amendment will save friction; and I say that we ought to keep our railway service on the one footing, and, if you do not do that, then there will be trouble with the Minister and with the Government as between the two classes of servants.

Mr. EARNshaw.—Why not make them all Civil servants?

Mr. SEDDON.—The honourable member says, “Why not make them all Civil servants?” I will give a very good reason why. The reason why is this: that if you commence with the whole of the railway service, and then leave out the other branches of the service—

Sir R. STOUT.—Do not leave any out.

Mr. SEDDON.—Then, I say you cannot in a Railways Bill make the whole of the Government employés of this colony Civil servants.

If we are going to deal with the question at all, it requires to be dealt with by a Bill specially designed to embrace in its operation every class of men who work for the Government. That is what is required if effect is to be given to the suggestion made. Now, I will show you why it would be an injustice to those who remain as Civil servants were we to do this in respect of those who have been employed on the railways. It has been urged that the Stationmasters who have remained in the railway service have received less than the same class of servants who entered the postal service. It is quite true that there are cases which, with comparison, will show that those who remained in the railway service are not receiving more, and in some instances are receiving less, than those who entered the postal service; but, in respect to a great many men, if you compare the salaries now paid them with those paid to others in the Civil Service, you will find that the increases in the railway service have been greater than the increases granted to those in other portions of the service of the colony. I could give cases in point, but I do not think it necessary that I should do so on the present occasion. I might ask honourable members to take last year's estimates, when the Commissioners had control, and we used to receive the estimates *in globo*, and vote them *in globo*, never noticing the increases. We knew nothing of them really, but there were sixty-two increases in the estimates of this session, going up from £10 to £100—that is, sixty-two cases in which increases were granted. I do not say that they were not proper promotions; I do not say the increases were not warranted; but I say they were made, and the difference is such that it would be unfair to the rest of the service if we without inquiry pass the Bill as it went from this House. I say it would cause friction, and that we should not be warranted in doing it. It has not been mentioned, but who are the servants that will be benefited if we bring them in as Civil servants, and restore to them the rights from the time they left the Service up to the present time? Why, Sir, it is the Stationmasters and the clerical branch of the service. It is to those only that it applies. Those are the persons who would be made Civil servants. It applies to few, comparatively speaking, and not to the whole. And I ask, why should you do this? Why do you deal with a large subject by simply giving a concession to a few who are at present in the railway service, and who were in the Civil Service previously? I say there is a great deal more underlying this question than members see at a glance. It is my desire, and the desire of the Government, to promote harmony, and there is no doubt we should bring about discord if we had a division in the service. If Parliament desires that we should do justice to all branches of the service—to all those employed by the Government—then we should not commence it in a Railway Bill, but a comprehensive measure should be brought down to classify every person in the employment of the Government. We have the Postal Depart-

ment classified, and some other branches are classified and working under regulations. The railway service was working under regulations under the Commissioners and we heard very few complaints. As I have said, it is only a question of classification going on, but we must deal with the matter by a separate Bill prepared for the purpose, and not attempt to do it by this Bill. I do not think it necessary for me to say anything further. I do not think that capital should be made, or should be attempted to be made, as against the Government on this question, or that any attempt should be made to enlist the sympathies of a certain class of railway employés and to put the Government, as it were, in a false position through their having to bring down an amendment and ask the majority of the House to pass it. I believe I am doing what is just to the railway service as a whole and to the colony in asking the House to agree to this amendment. If this amendment be rejected, then all I say is this: that our first trouble with the railways will begin, for we shall have largely increased the liabilities of the taxpayers of the colony, and, in addition to that, we shall have caused discord in the railway service itself. I think that these are very good reasons why we should agree to the proposed amendment. Now I will meet the only other argument—the argument of the honourable member for Wellington City (Mr. Bell) when he mentioned the case of the Insurance Department, and said that those who were in the Civil Service and were taken over by the Board and severed their connection with the Service, were subsequently brought back into it when the Board was abolished. There is this difference: The Board existed from 1884 to 1886—two years—and very little difference was made in regard to the salaries for that very short period.

Mr. BELL.—You are quite mistaken.

Mr. SEDDON.—Did you raise the salaries?

Mr. BELL.—Yes.

Mr. SEDDON.—Very well, then; I say that was a great injustice to the rest of the Civil Service whose salaries were not raised. So in regard to the railway servants. During the six years there have been many increases and promotions—well-deserved promotions; but, had we had the service as a whole under the Public Works Department, all those in these departments would have had equal chances of promotion, which they have not had owing to the railways being under the Commissioners. Now, if you are to do justice, you would have to take a comparative statement of those who were in the railway service and those who were in the other branches of the public service, and see what the increases were and bring them back, or make the increases in the Civil Service to correspond. There is adjustment necessary, and without that you will bring discontent. I think I have said sufficient to prove to the House the desirability of carrying this amendment. Next year, when the Minister is in charge, when he has carefully gone through this matter, he can then guide the House and

advise it as to what he may consider necessary to do—as to what is right to all those who are employed upon the railways of the colony.

The House divided on the question, "That the amendment recommended to be made by His Excellency in clause 4, subsection (3), be agreed to by the House."

AYES, 41.

Buddo	Kelly, W.	Pirani
Button	Lawry	Reeves
Carncross	Mackintosh	Saunders
Carnell	Maslin	Seddon
Carroll	McGowan	Smith, E. M.
Collins	McKenzie, J.	Stevens
Duncan	McKenzie, R.	Stewart
Flatman	McLachlan	Tanner
Graham	Meredith	Thompson
Guinness	Millar	Ward
Hall	Mills	Willis.
Harris	Montgomery	<i>Tellers.</i>
Houston	Parata	Hogg
Joyce	Pinkerton	Morrison.

NOES, 22.

Crowther	Lang	Smith, G. J.
Duthie	Mackenzie, T.	Stout
Earnshaw	Massey	Te Ao
Fraser	McNab	Wilson.
Green	Mitchelson	<i>Tellers.</i>
Hall-Jones	Newman	Bell
Hutchison, G.	O'Regan	Buchanan.
Kelly, J. W.	Russell, W. R.	

PAIRS.

<i>For.</i>	<i>Against.</i>
Cadman.	Allen.

Majority for, 19.

Motion agreed to.

The following amendment was also agreed to: In clause 12, after the word "October," in the second paragraph, the word "next" was omitted, and the words "one thousand eight hundred and ninety-four" were inserted.

LICENSING BILL.

IN COMMITTEE.

Clause 12.—Constitution of Licensing Committee within ordinary districts. Provisions applicable to all Committees.

Mr. McNAB moved, That all the words after the words "The Committee shall" be struck out, for the purpose of inserting the following words: "consist of the Magistrate for the time being having jurisdiction at the place of meeting of the Licensing Committee, and eight other persons, being residents within the district, to be elected by the electors of the district in manner provided by 'The Electoral Act, 1893,' and thereafter once in every third year only, on the days appointed for taking the poll of electors under section sixteen of this Act, and simultaneously therewith."

Words struck out.

Mr. R. McKENZIE moved, That progress be reported.

The Committee divided.

AYES, 15.

Allen	Duncan	Hogg
Crowther	Green	Houston

Mr. Seddon

Lang	Mitchelson	<i>Tellers.</i>
McGowan	Parata	Carncross
McLachlan	Russell, W. R.	McKenzie, R.
Mills		

NOES, 40.

Bell	Lawry	Saunders
Buddo	Mackenzie, T.	Seddon
Carnell	Mackintosh	Smith, E. M.
Carroll	Maslin	Stevens
Collins	Massey	Steward
Earnshaw	McNab	Stout
Flatman	Meredith	Tanner
Fraser	Montgomery	Ward
Graham	Newman	Willis
Hall	O'Regan	Wilson.
Hall-Jones	Pinkerton	
Harris	Pirani	<i>Tellers.</i>
Heke	Reeves	Morrison
Hutchison, W.	Russell, G. W.	Smith, G. J.

PAIRS.

<i>For.</i>	<i>Against.</i>
Button	Duthie
Kelly, J. W.	McKenzie, J.
McGuire	Cadman
Te Ao.	Larnach.

Majority against, 25.

Mr. SEDDON moved, That all the words after the word "only" be struck out, with the view of inserting the following words: "Such election shall not be held on the day the General Assembly election is held."

Words struck out.

The Committee divided on the question, "That the words proposed to be inserted be so inserted."

AYES, 36.

Allen	Hogg	Pinkerton
Bell	Houston	Pirani
Buchanan	Maslin	Russell, G. W.
Buddo	Massey	Seddon
Carnell	McGowan	Smith, G. J.
Crowther	McKenzie, R.	Stevens
Earnshaw	McNab	Steward
Flatman	Millar	Stout
Fraser	Mills	Tanner.
Graham	Montgomery	<i>Tellers.</i>
Hall	Morrison	Carncross
Hall-Jones	O'Regan	Smith, E. M.
Heke		

NOES, 8.

Carroll	Meredith	<i>Tellers.</i>
Harris	Reeves	Collins
Lawry	Saunders.	Hutchison, W.

PAIRS.

<i>For.</i>	<i>Against.</i>
Cadman	Mitchelson
Duthie	Button
Green	Newman
McKenzie, J.	Kelly, J. W.
Mackintosh	Buick
Te Ao	Mackenzie, T.
Ward.	Hutchison, G.

Majority for, 28.

Words inserted, and clause as amended added to the Bill.

Progress reported.

The House adjourned at twenty minutes to three o'clock a.m.

LEGISLATIVE COUNCIL.

Wednesday, 10th October, 1894.

First Readings—Shops and Shop-assistants Bill—Factories Bill—Shearing at Benmore Station—Government Advances to Settlers Bill—Rating on Unimproved Value Bill.

The Hon the SPEAKER took the chair at half-past two o'clock.

PRAYERS.

FIRST READINGS.

Native Land Court Bill, Mining Companies Bill.

SHOPS AND SHOP-ASSISTANTS BILL.

The Hon. Mr. REYNOLDS brought up the following report of the Managers of the Conference on this Bill:—

"The Managers of the Conference on the Shops and Shop-assistants Bill on behalf of the Legislative Council have the honour to report that they have met the Managers appointed by the House of Representatives, and have agreed as follows:—

"Section 2. Definition of Shop: That the words 'where any person works for hire and,' in line 2, be struck out, and that the following words be inserted in line 3, after 'retail'—namely, 'but does not include a shop the business whereof is *bona fide* owned and conducted by any person of New Zealand or European extraction whether solely or with the assistance of members of his or her family below the age of eighteen years who reside on the premises.' Definition of Shop-assistant: That the words struck out by the Council be reinserted.

"Section 3, line 3: That the words 'a hairdresser' be struck out.

"New section 9: That in line 6, after the words 'any part of,' the words 'any one of' be inserted; and in line 7 the words 'each other' be struck out, and the words 'any part of another' inserted in lieu thereof.

"New section 9, subsection (1), line 5: That the word 'should' be erased, and the word 'shall' inserted in lieu thereof.

"Subsection (5): That this be a separate section in the Bill; and the word 'hairdressers' be inserted after 'butchers' in the last line but one of the section.

"Section 16A, line 5: That 'shall' be struck out, and 'may' inserted in lieu thereof. Line 8, after 'required to,' to insert the words 'continue at work or'; and after 'work,' where it occurs the second time in the same line, to strike out the words 'after seven o'clock in the evening.'

"New clause 16B: That the following section be added to the Bill, to follow 16A: 'Offices shall be excepted from the operation of the last-preceding section during two periods of four weeks each in every year for the purposes of their half-yearly balances.'"

Report agreed to.

FACTORIES BILL.

The Hon. W. DOWNIE STEWART brought up the following report of the Managers of the Conference on this Bill:—

"The Managers appointed by the Legislative Council to conduct the Conference on the Factories Bill have the honour to report that they have met the Managers appointed by the House of Representatives, and they have come to the following agreement, namely:—

"Clause 20, subsection (c): To strike out the word 'wages,' and substitute 'earnings'; and strike out 'two,' and substitute 'of.'

"Clause 54: In lines 50 and 55, to strike out 'eight,' and substitute 'a quarter to eight.' To restore the last two lines of the clause on the top of page 16.

"Clause 56: In line 38, to insert, after the word 'workroom,' the following words: 'except in small factories where not more than three persons are employed, and this only.'

"Clause 63 (new proviso): In line 14, to strike out the words 'as auxiliary to,' and substitute the words 'in connection with.' In line 16, to strike out the word 'this,' and substitute 'the Shops and Shop-assistants,' and insert '1894' after Act. In line 16, to strike out the words 'close his shop,' and substitute 'give a half-holiday to women and young persons under this Act or on Saturday afternoon.'

"Clause 64: That it remain struck out."

Report agreed to.

SHEARING AT BENMORE STATION.

The Hon. Sir P. A. BUCKLEY laid on the table the following letter from the Police Department to Mr. T. Middleton, manager of Benmore Station:—

"Police Department
(Commissioner's Office),
Wellington, 9th October, 1894.

"SIR,—I have the honour to acknowledge the receipt of your letter of the 3rd instant, which reached me yesterday (the 8th). Its arrival, however, was preceded by its publication in the Press on the 4th.

"The Minister directs me to say that you are at liberty to take any course you think fit in this matter; but, in publishing the correspondence, it might justly be urged that, in fairness, your letter to Constable Bradshaw should also have been published.

"From inquiries made, the Government has ascertained, from a competent and reliable officer, that the New Zealand shearers would not in any way interfere with the shearing at Benmore, that the warning received by you comes from Australia, and that it is from Australia that a large proportion of the shearers employed on the Waitaki come, after the shearing is finished in November.

"As stated in my previous letter, you have made arrangements with a person named Alexander McCallum, an Oamaru shearer now in New South Wales, and have authorised him to bring over sixteen men. In your letter under reply you have not denied that this is

the case. This being so, the conclusion is correct that what has been reported is absolutely accurate. You are also aware of the fact that during this session of Parliament the Arbitration and Conciliation Bill has been passed, and that, Parliament having made provision to meet the disputes between employers and employes, action in the direction you asked was unnecessary.

"Knowing that your agent is not on good terms with the shearers in the district, the action taken by you might reasonably be construed to be a deliberate attempt to provoke hostilities, and what gives colour to this is your application for protection two months in anticipation of the time the shearers are expected to arrive at Benmore Station.

"Had the Minister thought fit to grant your request it would have been inferred that the Government was encouraging you in the extreme and inadvisable course you have embarked upon, and, armed with the promised protection, your agent would no doubt have been communicated with and told to take action without regard to consequences.

"I am directed to inform you that the Minister looks upon your conduct in this matter as that of a man who has made up his mind on a given date to set fire to his premises, and, as a prelude thereto, notified the fire-brigade that he so intended to destroy his property. A wiser course would be to refrain from applying the match. The Government having been assured that there was no likelihood of the shearers breaking the law, or interfering with the work on your station, the Minister therefore directed me to inform you that it is unnecessary to comply with your unusual and unreasonable request.

"The Government further resent the very grave reflection you have cast upon the shearers of New Zealand by stating they are lawless spirits. They have ever proved themselves to be law-abiding colonists, and the Government is of opinion that your fears as to the lives of the men who are coming, or your own life and property, being in danger are entirely unfounded.

"You are of course aware that it is against the law for any person to deliberately and of malice aforethought provoke a breach of the peace; any one doing so is held to be an offender against the commonwealth. After what has been reported to me in connection with this matter, and which has not been denied, the Minister directs me to inform you that he does not think it is the duty of the State to encourage you in the unusual course you have evidently made up your mind to pursue.

"Should, however, the occasion arise and the peace be broken in any way, the Government will do its duty, as it has already done in similar cases. At the same time, anything that would tend to cause the serious troubles that have occurred elsewhere, and the loss of life consequent thereon, should be strenuously avoided by every right-thinking colonist.

"In your letter to Constable Bradshaw of the 27th August you say there are 'rash spirits' amongst the members of the Shearers'

Union, and you further refer to what has occurred in Australia. You also refer to the mischief attempted last season, to prevent shearing at the Benmore Station. This being so, conciliation, and not provocation, would, the Minister thinks, have been the most reasonable way of ending your difficulties once and for all, and that in a manner satisfactory to you and with profit to your employers. It would have been considered by me more in keeping with a desire to promote peace and good-will had you acted in moderation, and first informed the Government of your intention in regard to authorising Mr. McCallum—who you do not deny is on bad terms with the shearers of the district—to import some of the men you have designated as 'rash spirits,' instead of hastily instructing him to procure the men you have mentioned. Having thus acted, you feared the result of your own actions, and for the first time acquainted the Government of the course you had taken.

"The Minister directs me to say that he does not question your right to obtain men from Australia or elsewhere should you consider yourself justified in so doing. If, however, the consequences are to be such as you fear may be precipitated owing to the introduction of men and the consequent disturbance of the peace and other serious evils, it might with force be urged that such a course, unless in an extreme case, should be avoided. Further, so far as the Minister is aware, the men coming from Australia are entirely in ignorance of the fact that they will be subject to the law which has been passed this session, and that in the case of a dispute both employer and employes will be compelled by law to place their case before the Court of Arbitration. The Government considers the Compulsory Arbitration and Conciliation Act to be all-powerful; hence, relying upon this, it is considered there is no necessity for special police protection.—I have, &c.,

"A. HUME, Commissioner."

GOVERNMENT ADVANCES TO SETTLERS BILL.

IN COMMITTEE.

Clause 25.—Classes of land on which money may be advanced.

The Hon. W. DOWNIE STEWART moved to add, after the words "following classes of lands," the following words: "not being urban."

The Committee divided on the question, "That the words proposed to be added be so added."

AYES, 18.

Acland	Morris	Stevens
Bowen	Oliver	Stewart
Holmes	Peacock	Swanson
Kelly	Pharazyn	Whitmore
MacGregor	Reynolds	Whyte
McLean	Richardson	Williams.

NOES, 10.

Barnicoat	Buckley	Jenkinson
Bolt	Feldwick	Kerr

McCullough Taiaroa Walker, L.
Montgomery

PAIR.
For. *Against.*
Jennings. Shrimski.

Majority for, 8.

Amendment agreed to, and words added.

The Hon. Mr. McLEAN moved to add, after the words "not being urban," the words "or suburban."

The Committee divided on the question. "That the words proposed to be added be so added."

AYES, 15.

Acland	Oliver	Stevens
Bowen	Peacock	Swanson
Holmes	Pharazyn	Whitmore
McLean	Reynolds	Whyte
Morris	Richardson	Williams.

NOES, 14.

Barnicoat	Jenkinson	Montgomery
Bolt	Kelly	Stewart
Buckley	Kerr	Taiaroa
Dignan	MacGregor	Walker, L.
Feldwick	McCullough	

PAIR.
For. *Against.*
Jennings. Shrimski.

Majority for, 1.

Amendment agreed to, and words added.
Bill reported, with amendments.

RATING ON UNIMPROVED VALUE BILL.

ADJOURNED DEBATE.

The Hon. Mr. McCULLOUGH.—Sir, at the time the Council adjourned, when this Bill was last before it, I was referring to the present system and its effects upon the country settlers. I had previously pointed out that the proposals in the Bill would benefit the ratepayers in the cities; and I also believe that the benefit to the country settlers will be greater than to the city ratepayers. It will be admitted by most honourable members that in the country districts there are large areas of land upon which the owners make no improvements. There is a difficulty also in getting the rates from the owners of these lands. Therefore the whole cost of the roads and bridges is thrown upon the settlers, and they find it a very great hardship. The proposal in this Bill will relieve them to some extent, because all land in the country will be put on a similar footing, and those settlers who have made improvements will not have to pay increased rates, and that, I believe, they will find an advantage. There is a demand for this Bill; and in support of that statement I might mention the fact that the North Wairarapa County Council, in order to test the feeling in the country in reference to this proposal, sent circulars during the recess to all the local bodies in the colony. In all there were 270 letters sent, and sixty-five replies were received. Of these sixty-five, thirty-two approved of the proposals in the Bill, and only thirteen out of the remain-

ing thirty-three were opposed to it. I mentioned, in speaking upon the question when it was last before the Council, that there was a Bill in force in Queensland based upon the same principles as the Bill now before us. I have since procured a copy of the clause of that Bill, and it reads as follows: "The value of rateable land shall be estimated at a fair average for unimproved land of the same quality held in fee-simple in the same neighbourhood." Honourable members will see that this is exactly the same principle that underlies the measure we have under consideration. The Bill is called the Valuation and Rating Act of Queensland. I might also mention that in South Australia a Bill has passed the House of Assembly on two occasions, but it was rejected by the second Chamber.

The Hon. Mr. MACGREGOR.—It is passed into law now.

The Hon. Mr. McCULLOUGH.—My information is that it was rejected on the last occasion by such a close division as twenty-six to twenty-eight.

The Hon. Mr. MACGREGOR.—It is passed now.

The Hon. Mr. McCULLOUGH.—The honourable member mentions that the Bill is passed. His information is probably better than mine: if so, it is so much the better for my argument. I might mention also, in order to show how widely the opinion prevails in favour of rating upon unimproved value, that at a meeting of farmers in New South Wales recently there was a unanimous opinion expressed that rating on the unimproved value was the proper way to rate country or agricultural lands. In the Victorian Parliament a motion was moved on the 29th of August, 1893, by Mr. Deakin, one of the leading men there, on this subject. The question then under discussion was the primage duties, and he moved an amendment to this effect: "That in the opinion of this Committee any additional revenue required to be raised should be raised from a tax upon unimproved-land values." I might also mention, in order to show that the feeling is gaining ground in England that the proper course is to tax unimproved values, that the London County Council is of opinion that this is the proper basis of taxation. A Committee of that Council, the Local Government and Taxation Committee, reported as follows: "That all land should be equally assessed for rates"; and in another portion of their proceedings they say, speaking of taxation of ground values,—

"The question, though simple, is immense. Landlords, for doing nothing, demand and receive sixteen millions sterling per annum. Either by betterment, or taxation of ground-values, or both, we must relieve the ratepayer by relieving the landlord, in part at least, of the only duty which he performs—namely, reception of rent."

The Glasgow County Council have taken up a similar attitude, and have stated that they will not proceed with further improvements in the city and neighbourhood unless some steps

are taken to levy a tax on the unimproved values of land—similar ground to that taken up by the London County Council. I should mention, to be fair, that the London County Council think of adopting the idea of betterment rather than taxing upon the unimproved values purely and simply. The two systems were discussed: the Council adopted the betterment, and two Bills have been brought forward in the English Parliament dealing with this question. I am also informed on good authority that in the Isle of Man the House of Keys passed a measure exactly similar to ours, but it was rejected by the second Chamber. It is stated, however, that next session such a Bill will be carried into effect; and in Canada, at the present day, the same principle is enforced. I mention these facts to show how widely spread is the belief in the principle of this Bill. We have admitted the principle ourselves in our land-tax. The Hon. Mr. Stevens, in speaking on this question, seemed to infer that the principle was right when it was for State purposes, such as railways and defence purposes, but the honourable gentleman believed it would not be right to apply the principle to municipalities, or to the country at large. I did not think that was good reasoning. The honourable gentleman stated that if a principle is found to be good we may accept it as sound. If a principle is found to be good when dealing with large State concerns I think it is only fair to assume that it is applicable when applied to municipal and country purposes.

An Hon. MEMBER.—Or morals.

The Hon. Mr. McCULLOUGH.—“Or morals.” The Bill is fair in this respect: that it gives a choice to the ratepayers of the colony to determine under which system of rating they shall be rated. The Rating Act which we have had before us has given them the option of being rated upon the annual value or upon the capital value, and therefore, if this Bill becomes law, it will give them the right of saying whether they shall be rated upon the unimproved value. In my opinion the Bill will also extend the powers of local self-government, as it throws the right upon the people of electing as to how they shall be taxed, and I think that is a very good principle. We have heard a good deal about trusting the people; but, if the Council in its wisdom decides to reject this Bill, what will it, in effect, say? That the people are not to be trusted, and that the members of this Council know better than the people do themselves as to which form of taxation is wisest and best. I do not think that is a position which it would be wise of the Council to take up.

An Hon. MEMBER.—So they do.

The Hon. Mr. McCULLOUGH.—The honourable gentleman says, “So they do”; but I do not think it is very wise for less than fifty members of this Council to deprive the ratepayers of the country at large of the right to determine which system of taxation will best suit their circumstances. If you give them the right to choose their form of taxation, I

Hon. Mr. McCullough

think the people themselves are the best judges under the circumstances. There is no doubt the present system is unsatisfactory. I believe that it is unsound in principle, because it taxes the results of a man's industry, and that is not a right basis for taxation. A recent writer has said that taxation should be so administered as not to be a penalty upon improvements and a discouragement to enterprise. I believe our present system of taxation discourages enterprise; and the proposals of this Bill will have a contrary effect—a good effect—because improvements will be excluded, and each and every ratepayer will be placed upon the same footing. The change is asked for, and I believe the Bill will be favourably received by those most interested. It is, in my opinion, worthy of support, because the principle underlying it is a right one, and a practical one. That it has been found satisfactory is evidenced by the fact that in Taranaki it was in operation for a good many years. It gives a greater liberty to the people, it is in the interests of local self-government, and it is also an attempt to make the taxation proposals fall equally upon all; therefore I hope, for these reasons, that the Council will see fit to reject the amendment and read the Bill a second time.

Debate adjourned.

The Council adjourned at seven minutes to five o'clock p.m.

HOUSE OF REPRESENTATIVES.

Wednesday, 10th October, 1894.

“Police Reform”—Middle District University—Historical Places—Otago Central Railway—Coal Exports—Bank of New Zealand—Employment for the Able and Willing—Coal—Onehunga Wharf—Volunteers’ Long-service Medals—Jackeytown—Palmerston Railway—Judge Kettle’s Petition—Railway Maintenance—Mrs. Glasson—Alcoholic Liquors Sale Control Act—Tariff Revision—Old-age Pensions—Chinese—E. Taylor and Another—Kindergarten Schools—Mining Industry—Agent-General—State Farm—Local Bodies’ Valuation Correspondence—Drain-pipes—Police—Railway Employees—Band Contest—Wellington—Wairarapa Railway Traffic—Otago Central Railway—Grey River—Blackball Road—Intercolonial Free-trade—Fishing in Ashley River—Mining Industry—Waipori Dredges—Stage System on Railways—County Council Valuations—H. von Blaraberg—Temporary Clerks, &c.—Moore, Hepburn, and Robinson—Cape Foulwind Railway-sleepers—Wairarapa Unemployed—Secretary and Inspector of Factories—Customs Entry-forms—Woodville Corporation Works—Old Soldiers’ Claims—Rabbit Nuisance—Onehunga Wharf—Adjournment—Shops and Shop-assistants Bill—Factories Bill—Audit Office and Public Trust Office—Dairy Industry Bill.

Mr. SPEAKER took the chair at half-past two o'clock.

PRAYERS.

“POLICE REFORM.”

Mr. G. J. SMITH asked the Minister of Defence, Whether the charges contained in a letter appearing in the *Christchurch Star* of the 1st October instant, headed “Police Re-

form," are true? If so, will he at once take steps to rectify the matters complained of? He would just like to say with reference to the question that the charges referred to were set out in a letter which appeared in the *Christchurch Star* on the 1st October. The letter said,—

"A strong political element permeates the management, and is so powerful that it is impossible to even move some of the men. In one case a constable was ordered to Dunedin, but the order was countermanded from Wellington. The Inspector in charge thus has no power, and the constables may defy him. I say most" —

Mr. SEDDON objected to the reading of this letter. The honourable member was introducing debatable matter in quoting from a letter that had been published over a *nom de plume*.

Mr. SPEAKER said it was not in order to quote any matter from newspapers bearing on the question. The honourable gentleman must state the facts, and ask a question bearing on the facts.

Mr. G. J. SMITH said the facts were set out in the letter.

Mr. SEDDON said they were not facts. Some of the statements contained in the letter in question were incorrect and misleading.

Mr. G. J. SMITH said if the Premier had seen the statements he did not wish to weary the House with them. If the Premier would reply to them he would be satisfied.

Mr. SEDDON had seen the letter, and had read it carefully. It had appeared in the *Christchurch Star*, and was signed with the *nom de plume* "Bull's-Eye." Now, neither the writer nor the honourable member had made a bull's-eye. It was not even an outer, but a miss. The Police Department of New Zealand and the police service would compare favourably with those of the other colonies, and the manner in which crime was suppressed and traced home reflected very great credit on the service. The charges contained in the letter were that the department was rotten, and that the head of the department, who was Inspector of Prisons as well as Commissioner of Police, in order to keep down the prisons expenditure desired the police to neglect doing their duty. When so grave a statement as that was made with regard to an officer holding the high and responsible position of Commissioner of Police and Inspector of Prisons, it was high time, when these letters or statements published in a public print over a *nom de plume* were brought before the House in this way, that it should be put a stop to. It was a reflection which was entirely unjustifiable.

Mr. G. J. SMITH said he was referring more particularly to the statements in the earlier part of the letter, not reflecting upon Colonel Hume in any way.

Mr. SEDDON said the honourable member stated he was quoting facts. That was what he said. As to the statement referring to the constable at North Dunedin, it was quite true

a constable had been ordered to relieve him, and after that order was given it was shown that it was advisable to remove the constable, and he ordered his removal or suspension until the matter was cleared up. He was responsible for it, he might say; but, when the head of the department was brought into question because of an anonymous letter appearing against the department, such a practice should not be encouraged in the House. Another charge made against the department was that a policeman was placed on duty in a town in which he had a relative living. He might have a forty-fourth cousin in the place, and was it reasonable that he should immediately be removed on account of that? It was simply nonsense to think that this should be charged as a crime against the department.

MIDDLE DISTRICT UNIVERSITY.

Sir R. STOUT asked the Minister of Education, If he will take the necessary steps to have the Council of the Middle District of New Zealand University appointed? It was a considerable time now since the consent of the Governor was given to the Act, and, as it was necessary that the members of the Council of the University should be elected, he would ask that steps should be taken to give effect to the law.

Mr. REEVES said he proposed to bring the whole matter before the Cabinet as soon as he could get the Cabinet to spare the time to consider it. The establishment of a university here was, of course, a financial matter with which his colleagues would have to deal; but he could assure the honourable gentleman that as far as he could he would do everything to aid the matter.

HISTORICAL PLACES.

Mr. HEKE asked the Minister of Defence, If he will take into consideration during the recess the advisability of erecting some mark at historical places in and about the Bay of Islands, commemorating events in the early history of the colony, such as—(1) Place where the first missionary landed; (2) first sermon preached; (3) the first seat of Government; (4) signing of the Treaty of Waitangi; (5) first disturbance; or other places possessing interest from acts of chivalry on both sides—Natives and Europeans? The matter had been brought under his notice by several Europeans who had had no connection at all with respect to the people who took part in the events of the olden days in the Bay of Islands, and he thought it his duty to ask the Minister whether he would take the matter into consideration during the recess.

Mr. SEDDON said that, as regarded the place where the missionaries landed, he should have no objection to comply with the honourable gentleman's request if it could be done without causing expense or inconvenience. With regard to the place where the first sermon was preached, of course the honourable gentleman did not refer to the Sermon on the Mount.

Sir R. STOUT.—I did not know it was at the Bay of Islands.

Mr. SEDDON said, as to the first seat of Government and the signing of the Treaty of Waitangi, of course that matter would be easily dealt with. With regard to the places where disturbances had occurred, he thought they had better leave that alone. The Government would have no objection to comply with some portions of the honourable gentleman's request, and he would confer with him, and probably the honourable gentleman would point out to him what it would be best to do in the matter.

Mr. HEKE said he would have great pleasure in giving the Minister every information in his power; but, in reference to the place where the missionaries landed, and where the first sermon was preached, he thought the European population of this colony owed a great debt to the missionaries.

Mr. SPEAKER said the honourable gentleman could not discuss the matter any further at present.

OTAGO CENTRAL RAILWAY.

Mr. EARNSHAW asked the Minister for Public Works, in view of the statement made by the Minister of Lands to a deputation from the executive council of the Otago Central Railway League, at Dunedin, on the 17th October, 1898—which was as follows: "Hon. John McKenzie: 'What you want is that we should start the tunnel at once. I may tell you that instructions have already been given to proceed with the tunnel. The money has been sanctioned: that was done by the Cabinet before I left Wellington, and I received a telegram from Mr. Seddon last night to say that he had given instructions to proceed with the tunnel.' Mr. Barron: 'At both ends?' Hon. J. McKenzie: 'Yes; instructions have been given to push on with the tunnel. I know that they are proceeding with the tunnel'"—what progress has been made, and what progress is being made at the present time, with the tunnel beyond Hyde, in accordance with that promise?

Mr. SEDDON said that what was stated by his colleague was absolutely correct. A communication had been received from the officer in charge, showing that it was not advisable to proceed with the tunnel at once. What was claimed was that there was a very large number of unemployed at Dunedin, and that a larger number of these men could be employed at the formation-works, and that the formation of the works ought for a certain time to go on, and then the tunnel should be commenced, and both finished simultaneously. Under these circumstances, the order referred to in the question was countermanded, so that his honourable friend the Minister of Lands was stating what was absolutely correct when he made the statement referred to. As to the last part of the question, what would be done in the matter, and what the intentions of the Government were, these would be disclosed, he

hoped, in the course of forty-eight hours in the Public Works Statement.

COAL EXPORTS.

Mr. R. McKENZIE asked the Colonial Treasurer, When he will introduce a Bill to give effect to the Government proposal made in the Financial Statement, that a bonus of 2s. per ton up to 50,000 tons be paid on coals exported from the colony to countries beyond Australia? It was a matter of considerable importance, and people were getting anxious to know when the Government intended to move in the matter.

Mr. WARD hoped to have a Bill upon this matter circulated before the House separated.

BANK OF NEW ZEALAND.

Mr. G. J. SMITH asked the Government, Whether they will instruct the President of the Bank of New Zealand to have a separate account kept, and laid before the House within fourteen days of the commencement of each session, showing the business of the bank transacted in the Australian Colonies, the amount of profit or loss in connection with that account, and also the business transacted by the bank between New Zealand and each of the Australian Colonies?

Mr. WARD said the Government would not give any such instructions as were set forth in this question, neither would the Government undertake the responsibility of giving instructions in a direction likely to embarrass the management of this institution. While every one was desirous of seeing the institution doing well, it was not the wish of the Government that they should do anything or suggest anything that would have the effect of acting disastrously on the institution. He did not think the affairs of any large monetary institution could be successfully carried on if the details of its business were to be publicly discussed in that Chamber. There were responsible duties placed upon the executive of the institution. There were two officers there who represented the colony, and their business would be to report to the Government from time to time if anything improper was being done. He wished to say it did appear to the Government to be highly inexpedient to the interests of the country that the details or the affairs connected with this institution should be continually threshed out on the floor of the House; and he wished to say that without any offence to the honourable gentleman, who was actuated, as they all were, by a desire to see that the guarantee of the colony worked out in the interests of the colony. In saying this, he wished to remark that, as far as the Government were concerned, when the executive was fairly at work the Government would not interfere with the management or administration of the bank in any way whatever. That responsibility must be placed on the executive, and the President of the bank would guard the interests of the colony, and by results these responsible officers must be judged. It would be, he thought, not only a

mistake, but be calculated to very seriously interfere with the successful working of the institution they all desired in the interests of the country so much to see prosper, if the Government interfered in the manner suggested by the question.

Mr. BELL asked the Colonial Treasurer, Whether, if the directors of the Bank of New Zealand should propose during the recess to amalgamate with another institution, he will direct the President to prohibit any such dealing until this House shall have first expressly approved the same?

Mr. WARD might inform the honourable gentleman that the Government would place the matter beyond all doubt so far as the House was concerned before the House prorogued this session. In order to prevent any idea that something was going to be done during the recess, the Government would place such an Act on the statute-book that no one could have the slightest doubt as to what, in the event of any contingency arising, would be the lines upon which anything would be done by the Government. The Government knew nothing of any intended proposal; but, in the event of anything arising during the recess, honourable members would be informed of what the Government would do in the Bill which they would bring down.

EMPLOYMENT FOR THE ABLE AND WILLING.

Mr. W. HUTCHISON asked the Government, Do they intend, over and above the current legislation of this session, to propose any direct and definite means whereby employment shall be assured for all who are able and willing to work? Considering the large number of unemployed there were in the colony, this was a question of very great importance; it was of far more importance to the country than the management of the Bank of New Zealand or the San Francisco service or anything else; and he hoped the Premier would be able to give him an answer that would satisfy himself and other honourable members that there would be no fear of anything serious happening during the recess.

Mr. REEVES believed, with the honourable gentleman, that the question of employment for all who were able and willing to work was the most important of all questions. The Government thought that what they proposed to do, coupled with the legislation they had passed already, would represent their contribution towards the practical solution of the question. If, however, the honourable gentleman could make any suggestions in the matter, the Government would be only too glad to give due consideration to them.

COAL.

30. Mr. W. HUTCHISON asked the Minister of Mines, When the return ordered by the House of the quantity of coal from the various mines of the colony, also the price of the same at the pit-mouth and at the

various centres of population, will be laid upon the table?

Mr. SEDDON said inquiries had been made with a view of eliciting the necessary information and with a view of obtaining a report, but the matter had taken a long time. He hoped, however, that it would not be long now before he was able to furnish the information to the House.

ONEHUNGA WHARF.

Major HARRIS asked the Government, Have the Railway Commissioners given better facility to the public using the Onehunga Wharf for dray-traffic since the Hon. the Premier on 6th July (in answer to a question) gave assurance that they would remedy what was complained of? Also, have the charges complained of been reduced for shipping and landing stock at the above wharf?

Mr. SEDDON said he was not in a position to say what the Railway Commissioners had done in reference to this matter, but he had no doubt their attention would be called to the importance of the question. What was stated in the question was quite correct, and he himself thought that something more should be done than had been done. He spoke with regard to the traffic on this wharf.

VOLUNTEERS' LONG-SERVICE MEDALS.

Major HARRIS asked the Government, Is it the intention of the Government to prohibit the wearing of long-service medals granted to Volunteers by the New Zealand Government if the said Volunteers accept the decoration given by Her Majesty for long service?

Mr. SEDDON said the regulation dealing with this matter was, he thought, an Imperial regulation, which prevented Volunteers wearing at the same time the New Zealand decorations and also the Imperial decoration. The Government was moving in the direction of obviating this difficulty. He thought, himself, that if men who had won the long-service medal in the colony were compelled to give it up before receiving the Imperial decoration that might cause many to refuse the Imperial decoration, and he did not see why both should not be worn side by side.

JACKEYTOWN-PALMERSTON RAILWAY.

Mr. PIRANI asked the Minister for Public Works, If he will have a report made as to the feasibility, advisability, and probable cost of removing the railway between Jackeytown and Palmerston North to the centre of the road, so as to give proper access to property-owners adjoining the said railway-line who have been illegally deprived of such access? He merely wished to point out to the Minister for Public Works that great inconvenience and injustice had been done to residents along the line of railway owing to their access being taken away, and he would like the Minister during the recess to get some roads made so that inconvenience and injustice to the residents might to some extent be obviated.

Mr. SEDDON said the reply of the Commissioners was that there were no engineering

difficulties in the way of removing the railway between Jackeytown and Palmerston North to the centre of the road, so as to give proper access to property-owners adjoining the railway-line on both sides, except at Longburn. The probable cost of the work in question would be about £8,500, but this amount did not include any alteration at Longburn Station, which would not be feasible, nor did it include any formation of public roads. As to advisability, it would be an advantage to the property-owners on one side, by giving unobstructed access to their frontage; but, if this concession was contemplated, it should be remembered that there were many miles of railway in the colony in the same position. The property-owners had not been illegally deprived of access, the position being provided for in the Public Works Acts. He might say that if this would cost £8,500 it would prohibit the work from being done, as the Government considered it would be better to spend the money to complete unfinished railway-lines or to make roads for the settlers, so that they could get to their lands.

JUDGE KETTLE'S PETITION.

Mr. WILLIS asked the Minister of Justice, —(1.) Whether it is the intention of the Government to give full effect to the report of the Public Petitions Committee on Mr. District Judge Kettle's petition? (2.) Why, in this particular case, the Crown Solicitor was not instructed to appear for the Crown on the hearing of Mr. Jellicoe's appeal in the Supreme Court from the District Court order fining him for contempt of Court, more especially as important questions as to the jurisdiction of the Court and questions affecting the administration of justice were in issue?

Mr. REEVES said, with regard to the first part of the question, the matter was under consideration, and, with regard to the second part, the Government had been advised not to interfere.

RAILWAY MAINTENANCE-MEN.

Mr. WILLIS asked the Premier, Whether he has received any information with reference to the statement made by Mr. W. Hutchison to this House on the 25th September, that the maintenance-men on the Government railways are being worked excessive hours, special reference being made by Mr. Hutchison to the Wanganui and Aramoho employés? He said his reason for asking the question was that the honourable member for Dunedin City (Mr. W. Hutchison) had made a statement to the House that the men employed at Wanganui and Aramoho had made complaints about the number of hours they had been working. The men themselves had stated that Mr. Hutchison had been misinformed, and they asked him to bring the matter before the House; and he would read a letter addressed to himself, which was as follows:—

"Wanganui, 1st October, 1894.

"DEAR SIR,—I notice by the Wellington Post of 26th September, 1894, that Mr. Hutchi-

Mr. Seddon

son referred in the House to the long hours worked by the maintenance-men at Aramoho and Wanganui. I beg leave to inform you that I have made the fullest inquiry, and find that the maintenance-men get paid for every hour they work overtime, and that the men have nothing to complain of. I would like if you would bring this matter before the House, as it looks as if the men had been complaining to Mr. Hutchison on the matter, which I know is not the case.—I remain, &c.,

"H. ROBERTSON,

"Secretary A.S.R.S., Wanganui.

"A. D. Willis, Esq., M.H.R."

He was also assured by the ganger at Aramoho that the men there had no complaints whatever to make. Whatever complaints there might have been in the past, those troubles were now fully removed, and the men were thoroughly satisfied with the way in which they were being treated. That applied both to the Wanganui and Aramoho branches.

Mr. SEDDON said the reply of the Railway Commissioners was that they had no information as to the statement made by Mr. W. Hutchison on the 25th September regarding alleged excessive hours of maintenance-men at Wanganui and Aramoho. No complaints had reached the Commissioners. The rule was as previously stated—namely, eight hours per diem.

MRS. GLASSON.

Mr. COLLINS asked the Colonial Treasurer, If the Government will give effect to their distinct pledge of 24th February, 1892, to Mrs. Glasson, widow of Mr. Arthur Evelyn Glasson, late of the Postal Department; also in accordance with the recommendation of the Public Petitions A to L Committee—namely, "That, in the opinion of the Committee, the full two years' salary should be paid to the petitioner," and grant her the sum of £95, making the full sum of £380 promised by the Government as compassionate allowance, and which sum she was instructed would be paid on application to the Chief Postmaster, Christchurch?

Mr. WARD said that in 1892 he gave instructions, after the death of Mr. Glasson, that the widow should receive a sum amounting to two years' salary. He might state that the matter had come before the Cabinet, when it was found to be unusual to pay two years' salary in such cases, and the Cabinet minute was to the effect that only eighteen months' salary should be authorised. He then intimated to Mrs. Glasson that that decision could not be altered. Since then representations had been made by Mrs. Glasson, and the matter had been reported on by the Public Petitions Committee, and on each occasion it was decided that the decision to grant eighteen months' salary should be adhered to. That being the case, it was not possible to alter what had been decided on.

ALCOHOLIC LIQUORS SALE CONTROL ACT.

Mr. MEREDITH asked the Premier, As the expense of the administration of "The Alco-

holic Liquors Sale Control Act, 1893," amounting to £6,948 8s. 10d., was wholly defrayed out of the revenue of local bodies, does the Government intend reimbursing local bodies for loss of such revenue? He would like to point out that this question was one of considerable interest to local bodies, inasmuch as under the Alcoholic Liquors Sale Control Act the administration was carried out partly by the Government and partly by the local bodies, and therefore the Government should defray a portion of the expenses. Up to a couple of months ago the amount expended was nearly £7,000, and this had been wholly taken out of the resources of the local bodies, and they felt it to be a great hardship. He had himself asked, when the Bill was in Committee, that the expense and costs should be defrayed by the Government, and the Minister in charge of the Bill replied that the matter would not be lost sight of. He would remind the Minister of that promise.

Mr. SEDDON replied that the honourable gentleman was quite correct in stating that he had promised that the question of costs would be considered. He certainly had made that statement during the passage of the Alcoholic Liquors Sale Control Bill last session. Since then the Government had asked for a return from the local bodies showing the cost of the election of Licensing Committees during the last three years, and, if it was found that there was much difference as against the local authorities, then he should be prepared to submit the question to the favourable consideration of the Cabinet.

Mr. MEREDITH would like to point out that formerly, when the licensing districts were smaller than they were now, the local bodies had the appointment of the Returning Officers, and their expenses were borne by the local bodies. Now the Returning Officers were appointed by the Government, and they in turn appointed Deputies and poll-clerks: hence there was friction between the Government and the local bodies in administering the Act. He would like to ask the Minister when the return he had referred to would be available.

Mr. SEDDON thought it was ready now, or, at any rate, it ought to be. He did not think the cause of friction was the appointment of the Returning Officers; it was simply the question of pounds shillings and pence. And, as to what the last elections cost, he had to say that, whatever the difference was as against the local authorities, it would receive due consideration from the Government.

TARIFF REVISION.

Mr. G. J. SMITH asked the Government, Whether they have considered the reports and recommendations of the Tariff Revision Committee, and, if so, will they state to the House the decision arrived at in connection therewith?

Mr. WARD said the matter was under consideration, and it depended altogether upon whether honourable members were prepared to have a lengthy session as to whether anything could be done in the matter this session. He

did not himself think anything could be done this session.

OLD-AGE PENSIONS.

Mr. G. W. RUSSELL asked the Government, Whether they intend to carry out the report of the Old-age Pensions Committee by appointing a Royal Commission to take evidence on the question during the recess, with power to formulate a scheme, such scheme and report to be submitted to members of this House at least a month before the assembling of Parliament?

Mr. SEDDON thought honourable members would admit that this colony was somewhat in advance of other colonies in dealing with questions of this nature, and if they took some steps in the direction indicated it would be, he thought, a desirable thing to do. The matter was, however, surrounded with difficulties, and it meant the expenditure of a large sum of money. However, the matter was worthy of consideration, and he might tell the honourable member that the Government would fully consider it during the recess.

CHINESE.

Mr. G. W. RUSSELL asked the Government, Whether they will introduce a short Bill this session to prevent the wholesale naturalisation of Chinese now going on in the colony, with the apparent object of evading restrictive legislation on Chinese traders? His reason for putting the question was that it had been shown that a very large number of Chinese were naturalising themselves. This, of course, was strongly objected to by the colonists, as it would tend to prevent Parliament from being able to deal with these people when it came to restrict them, because they would have placed themselves beyond the law regarding Chinese traders. He presumed there was no possibility of a Bill dealing with Asiatics and Chinese being passed into law this session—he meant the Undesirable Immigrants Exclusion Bill.

Hon. MEMBERS.—Oh, yes.

Mr. G. W. RUSSELL understood that Bill was not to be gone on with, and, if that were so, he would suggest that the Government should bring in a short Bill of one or two clauses restricting the influx of Chinese.

Mr. REEVES said, as regarded the Undesirable Immigrants Exclusion Bill, if the rest of the House were of the same obliging temper as the honourable member for Riccarton on the subject the Bill would pass into law within the next few days. As regarded his introducing another Bill in addition to that, he thought if he were to introduce any more short Bills he would be threatened with a parliamentary strike. But, fortunately, there were some means of restricting the naturalisation of undesirable Chinese. The Government proposed in future to call for a report, which they were entitled to do, as to the character of each applicant for naturalisation, and that report would contain information as to the length of time the applicant had resided in the colony. He thought that might perhaps prevent the naturalisation

of undesirable Chinese, and for the rest, of course, they would have to await the general Bill.

E. TAYLOR AND ANOTHER.

Mr. G. J. SMITH asked the Government, Whether they have considered the question of reimbursing the costs incurred by Edward Taylor and another through the passing of section 21 of "The Alcoholic Liquors Sale Control Act, 1893"; and, if so, what is the decision arrived at?

Mr. SEDDON said they had not got to the supplementary estimates yet.

KINDERGARTEN SCHOOLS.

Mr. W. HUTCHISON asked the Minister of Education, If he will encourage the kindergarten schools in the several towns of the colony by proposing to place a sum of money on the supplementary estimates by way of a grant in aid of voluntary subscriptions for their maintenance? He knew the interest which the Minister of Education took in this desirable work, and he hoped the honourable gentleman would be able to give him a favourable answer.

Mr. REEVES wished he could give the honourable gentleman a favourable answer, because he had been very unlucky in the answers he had given the honourable gentleman lately. Most of those answers had not been of what he might call a satisfactory character, and if before the session ended he was enabled to give a favourable answer to the honourable gentleman he would be very glad indeed. Unfortunately, with regard to the present question, he might say that every sixpence that he could screw out of Parliament for the education vote would be required for ordinary purposes.

MINING INDUSTRY.

Mr. LARNACH asked the Minister of Mines, Whether he will cause the Mining Regulations to be revised at an early date, with the view of dealing more liberally with miners and others, by way of encouragement in developing the mineral resources of this colony?

Mr. SEDDON said the Minister of Mines had a Bill now before the House which dealt with the matters referred to in this question. He might say that the Government were of opinion that our mining industries required to be fostered, and that much more required to be done than they had been enabled to do during the last few years; but a new departure, he hoped, would be made. They must not lose sight of the great advantage to the colony which must result if the mining industries were more prosperous.

AGENT-GENERAL.

Dr. NEWMAN asked the Premier, If the Government will now inform the House who is to be Agent-General when Sir Westby Perceval's present term of office expires? When the estimates were going through, the Colonial Treasurer told the House, in reply to

a question which he (Dr. Newman) asked, that the Agent-General had not been appointed. As Sir Westby Perceval's term of office would be up in two months' time, he thought the House and the colony would like to know who had been appointed to the office.

Mr. SEDDON might say that no appointment had been made. The matter had not yet been finally settled by the Cabinet, but it would have to be settled before long.

STATE FARM.

Mr. THOMPSON asked the Minister of Labour,—(1) Whether the State farm at Levin is being worked on any well-defined plan or system with the view of making it self-supporting in the near future; (2) under what form of tenure are the workmen permitted to erect their dwellings and occupy their sections on the farm; (3) what are the qualifications necessary to enable workmen to get employment on the farm, and is this employment to be permanent; and (4) what are the rates of wages at present earned by the workmen on the farm? In asking this question, he would assume that before starting operations on the farm some well-defined plan had been prepared by the Minister of Labour, and that operations were being carried on under some well-defined regulations. He hoped the honourable gentleman would answer his question as fully as possible, for all he desired was information.

Mr. REEVES said, if the honourable gentleman meant, in the first part of the question, whether the Government had a sort of written constitution drawn up to cover the whole system under which this farm was being worked and was going to be worked, then his reply was, No, they had nothing of the kind. They were at present satisfied with the endeavour to convert a piece of bush-land into a farm which would be productive, and pay. The men were taken on the qualification of their being out of and unable to get work, and being in bad need of work. They took on elderly men in preference to young men, and men with families in preference to single men. Most of those who were on were elderly men, and, with few exceptions, the Government did not seek for first-class workmen. It was rather a place for men who were not first class, or for elderly men with families. Of course, if they proved fit to remain, they remained there; but, with regard to young and single men, the object was not to keep them there permanently, but after a time to pass them on, after they had done something to earn their living, to the ordinary labour market. As regarded the cottages and the tenure under which they were held, the men put up their cottages and paid for the material, and were allowed a quarter of an acre for a vegetable-garden. They did not pay any amount for the site of the cottage or for the garden. The Government had the right to send them adrift if it thought that they were unfit to remain. The Government would pay a fair price for any cottages such dismissed men put up. The family which went into one of these cottages which had been erected

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by such outgoing tenant would have to pay more rent for the cottage. With regard to the cultivation of the farm, most of the land being bush, their business chiefly had been confined to felling bush. They had made some money out of the sale of timber. After they had cleared the bush they would be able to cultivate the land. As to the wages most of the men were paid, they worked on the contract system, and earned from 5s. to 7s. A few of the men—very few, and those almost entirely the older men, or the less capable men—were allowed to do day-work. Their wages were not high, of course,—between 4s. and 5s. a day. They had not to pay rent or to go and look for work, so that they could live very cheaply there. They would not be able to work very well under the contract system. If they worked at contract rates they would not probably make so much as they were getting at day rates. When next year's labour report was compiled the farm would have been working a sufficient time to enable the department to give a fuller report than they had been able to give this year, although, as honourable members would see, the present report contained a good deal of information. He hoped, however, next year they would be able to give a great deal more information. Having heard lately one or two complaints with regard to the system pursued, and the management, from a farming point of view, he had got one of the best officers of the Agricultural Department to go up there and examine the whole working of the farm. That officer would make a report to his Minister and to him (Mr. Reeves). He would go up to the farm in a few days, and his report would be received shortly.

Mr. THOMPSON asked whether it was intended to employ these men permanently or temporarily.

Mr. REEVES said he had stated that, with regard to the older men with families, it was his intention to keep them there. With regard to the younger and single men, the idea was to pass them on.

LOCAL BODIES' VALUATION CORRESPONDENCE.

Mr. HOGG asked the Postmaster-General, If he will recognise the assistance rendered by local bodies to the Land-tax Department by allowing correspondence on valuation business only to be franked? He had been asked by representatives of local bodies to submit this question. He thought it was only fair that the local bodies should have every facility for obtaining the information indicated without undergoing very large expense. It was well known that the amount of rates paid to the local bodies was in some instances very small, and if the correspondence had to be paid for it would become a very heavy tax upon the local bodies.

Mr. WARD was sorry he must give the honourable member a similar answer to that which he gave to the honourable member for the Bay of Islands earlier in the session. He

regretted that he could not see his way to authorise this being done.

DRAIN-PIPES.

Mr. MASSEY asked the Minister of Agriculture,—(1) Whether it is a fact that the District Surveyor of Cheviot reported that Auckland-made drain-pipes were 25 per cent. better than those made in Christchurch; and (2) whether, in the face of the above report, instructions have been given that none but Christchurch-made pipes shall be used on any Government works in Canterbury? He asked this question after reading the letters of certain manufacturers in the district which he represented, and which complained of what was set forth in the question. If the statement referred to in the question was correct, the manufacturers in his district had a just cause of complaint. They only asked what was reasonable—namely, that those who produced the best article at the lowest price, no matter what part of the colony they belonged to, should be allowed to supply the Government.

Mr. J. MCKENZIE was afraid the honourable gentleman had been made use of in this matter. It was quite true that they did use Auckland and Canterbury pipes on the Cheviot Estate, but after some time they could not see the necessity for sending to Auckland for pipes when they could be got at Christchurch just as well. Therefore instructions were given to the officer in charge of the work to get the Canterbury pipes, but only on the condition that they were as good and as cheap as those from Auckland; so that no injustice could possibly be done to Auckland in the matter.

POLICE.

Mr. GUINNESS asked the Minister of Defence, Whether the Commissioner of Police has carried out the instructions which he states in his report this year to the Defence Minister be received—viz.: "I was instructed to promote to second-class rank all the third-class constables who had served seven years in the Force with clean defaulters' sheets; and shortly afterwards I was directed to promote to second-class rank all third-class constables who had seven years' service in the Force with only one trivial entry in the defaulters' sheets";—and, if not, why not? He would refer the Minister to the annual report of the Police Force of the colony by Lieutenant-Colonel Hume, the Commissioner. In paragraph 8 he found the above sentence. He wished to know whether the Commissioner had acted on the instructions. He knew some constables hailing even from the West Coast, who had got first-class certificates for seven years, and against whom there was no entry on the defaulters' list, had not been promoted, and he wished to know why. Very likely there were other cases with which he was not acquainted.

Mr. SEDDON said if the honourable member had pointed out to him that there were any constables who had been overlooked the matter would have been attended to. The in-

structions mentioned in the report had been carefully carried out. Such was the reply of the department. He thought, however, they were making too much altogether of the police-constable question, which was too frequently brought on the floor of the House. It gave grounds to the objection taken to having given them political rights. Bringing matters of this kind before the House did not help the police. The honourable gentleman was quite within his rights, but if he had written to him and pointed out cases where constables had been overlooked he (Mr. Seddon) would have had the matter attended to, and so would the Commissioner. He did not wish to be bothered with these matters. Two or three cases had cropped up, as had been formerly stated, where there had been an omission in the long list of constables, but that had been rectified. In looking through the defaulters' list it was a question of what was held to be an offence. One Inspector might hold a different view from another. The department had endeavoured to act fairly and impartially in the matter of promotions.

RAILWAY EMPLOYÉS.

Mr. J. W. KELLY asked the Premier, if he has yet decided to refer the charge made by Sir R. Stout, involving the Amalgamated Society of Railway Servants and the Railway Commissioners re black-listing of certain railway employés, to a Select Committee? He desired to state, in justice to the Ministry, that the report which appeared in a newspaper the other day, stating that pressure had been brought to bear upon him to withdraw this question, was entirely without foundation. No Minister had approached him, and he thought they knew him well enough not to attempt to do anything of the kind, because he was determined, so far as he was concerned, to have this matter probed to the bottom.

Mr. SEDDON said the Government had come to a decision on the question. He had carefully read the *Hansard* report of the speech of the senior member for Wellington City, and, having given it the fullest consideration, he did not see anything therein stated that would warrant the Government in referring the matter either to a special Committee or to the Railways Committee. Such men as the Chief Commissioner (Mr. McKerrow), Mr. Scott, and Mr. Ronayne were, of course, as every one knew, men of integrity, and the assertion had been entirely negatived by their statements.

Hon. MEMBERS.—Oh!

Mr. SEDDON said that those gentlemen stated there was not the slightest foundation for what had been asserted. The matter rested there, and the legislation under the Railways Act clearly intended that on questions of administration the Railway Commissioners should not be interfered with. If any persons felt aggrieved by what had been done by the Railway Commissioners the House was open to them through petition. They were at present not before the House, nor was there any grievance at all to deal with. They had cer-

tain statements by the member for Wellington City (Sir R. Stout), but he had not made any direct charge against the Commissioners; he had simply, in his speech, referred to what he had been told, and what he had been told was not, in the opinion of the Government, sufficient to warrant them in placing the Commissioners on their trial. The fact of doing so would be a reflection on them, and on those in whose honour and integrity the Government had every confidence.

BAND CONTEST.

Mr. DUNCAN asked the Defence Minister, if the Government will make arrangements with the Railway Commissioners to grant free passes to bandsmen in uniform who have entered for the forthcoming competition to be held at Invercargill this year, so as to put all bands on the same footing as they were last year? The bandsmen who attended the annual competition had been, in the past, in the habit of getting free passes, but, when they applied this year for the same concession, it had been refused them. He wished to know on what grounds they had been refused, and why they were not placed this year in the same position as they were in in former years.

Mr. SEDDON said it was true that in the past the Defence Department, under arrangement with the Commissioners, issued free passes to Volunteer bandsmen attending the competitions. The cost of this amounted to a total of £300. The Railway Commissioners now refused to grant the concession that had been previously given to the Defence Department, and the Defence Department did not see its way to incur the liability of £300 for this purpose. He regretted himself that notification of the alteration was not given in time, because to that extent the bands who had given notice of their intention to take part in the competition might have a grievance. For his own part, he thought reduced rates might be given, as in the case of persons attending exhibitions. The Railway Commissioners had made some concessions—he thought they were prepared to take excursion rates. For his own part, he thought the money would be better spent in making roads than in being given for the purpose of carrying bands free.

Mr. DUNCAN said the Minister had missed the point. He (Mr. Duncan) did not look upon this as a monetary loss—it was simply a matter of a few shillings' worth of coal to carry the men. It did not matter whose pocket it came from.

Subsequently,

Mr. SEDDON read the following answer from the department:—

“So far as the Railway Commissioners are concerned, all the bands attending the contest at Invercargill have been placed on the same footing as in previous years. It is understood, however, that some of the garrison bands have been in the habit of obtaining orders for free Volunteer tickets, contrary to the arrangement between this department and the Defence

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Department. Notice has been given that payment will be required in future for these tickets at the reduced rate charged to other bandmen, who have been placed at a great disadvantage hitherto by the issue of free tickets."

WELLINGTON-WAIRARAPA RAILWAY TRAFFIC.

Mr. HOGG asked the Premier, Whether it is proposed to introduce more powerful locomotives and more comfortable passenger-cars on the Wellington-Wairarapa Railway line, or to make such alterations in the traffic arrangements as will shorten the time occupied between the city and the country townships? It was within the knowledge of a large number of members who used this line that the carriages were neither smoke- nor weather-proof. The journey from the Wairarapa side up the Rimutaka was pursued at a snail's pace through a number of tunnels. The lamps, which were of a very old-fashioned, antiquated pattern, were frequently extinguished by the smoke in these tunnels. The carriages themselves were constantly filled with sulphurous fumes, which were most obnoxious to passengers, especially females. Then, on the town side, the train was allowed to pursue its course at a breakneck pace, something after the fashion of a drunken switchback, and the passengers on that part of the line were rocked until they were as sick as if they were at sea. The seats were hard even in the first-class carriages, and the paint was worn off. The floors were rarely swept, let alone cleaned, and the journey was one of a most disagreeable character. With regard to the second part of the question, the time occupied in the seventy-mile journey between Wellington and Masterton was from four hours ten minutes to four hours and a half. The ninety miles from Eketahuna occupied five and a half hours. There were frequent stoppages: in fact, there was a station at nearly every dairy and large residence on the road. The result was that the passenger-traffic was very much diminished, and people only travelled when absolutely compelled to do so. At Masterton, because of the arrival and despatch of trains, passengers were only able to remain three hours, and at Eketahuna one hour. If the engines were altered the trains would be able to travel at a much more rapid rate, and the people residing at Eketahuna would have an opportunity of receiving and answering letters on the same day, instead of waiting twenty-four hours as at present. He would summarise it in this way: As far as passenger-traffic was concerned they were working their mail-coaches with heavy draught horses.

Mr. SEDDON said the reply of the Commissioners was as follows:—

"Provision is being made, as opportunity occurs and funds permit, for more powerful locomotives and more comfortable carriages on the Wellington Section. Three new saloon carriages will shortly be placed on the line. The question of revising the time-table is receiving consideration."

OTAGO CENTRAL RAILWAY.

Mr. LARNACH asked the Minister for Public Works, in respect to the progress of the Otago Central Railway, What is being done to more expeditiously push on the work of the chief tunnel beyond Hyde?

Mr. SEDDON said the tunnel referred to was not a particularly formidable affair. The excavation was only estimated to cost £2,500. The approaches to the tunnel at both ends had been in hand for some time, and preparations for excavating the tunnel itself were now being put in hand. The department had never lost sight of the matter for a moment. Nearly a year ago they wrote to the District Engineer on the subject, and he replied that it was too soon to put the work in hand then. Other memoranda on the subject had passed since, the result being that a full estimate of the cost of the work was received from Mr. Ussher recently, which was now before the Cabinet for consideration. As he had stated in answer to another question on the same subject, he hoped in the course of forty-eight hours to say what it was intended to do with respect to this work.

GREY RIVER-BLACKBALL ROAD.

Mr. GUINNESS asked the Minister for Public Works, Whether the Government will place on the public-works estimates a sufficient sum of money to complete and put into a passable condition the road from the Grey River to the Township of Blackball? He had only to state that a recent telegram he had received in regard to this road from one of his constituents described this track or road which the Government had had constructed as being in an execrably bad condition; and he thought, when the Government undertook the work of constructing a road for a rising township such as Blackball, that they should see that the road was, at any rate, completed so as to be of some use to the inhabitants. He hoped the honourable gentleman would not lose sight of this small piece of work, but make provision for it on the public-works estimates.

Mr. SEDDON said inquiries would be made into the condition of this road. If it was as stated by the honourable member, then it was a matter which should demand consideration. Whether that consideration would be given this session or not he was not in a position at the present time to state.

INTERCOLONIAL FREE-TRADE.

Mr. O'REGAN asked the Premier, If, in view of the declaration made recently by the new Victorian Premier in favour of inter-colonial free-trade, the Government will take steps to encourage and develop the laudable desire to bring about commercial amity between the Australasian Colonies by representing to the several Governments the desirability of an Intercolonial Trade Conference? He put this question because he was not at all satisfied with the reply he received some time ago to a similar question. On that occasion he thought the answer he obtained was more evasive than anything else, and he had been prompted to

ask this further question because he thought constant dropping made an impression even on the hardest stone. On a former occasion the Premier said that he had only his (Mr. O'Regan's) word for the assertion that there had been a revulsion of feeling in the neighbouring colonies in favour of commercial peace between these colonies. Since then, however, they had had a very definite announcement from the Premier of Victoria.

Mr. SEDDON said New Zealand went to the other colonies and asked them to do this months ago. He hoped now the other colonies would come to New Zealand, and, if they did, that New Zealand would be prepared to treat with them. The Government believed it would be an advantage to this colony, whilst it would be a benefit to the other colonies also. He would be very much pleased himself that an understanding should be come to; and he was sure he voiced the feeling of the House when he said that, as far as New Zealand was concerned, they did not want tariff war. They wanted commercial peace.

FISHING IN ASHLEY RIVER.

Mr. BUDDO asked the Minister of Marine, If his attention has been called to the complaints of fishermen engaged in fishing for whitebait in the Ashley River against the recent Order in Council making the use of set-nets for the capture of whitebait illegal, and what steps, if any, they intend to take to modify this order? He might remind the Minister in charge of this department it was a very important thing to have an ample supply of fresh fish. Whilst he had little sympathy with set-net fishing he wanted to know if the department had taken into consideration whether the conditions under which fishing was being carried on on the east and west coasts were not the same. That was to say, the small set-net was of very little use where the flow of the water was strong, whereas it might be ample where the water was still. He trusted the department would take the matter into consideration.

Mr. WARD said complaints had been received from the fishermen at the Ashley River, but not from those at Hokitika, Greymouth, Westport, and Foxton, at which places whitebait was caught in large quantities. The action complained of was taken on a report received from the Inspector of Fisheries at Hokitika that small fry of all kinds were caught in these set-nets, and that the practice of using such nets was very injurious to the fishery. There was no objection to the use of hand-nets for whitebait, and fishermen at the Ashley were not debarred from following this part of their occupation. In the interest of the conservation of fish, it did not seem to be unreasonable that fishermen should be prevented from catching whitebait in a way that destroyed the young of other fish. From the information he had upon the matter he did not think that it would be expedient to modify the regulations so as to make them applicable only to certain places.

Mr. O'Regan

MINING INDUSTRY.

Mr. LARNACH asked the Government, Whether more earnest consideration will be given in the near future to the mining industry of the colony, with the view of granting practical encouragement towards prospecting, opening tracks, water-races, and the conservation of water, that will help more quickly to develop the great mineral resources of New Zealand, and give some hope to the enterprising miners that the Government will not neglect their interests and calling?

Mr. SEDDON said the Government were fully alive to the necessity of assisting the development of the mining industry, and this was shown in the concluding paragraph of the Statement of the Minister of Mines, which had been laid on the table. He hoped that the honourable member would very shortly have substantial proof that the Government were desirous of encouraging this most valuable industry.

WAIPORI DREDGES.

Mr. LARNACH asked the Government, Whether they will at once seriously consider the Waipori-dredges difficulty and the terrible hardship it is causing to families, and inform the House when the legislation to effectually deal with the question is to be put before members?

Mr. SEDDON might say that he could concur with the honourable member as regarded the Waipori difficulty, and the very great hardships which were being endured by the miners and their families by being thrown out of work through the stoppage of mining operations in that part of the colony. But the settlement of this dispute involved a very large sum of money, and it was a question whether that large sum of money should be found for the purpose. The Government had the matter under consideration, and he hoped, in the course of a few days, to place the matter before the House, and in such a way as to give satisfaction.

STAGE SYSTEM ON RAILWAYS.

Mr. MASSEY asked the Government, Whether, when they take over the railways of the colony, they will be willing to make a trial of the stage system on the lines north of Auckland? He had been induced to put this question on the Order Paper owing to the fact that a great many people in the colony were strongly of opinion that the stage system would be a great improvement on the present method of working the railways. In a few months the railways would be taken over by the Government; consequently an opportunity offered of making an experiment to try the stage system on one of the lines of the colony. It had occurred to him that the Auckland-Kaukapapa Section would be particularly suitable for this purpose, as an average amount of goods and passengers was carried over it, and, as it was detached from other lines, there would be no difficulty in keeping the accounts separate. He hoped the Minister would see his way to favourably answer the question.

Mr. SEDDON was not in a position at this stage to say what the Government would do in reference to this question—at least, in regard to the matter involved in the question. It was well that they should have a Minister of Railways in office and in control of the railways, and then he would be in a better position to state what course would be taken. If the honourable member would adopt the suggestion he wished to make, he would postpone this question till next session, and then he (Mr. Seddon) would be in a better position to give a satisfactory reply.

Mr. MASSEY said, Very well, he would postpone it till next session.

COUNTY COUNCIL VALUATIONS.

Mr. MASSEY (for Mr. McGuire) asked the Colonial Treasurer, Whether the Government will, in view of the local bodies having the cost of assessment thrown upon them, allow the County Council valuers to search titles in connection with the forthcoming valuation free of cost?

Mr. WARD might say that the local bodies were now permitted to search the titles to land free of charge, provided the search was conducted by the Clerk of the Council or some person duly authorised by him.

H. VON BLARAMBERG.

Mr. PIRANI asked the Minister of Education, What steps he intends to take with regard to the Public Petitions Committee's report on the petition of H. von Blaramberg? He would like to point out to the Minister of Education that this was a matter of extreme urgency. This man had been out of employment for the last twelve months, in consequence of the action of the Education Board. Some inquiry should be made immediately, in accordance with the recommendation of the Public Petitions Committee. The information brought before the Committee was such as to warrant an inquiry, and he trusted the Minister would see that no delay took place.

Mr. REEVES had sent to the Board for a statement of the differences in this case, and the matter, he understood, was to come before the Board on the 8th October. He was now awaiting a communication from the Board to the Education Department on the subject.

TEMPORARY CLERKS, ETC.

Sir R. STOUT asked the Government, When the return ordered on the 12th September regarding temporary clerks, &c., will be laid on the table? This return was ordered on the 12th September, and he believed it would only take a day to prepare.

Mr. SEDDON said the return was in course of compilation, and steps would be taken to expedite its completion. Several returns had been ordered previous to this one, and the department, in the absence of instructions to the contrary, had in most cases proceeded with the preparation of the returns in the order in which they had been called for. The Government had no desire to keep them back; in

fact, they desired that the fullest information should be given, and with that view he had asked to have added the number of clerks who had been retired and dismissed or who had left the service during the period mentioned.

MOORE, HEPBURN, AND ROBINSON.

Sir R. STOUT asked the Government, If the recommendation of the Petitions Committees A to L and M to Z on the several petitions of Messrs. Moore, Hepburn, and Robinson will be given effect to by the sums recommended to be paid them being placed on the supplementary estimates? This was a very hard case. These men were entitled to this compensation, which the Committee thought they were entitled to. The Committee had asked the Premier to have laid before it the order or regulation that was read to the men by instructions from a former Minister of Defence. There was no doubt whatever that the men were entitled to compensation, and he thought the honourable member stated he would consider the matter about a month ago; and, that being the case, he hoped he would now be prepared to give a favourable reply. These were poor men who were really entitled to this money.

Mr. SEDDON did state what the honourable gentleman mentioned, and he stated, further, that it was a matter the Government would have to decide when dealing with the supplementary estimates. The reason why he had not been able to give a reply sooner was that they had not yet dealt with the petitions which had been brought before the House. The rule adopted by this Government and the late Government was not to deal with the petitions until all were in, and then they dealt with them altogether. He promised the honourable gentleman, further, that if they decided this matter in the negative he would give timely notice, so that the honourable member might know what to do. He had not forgotten that promise. He thought these men were entitled to something, but he would not say that they were entitled to all that the Committee had recommended.

CAPE FOULWIND RAILWAY-SLEEPERS.

Mr. O'REGAN asked the Government, If the Government can see its way to arrange for the purchase of railway-sleepers from those men at Cape Foulwind who were permitted to cut sleepers while the Westport harbour-works were suspended?

Mr. SEDDON said the Railway Commissioners had sent the following reply:—

"During the period from 15th August, 1893, to 11th September, 1894, 13,663 sleepers in sixty-seven small lots have been bought by the Railway Commissioners from settlers of Westport and Cape Foulwind, at a fixed price of 2s. 6d. cash on delivery at Westport. This is sufficient for present requirements."

The Public Works Department also gave the following reply:—

"This department is not in want of sleepers at present, as we have a considerable number in stock. As, however, we should be able to use

them in a few months probably, we might, perhaps, take them if the owners are willing to sell at a reduced price. The Railway Commissioners usually pay 2s. 6d. for sleepers delivered at Westport. I would suggest that we might offer 2s. 4d."

4.0. He might say this was a matter in which he did not concur with the department. He did not think the colony should take advantage of the position of these men. If 2s. 6d. was a fair charge, then the colony should pay it. He knew the necessities of these men, and the difficulties under which they laboured at the time the work was suspended. He would give this matter his favourable consideration, and would see what could be done.

WAIRARAPA UNEMPLOYED.

Mr. BUCHANAN asked the Government, What provision they intend to make during the present month for the unemployed in the Wairarapa district? He had put on the Order Paper a few days ago a similar question to that which he now asked, and he was induced to put this second question in consequence of further information which he had received from his constituency. In reply to his question on the previous occasion the Minister of Labour had stated that the pressure of the unemployed in the Wairarapa was much less than it had been. His (Mr. Buchanan's) information was that, on the contrary, it had become greater. For instance, a settler there had given over four thousand eight hundred meals to travellers within the last three months, and from other parts of the district the same information came as to the number of unemployed who were going around the country. He had also noticed by the newspapers that at three places where they had been accustomed to supply food to travellers they now advertised that they were unable any longer to give any food. He had received a communication from one of the settlers that they had been driven to this course by their inability to provide the amount of food required for the large number of these unemployed men. The honourable gentleman would therefore see the necessity for something being done to meet the state of affairs in that district. He hoped the Minister would give a favourable answer to the question.

Mr. REEVES said he would have special inquiries made at once. If the information laid before him at all tallied with the statements of the honourable gentleman, he would have the matter laid before the Cabinet, and would ask the Government to take such steps as could be taken to deal with the matter.

SECRETARY AND INSPECTOR OF FACTORIES.

Mr. GUINNESS asked the Government, Whether they will take into their favourable consideration the desirability of increasing the salary of the Secretary and Inspector of Factories from £350, so that this officer will be paid a salary nearly equal to those paid to the per-

Mr. Seddon

manent head officers of the several other Government departments? He wanted to draw the attention of the Minister to the fact that the Inspector of Lunatic Asylums and Hospitals got £1,200 per annum; the Secretary to the Treasury, £700; the Under-Secretary to the Mines Department, £550; the Inspecting Engineer of Mines, £500; the Under-Secretary for Justice, £500; the Secretary to the Post Office, £700; the Secretary and Chief Inspector of the Agricultural Department—a new department—£500; the Under-Secretary for Crown Lands, £625; and the Secretary and Inspector-General of Schools, £600; whereas the officer in respect to whose salary he was asking this question got the small amount of £350 per annum. He thought, by comparison with these salaries, that an additional sum should be voted for this very deserving officer, who had charge of this very important department.

Mr. REEVES said that one of the very few increases made by the House to officers receiving over £300 a year was an increase to the salary of this very officer. He certainly could not recommend or ask the House to vote a further increase to the salary this session. Mr. Tregear was a very deserving officer, but he had not been very long where he was. The department was not at all a large one, though important, and, in its way, troublesome. The officer had to stand a good deal of worry in performing his work. During the short time Mr. Tregear had been there he had had two increases already. No doubt if the department increased and assumed further functions his salary would grow with it. A comparison of his salary with those quoted by the honourable gentleman was not a fair comparison.

CUSTOMS ENTRY-FORMS.

Mr. COLLINS asked the Colonial Treasurer, If, seeing that shippers have now to provide their own entry-forms for supplying the Customs with returns of goods exported, the Government will have such forms printed and supplied from the principal railway-stations throughout the colony?

Mr. WARD might say that these forms had always been supplied, and were on sale at all stationers'. He did not think it would be right for the Customs Department to supply these forms free.

Mr. COLLINS said he did not suggest that they should be supplied free, but rather that they should be obtainable at places like Kaia-poi, Rangiora, Ashburton, and elsewhere.

Mr. WARD would give instructions to have them supplied to the places named.

WOODVILLE CORPORATION WORKS.

Mr. HALL asked the Minister of Labour, If he will inquire into the allegation of four gangs of co-operative labourers employed at the Woodville end of the Woodville-Eketahuna Railway under Messrs. Joyce, Ellery, Dumphy, and Wilks.—(1) That they have been set to work on sections of stumping and formation without being informed of the price to be given; (2)

that they have been paid in some instances for formation only; (3) that no plans and specifications have been given them by which to carry on their work? (4.) If all or any of those allegations are correct, will the Government see that in the future these matters shall be remedied?

Mr. REEVES said the department sent down an officer to inquire, and furnish a report. The officer had returned, but the report had not yet been sent in. He would therefore suggest that the honourable gentleman should ask this question a few days hence.

OLD SOLDIERS' CLAIMS.

Mr. E. M. SMITH asked the Government, When will the claims of the old soldiers residing in Wellington who have had their claims recommended be dealt with, so that those deserving men may get what they are justly entitled to? The reason why he was asking this question was this: In Wellington there were a number of old soldiers whose claims had been sent in to the Land Commissioner, and it was recommended that these men should get the grants of land they were entitled to. The session was now drawing to a close, and he wished to see what reply he would get from the Government.

Mr. J. McKENZIE might state that there was no law at the present time under which any further claims could be granted, and anything that was to be done in this matter would require legislation. There were still a large number of claims, and the question would have to stand over until next session, when all further claims could be dealt with.

RABBIT NUISANCE.

Mr. E. M. SMITH asked the Minister of Agriculture, When he will deal with the question of a bonus for the extermination of rabbits in New Zealand, as promised by him early in the session? At the early part of the session the Minister recognised this as being a very important question, and he said he hoped he would be able to give a definite answer before the close of the session. Knowing there were some inventors in England and in the colony who were only waiting for the Minister's liberal offer, he had great pleasure in asking the question standing in his name.

Mr. J. McKENZIE said he had not forgotten that this was a very important question, and that he had made the promise referred to by the honourable gentleman. The conditions for a bonus were being drafted, and all he could say was that if anything could be discovered to deal effectually with the rabbit-pest it would be worthy of a good bonus.

ONEHUNGA WHARF.

Mr. SEDDON said that, with regard to the question asked that afternoon by Major Harris, in justice to the Commissioners he wished to read the following reply:—

"The Onehunga Wharf has been made accessible for dray traffic. It is not proposed to

make any reduction in the charges for shipping and landing stock at the Onehunga Wharf."

The Public Works Department replied as follows:—

"By your direction the Railway Commissioners were written to in reference to the above matter, and the following is a copy of their memorandum in reply:—

"*Onehunga Wharf.*—In reply to the above-quoted memorandum I am directed by the Railway Commissioners to inform you that the Onehunga Wharf has been made accessible for dray traffic. The Commissioners do not see their way to reduce the wharfage charge of 1s. 6d. per head on cattle landed at Onehunga Wharf.—E. G. PILCHER, Secretary."

ADJOURNMENT.

Mr. BUCHANAN wished to move the adjournment of the House in order to give him an opportunity of dealing with the subject of the unemployed in Wairarapa, which formed the subject of Question No. 49 on the Order Paper. The Minister of Labour had dealt with the question a few days ago in a manner that, as would be well within the recollection of the House, was not befitting the dignity of his office. He (Mr. Buchanan) regretted that he was not allowed to refer to a previous debate, because it prevented him from doing what he was sure no honourable member of that House would object to—namely, replying in an effective manner to the bitter and—

Mr. SPEAKER said the honourable member, while regretting that he could not refer to what occurred on a previous occasion, was now alluding to a previous debate of the present session.

Mr. BUCHANAN would not persist in doing so. There would be many opportunities of subsequently bringing the question before the House, without alluding to a previous debate. He had pointed out in explaining his question that, contrary to what was said by the Minister of Labour, the number of unemployed in the Wairarapa district was very large indeed, so large that he felt compelled to put the question on the Order Paper a second time in order to obtain some relief for those unfortunate men. The state of the unemployed in the Wairarapa was largely due to the Government on these benches. The Minister of Labour represented the constituency of Christchurch City, and it had been again and again pointed out that so long as he was able to serve the unemployed in his own constituency he cared but little for the interests of those in other constituencies throughout the colony. If there was any "unemployed" agitation in Christchurch the honourable gentleman took very good care to cart his unemployed all over the colony, regardless altogether of those already in the district into which they were pitchforked. Even the honourable member for Masterton, a strong supporter of the Government, felt compelled to complain of the practices of the Minister of Labour. The Minister on a previous occasion had denied the charges made against him in this direction, and had asked him (Mr.

Buchanan) to prove that the unemployed in his district had come from the honourable gentleman's electorate. His reply was that these unemployed had, in the first instance, been taken into the Masterton district, and, as there was not a man-proof fence between it and his district, these men in search of employment, as a matter of course, found their way into his electorate. He had met these men personally, and had been given the details of their deportation from the Christchurch district to the Wairarapa. He would now prove to the hilt from the honourable gentleman's own words the statements he had been making to the House. He would quote from the *Lyttelton Times* of the 19th October, 1893, on which date the honourable gentleman was interviewed by a number of the unemployed in Christchurch just a little before the last election. This was what the honourable gentleman stated:—

"No Government had ever schemed and laboured so to help the unemployed."—In Christchurch, he might remark.—"Since March last no less than 258 men had been sent out of Christchurch by the Labour Bureau at good wages. No other town had had nearly so much done for it in this way as Christchurch. He had done this because the suffering was greatest there. For the rest, the Government had spared no pains to give work to Christchurch men in all parts of the colony, wherever it could be found. Complaints, indeed, were made against him in other districts that he showed undue favour to Christchurch men by giving them work in other provinces over the heads of local men. During the last week he had been telegraphing to all parts of the colony inquiring for work. He should be able at once to send twenty men to Southland, and a party to the North Island."—The Wairarapa, no doubt.—"Later on a party would go to the Mount Cook Road, and, he hoped, more men to the North Island. He must ask them to take his word that, as he had done his best in the past, he would go on doing so in the future."

Then, here was a telegram published in the same newspaper from Dunedin, dated the 17th October: "There is much complaint about the Christchurch unemployed being sent to Catlin's when there are so many unemployed here." The honourable gentleman would perhaps tell him that there were no unemployed in the Wairarapa that had been sent there from his district. He (Mr. Buchanan) told him he had met them there. The honourable gentleman had deported them to the Wairarapa to get them out of his way, and they were shortly afterwards discharged. These unfortunate men were now roaming about the roads in search of employment, which they were not able to get; and the honourable gentleman, from his place on the Government benches, from which members had a right to expect courtesy, dignity, and fair-play, went out of his way to rail at settlers in his and other districts because, he said, they grudged a crust to those hungry men who came to them for work.

Mr. Buchanan

Mr. REEVES said the honourable gentleman was referring to his speech on a previous day.

Mr. BUCHANAN said the honourable gentleman had been guilty of what he had stated over and over again. He had never lost an opportunity of maligning what he called the land-monopolists, whom he accused of creating the "unemployed" difficulty. These men were settlers who were deserving of every consideration, and this was the kind of language that was continually being applied to them by the honourable gentleman. The young man who managed the property on which food was pilaged a few days ago in his district was the grandson of one of the oldest settlers in the colony; and yet the honourable gentleman, from his place on the Government benches,—

Mr. SPEAKER said the honourable gentleman now seemed to be clearly referring to a speech of that session.

Mr. BUCHANAN did not wish for a moment to transgress the rules of the House.

Mr. SPEAKER said, when the honourable member referred to a speech as having come from the Government benches, he understood the reference to be to a speech of this session. If, however, the honourable member stated distinctly that this was not the case he was bound to accept the honourable gentleman's statement.

Mr. BUCHANAN did not wish to refer to any particular speech. It was well within the knowledge of every member of the House who had been in the House for any length of time that the honourable gentleman was continually raising class ories. There was no member in the House, nor had there been in past Parliaments, who had done so much to set class against class as the honourable gentleman. By some strange irony of fate the honourable gentleman was Minister of Labour. Members had a right to expect from a gentleman in that position some courtesy and some dignity in dealing with the important questions that were placed under his charge. But what did they too frequently find? He was certain every honourable member in the House would agree with him when he stated that the honourable gentleman's conduct was frequently of the most unbecoming and undignified character. He assailed certain classes in the community on every opportunity. He maligned them in the most unscrupulous way, and very frequently did so when there was no opportunity of reply. In the *New Zealand Times* of the 6th June of last year he found a leading article, which he believed he was perfectly right in attributing to the penmanship of the honourable gentleman when the honourable gentleman was managing director of the *New Zealand Times*; and he did not think he would deny the authorship. It was as follows:—

"It is difficult to imagine a greater collapse than the collapse of the Sydney Labour Bureau. That Bureau has succeeded in doing nothing that a Labour Bureau ought to do, and has done everything that a Labour Bureau ought not to do. We need not wonder that the

Labour Bureau is about the most unpopular thing in the New South Wales capital. Obnoxious to labour, a stumbling-block to the Government, a cause of weeping to the philanthropist, the Bureau has but one friendly section in Sydney which wants a rod for the Ministerial back. Labour does not want charity and low wages. Governments always want to see the end of the 'unemployed' troubles, as they do of every other disorder in the body politic; the benevolent want to be spared the sight of gaunt hungry crowds, clamouring for the bread which they ought to be digging out of the ground. How intensely all those must be disappointed in the Labour Bureau we can readily and easily imagine without any great effort. We can likewise picture them wondering why the system they borrowed from New Zealand should have failed so distinctly, while the success which first allured them to imitate still remains brilliant in this colony. The New Zealand Bureau was projected for the purpose of decentralisation of the most comprehensive and radical character. It was born in ridicule, and it lived its first months in the midst of cynical denouncement and sceptical staring. But the Bureau kept on its way regardless, and now can boast of a solved labour-problem, and the cordial support of every section of the community."

4.30. What a sarcasm that article was on the position in New Zealand now! The labour difficulty solved, forsooth! Three well-known settlers in the Wairarapa driven by the excessive number of men who were roaming about the country looking for employment and unable to get it—driven for the first time in their lives to refuse some of these men a crust of bread as they went from place to place. This was the success which had attended the honourable gentleman's administration of the Labour Bureau. Let honourable members go down the street and meet one of the unemployed, and ask him to go to the Labour Bureau: what would he tell you? "I have been there over and over again. I can get nothing there but evasion; and everything is unsatisfactory." In country districts they would find the same tale of the Labour Bureau. The Labour Bureau, which was to have solved the labour difficulty, and which was asserted in the article he had quoted to have done so, was simply held in contempt by the very men in whose behalf it was instituted. He did not wish at all to attack the Labour Bureau as an institution; he had never objected to the establishment of the Labour Bureau, and did not object to it now; but the honourable gentleman knew nothing of labour practically, and a curious fate had pitchforked him into a position for which he was never fitted; and could it be wondered, as far as the institution was concerned, that his administration was a very sorry exhibition, if the state of the unemployed throughout New Zealand was any criterion? The honourable gentleman was designed for a very different sphere from that of the head of the Labour Department, but fate had not been kind to

him. It had been very unkind indeed. He would like to know in what sphere the honourable gentleman could find congenial surroundings. Certainly not in that House, and certainly nowhere outside of it. The honourable gentleman was continually at war with himself—with everything, with everybody—and the day was fast coming when the labouring-men of this colony would tell him what they really thought of him. One of the honourable gentleman's strongest supporters, now sitting beside him, had given his opinion of the honourable gentleman's administration.

Mr. REEVES said the honourable gentleman was referring to a past debate.

Mr. BUCHANAN said surely he was permitted to make allusion to what took place in the House the other day. He had very little more to say, except to again express his resentment at the honourable gentleman's manner of dealing with this question. He hoped the honourable gentleman would turn over a new leaf—if that was possible—and deal with the question as it should be dealt with. As far as the honourable gentleman's conduct towards himself was concerned, he cared very little about it; but he did hope that the honourable gentleman would consider the unemployed in other parts of the colony as well as in Christchurch, and not, as the honourable gentleman had himself admitted he had been doing, find employment for them at the expense of the colony, and at the expense of the unemployed in other districts. If time permitted he could give a very instructive tale indeed with respect to one group of unemployed who were brought from Christchurch and sent up to the Forty-mile Bush to do some bush-felling. These men were sent up there at a very heavy expense, they did very little to show for it, and some of them were "carted" back to Christchurch at the expense of the colony. The honourable member for Masterton knew many instances of what occurred in regard to the unemployed brought from Christchurch and sent up to his district.

Mr. THOMPSON.—Was that previous to the election?

Mr. BUCHANAN said Yes; and also since that time. He begged to move the adjournment of the House.

Mr. O'REGAN rose to second the motion for adjournment. He exceedingly regretted the speech to which they had just listened, because he could not help thinking that the honourable member for Wairarapa had simply used the unemployed as a means of making a personal attack on the Minister of Labour. The honourable member evidently laboured under a keen sense of injustice, and had used his sympathy with the unemployed as a means of making an uncalled for attack upon the Minister. He sincerely regretted, with the honourable gentleman, that there was such distress in the Wairarapa district, but he would make bold in his place in that House to declare that for a few runholders not to give the assistance of a crust of bread to these poor men reflected no credit on them. It reflected no

credit on men in a comfortable position to refuse that small help to others who were less fortunately situated. The honourable gentleman quoted one sentence from an article with which he thoroughly agreed. The article said labour required no charity, provided it got justice. But he could not help thinking, and he thought many honourable members would agree with him, that while they had those large estates monopolized by a few there was no justice for labour. He would like honourable members to bear in mind that more than one-fourth, or nearly a third, of this beautiful colony was the private property of some sixteen hundred men. Eighteen million acres of the best land in New Zealand was mopped up by these few landholders.

Sir R. STOUT.—You include companies.

Mr. O'REGAN said Yes, he included companies, and nearly twelve hundred of those gentlemen were absentees. In the face of these facts, he wondered why there could be any surprise that there were unemployed in the colony. For his own part, he looked upon the Labour Bureau, and always had done so, as a farce. He did not wish to reflect on the Minister or any one connected with it, because he believed, as far as the administration was concerned, they had done as much as they possibly could; but his opinion was that the Labour Bureau was an institution which never could do any really permanent good for the working-men. He would say the same with regard to many of the labour Bills brought forward by the Minister of Labour in connection with the "unemployed" difficulty. There was another matter which had been alluded to that afternoon which he would refer to briefly—that was, as to the question asked by the honourable member for Palmerston in reference to a petition which came before the Petitions A to L Committee—the petition of H. von Blaramberg, a schoolmaster at Palmerston. He thought the reply given by the Minister was very unsatisfactory. It seemed to him that a great mistake had been made in referring this case back to the Education Board. The Education Board, they had reason to believe, had a bias against the petitioner, and he, for one, did not expect fair-play for the petitioner at the hands of the Board. He was not prepared to say that all the allegations made by the petitioner were justifiable, but he did know this: that through his instrumentality a gross abuse was put down in a school at Palmerston. One of the female teachers had pasted a lot of improper and, in fact, he might say, immoral pictures upon the walls of the schoolroom. The petitioner, in his capacity as her superior in the school, caused her to take the pictures down, as their inevitable effect would be to pollute the minds of children; and this led to a dispute between them, in which Mr. Von Blaramberg was worsted, as the services of the teacher were still retained. He thought this was a matter which demanded serious consideration, and he was not afraid to stand there and denounce this matter as a scandal, and say that it required the strictest investiga-

tion. For that reason he regretted the light manner in which the petitioner had been treated. He hoped this was not the last they were going to hear of this matter. At any rate, the answer of the Board should not be taken as final.

Mr. REEVES said, first of all, with regard to the case of H. von Blaramberg, it was a mistake to say that the petition had been treated in any light way, for who ever heard of a Minister ordering a public inquiry into a matter without first of all asking the persons accused of doing wrong things what they had to say? What an extraordinary Minister he would be if he was prepared to go into a matter in which allegations were made against the Education Board without first asking the Board what they had to say for themselves! Even the hideous monster just now so graphically portrayed by the honourable member for Wairarapa would not do that. He had simply said that as soon as he heard from the Wanganui Education Board he would inquire into the matter, and see that justice was done. He hoped his honourable friend the member for Wairarapa felt better now. He was sure that honourable gentleman ought to feel better for that discharge of bile. He should say a blue-pill and a black-draught would have nothing like the relieving effect of the quarter of an hour's outburst the honourable gentleman had had at his (Mr. Reeves's) expense. He hoped, as he said, his honourable friend was better now, and that for the next week or two he would be able to smile across at him as he was wont to do, instead of glaring at him with an air of ferocity which, if he had been a nervous man, would have made him fear he was going to share the fate of the French President. But with regard to his honourable friend's remarks that afternoon, the honourable gentleman said he did not care what he (Mr. Reeves) said;—that he really cared very little what he might say to him. Did he not look like it? Could any one who knew what was the cause of the honourable gentleman's speech doubt that he was absolutely indifferent to anything he (Mr. Reeves) might say, and had said, of the honourable gentleman? What did the honourable gentleman care for whatever he might have said or might say? Of course he cared nothing. He remembered once hearing a small boy who had been sent to bed an hour or two before his time going upstairs and at every third step shouting out, "I don't care! I don't care! I do-on't ca-a-a-are!" and then he lay down at the top of the stairs and kicked and yelled. That reminded him very forcibly of the honourable member for Wairarapa. That honourable gentleman lay down and kicked at him—metaphorically of course—and yelled, calling out between, "I don't care." If this was the honourable gentleman's method of showing how totally indifferent he was, he could only say he did not think it would carry conviction to the breast of any one, except perhaps the honourable member for Clutha. Now for one or two of the allegations of the honourable gentleman. He complained, of

Mr. O'Regan

course, that he (Mr. Reeves) did not adhere strictly to the facts; and yet the honourable gentleman who made that statement proceeded, in the course of his remarks, first of all to accuse him of making attacks on the Wairarapa landowners, and, in particular, of making reference to one young man who had not fed some swaggers, and then said, speaking on his honour, that he had made no reference to his doing so—that he was not referring to anything he (Mr. Reeves) had said.

Mr. SPEAKER said the honourable member for Wairarapa did not say that his statements were made "on his honour." He (Mr. Speaker) had put that interpretation on it, because honourable members were always supposed to answer on their honour to questions he put to them.

Mr. BUCHANAN said Mr. Speaker would have ruled him out of order had he gone outside the rules of debate, and it was not for the Minister to practically question Mr. Speaker's ruling.

Mr. REEVES said he was not questioning Mr. Speaker's ruling—he (Mr. Speaker) could do nothing but what he had done. But he (Mr. Reeves) had a right to refer to the statement of the honourable gentleman—to say what the honourable gentleman had said about him;—that he had accused him of making a reference to certain settlers in the Wairarapa district. The honourable gentleman made a vigorous attack on him because he had made those remarks, and then said he was not referring to anything he (Mr. Reeves) had said this session. The honourable gentleman knew absolutely that he had never referred on any other occasion except the other day to the larger landowners in the Wairarapa. Yet he allowed Mr. Speaker to put him on his honour, and to accept his word that he was not referring to what he (Mr. Reeves) had said this session. What was the honourable member's honour?

Mr. SPEAKER.—I do not think that is a reflection that should be made on a member of this House.

Mr. REEVES would withdraw it and merely put it as a question.

Mr. BUCHANAN said that would go into *Hansard*.

Mr. SPEAKER said the Minister had withdrawn the expression.

Mr. REEVES said the honourable gentleman was absolutely indifferent to anything he could say. Then the honourable gentleman went on, not satisfied with that, to assure the House that he (Mr. Reeves) had written a certain article in the *New Zealand Times*. He had never written that article—he did not write a solitary word of it.

Mr. BUCHANAN.—I did not say so.

Mr. REEVES asked the honourable gentleman not to interrupt him in the few minutes at his disposal. He asked honourable members whether they could put any other construction on the honourable gentleman's words except that he plainly stated that he (Mr. Reeves) had written the article, and asked everybody in the

House to believe it. He read it as having emanated from his pen, he criticized it as coming from him, and referred to the similarity of certain sentences to the style in which the honourable gentleman said he usually indulged. Would it surprise the honourable gentleman to know that he did not write a single word of it?

An Hon. MEMBER.—Are you on your honour?

Mr. REEVES said he was, and he was quite sure that his word on a question like that would be accepted by almost everybody in the House.

Mr. BUCHANAN said he accepted the honourable gentleman's statement.

Mr. REEVES said, so much as to the leading article. And as to his previous attacks on the large landowners of the Wairarapa, he had never taken occasion to attack the large landowners of the Wairarapa. With the exception of his remarks the other day he had never made any reference to the large landowners of that important district. He must not refer to what he had said; but, with regard to anything he might have said, he did not withdraw one single jot or iota of it, and whatever he had said was thoroughly well deserved and absolutely true. What he did say now was that land-monopoly was the parent of the unemployed and the swagger system. The land-monopoly was the great cause of the "unemployed" difficulty, and until they struck a blow at that monopoly which would break it up and put an end to it they would never have an end to this continual "unemployed" cry winter after winter, and the bitter distress they saw in different parts of the colony.

An Hon. MEMBER.—In Christchurch?

Mr. REEVES said, Yes, in Christchurch, because if ever there was a place where the "unemployed" difficulty was the result of land-monopoly and the locking-up of huge areas of land it was the unfortunate Province of Canterbury, and there was not a single Canterbury man present in the House who would venture to deny that. The honourable gentleman complained of him because he "carted" his Canterbury constituents all over the colony, and dumped them down in various districts in order to secure his return at the elections. The answer to that was this: So far from popularising himself by his dealings with the unemployed in Christchurch for election purposes, it was his absolute and stiff refusal to do what the men, at a mass meeting, demanded at the last election—and the honourable member for Avon could bear him out in this—which brought upon him a storm of abuse and a series of hostile resolutions passed at their meetings.

Mr. TANNER.—That is absolutely true.

Mr. REEVES said it was because he would not do insane, unjust, and reckless things, and promise everything he was asked, that those men met by hundreds at mass meetings and again and again passed resolutions condemnatory of him, to the great delight of his political antagonists. Yet the honourable gentleman quoted his own words—played the old trick of

incomplete quotation—picked out a sentence here and there of his speech to make honourable members believe that he had promised to do everything those mass meetings might ask, and that he was ready to do everything for them. He would inform the House that what they asked of him he absolutely refused to do on that occasion. The honourable member for Avon knew that what he was saying was true. The fact that he had to put Canterbury unemployed at work in different parts of the colony was due not to anything he might have done, but to the inexorable logic of circumstances. The Christchurch unemployed could not be put on works in their own district because there were no works to put them on. The whole of the public-works expenditure of the colony had for many years been carried on outside the Canterbury District; and yet the taxpayers of Canterbury and Christchurch, year after year, had to contribute an enormous sum in order that public works in Auckland, Wellington, and Otago might be carried on, not out of local revenue, but out of colonial. Yet when a few sections of these men were put on works in other parts of the colony, on works for which not the local taxpayers in those districts had to pay, but the taxpayers of the colony, then, because he gave those unfortunate men a share in the work allowed to their neighbours, he was a truckler and a demagogue. It was impossible to do anything else than see that the employment on the public works of the colony was as fairly divided as possible amongst the deserving poor in all parts of the colony, without reference to any particular locality; and, inasmuch as last year it was notorious that the "unemployed" distress was greater in Canterbury than in any other part of the colony, so for two or three months last winter a large number had to be sent from Canterbury to works in other places. But, so far from these 258 being sent to Southland and the North Island, as the honourable gentleman would lead the House to believe, the greater part were sent to Cheviot, and to Mount Cook, and others to the Bealey, on the West Coast Road, between Christchurch and Hokitika, while only a few were sent to Southland and the North Island. With regard to the statements the honourable gentleman made that he had "carted" unemployed into the Wairarapa and afterwards turned them into the road to starve, that he absolutely denied: the statement was without a shadow of foundation in fact. A very considerable number from Christchurch had been put on public works in the last few months, but not in the Wairarapa; they had been put on public works at Woodville, and these men were not turned out to starve after being kept on for a little time. They had a fair—more than fair—a liberal term of work given them, so as to enable them not only to defray the cost of going up there, but to transmit money to their wives and families, and even, if they were careful and prudent and skilful, to lay a little aside for a rainy day, or to enable them to go and look for work elsewhere without starving. No doubt there had

Mr. Reeves

been a considerable number of unemployed men going about asking for work in the Wairarapa. It was always a fact that in hard winters, in districts where the country groaned under the curse of land-monopoly, these men were found going around from station to station asking for work; but he said this was the result of land-monopoly, and not of anything he as Minister of Labour had done. He had never claimed that the Labour Bureau would be the sole solution of the labour problem, as the honourable member for Wairarapa quite unjustly said of him. He had positively stated again and again that it could not be so—that it was only a palliative, and that all the Labour Bureau could do was to see that such work as there was should be distributed amongst the most deserving, and that while there was work in one part of the colony waiting for hands he would see that there was not labour in another part of the colony waiting for work. So far from proclaiming that the Bureau under his management would put an end to the "unemployed" problem, there was nothing of the kind in his public speeches for the last three years and a half. He had been particularly careful to say nothing of the sort, and it was not many months since he had the whole of his speeches examined and had all the extracts referring to the matter cut out, and these he had in his possession, and they effectively disproved the ridiculous statement that he had claimed that under the Bureau he would be able to give work to everybody that wanted it. He had always said he could not do anything of the sort. The honourable gentleman, of course, quoted from a speech of his with regard to the unemployed of Christchurch; but he should have stated that it was delivered last year—that the facts then referred to were the facts of last year, whereas the conditions existing in the Wairarapa were conditions arising from facts which occurred within the present year.

Mr. BUCHANAN pointed out, as a matter of personal explanation, that what he had said with regard to the quotation he made from the *New Zealand Times* was that he felt justified in believing that it was written by the Minister of Labour, and that he did not think the honourable gentleman would deny having written the article. He believed those were the words he used. He had not positively stated that the honourable gentleman had written the article, because he had no personal knowledge to that effect.

Mr. MILLS said that the answer of the Premier to the question of the honourable member for Inangahua, with reference to sleepers at Cape Foulwind, was in one sense fair, but, to his mind, it did not go far enough. He had no doubt those men were in such a position that it was a work of necessity for them. They wanted something more than sympathy—they wanted work. He also wished to call attention to the position of his district with regard to the supply of sleepers. He represented a part of the colony that had to depend on supplying sleepers as the only contract work they were able to do. There was a great number

50. of these isolated places, and they were not people who could move about and go in search of work as the ordinary workman could do. Therefore it was a necessity that such settlers as these should be encouraged, and should have a fair share of what work of this kind the Government had to offer. He called for a return in the ordinary way on this subject, and it had now been supplied by the Railway Department, and it showed conclusively, to his mind, that, so far as Marlborough was concerned, the people there had not been fairly treated at all. They only got the crumbs that fell from the rich man's table: that was about all. During last year no less than 272,628 sleepers were bought and ordered by the department, and out of that large number Marlborough was only allowed to contribute 9,231, or equal to about one-thirtieth of the whole: that was all.

An Hon. MEMBER.—There is no timber there.

Mr. MILLS thought he would be able to prove that they had far better timber there than what any other part of the colony was now supplying. They were able to supply from the Sounds a class of timber that was unequalled in any other part of the colony.

An Hon. MEMBER.—Question.

Mr. MILLS said there was no question about it. There was no birch equal to that which grew in the forests there, take it in any way they liked, whether for strength, solidity, durability, or for non-burning quality. They could take it in fifty different ways, and they would find that the birch from the Sounds and other parts of his district was superior to any class of timber that was now being supplied to the Railway Department.

Mr. GUINNESS said it rotted and decayed rather too quickly.

Mr. MILLS denied this statement. He believed the honourable gentleman's district was getting a far greater share of this expenditure than it was entitled to, and the most of the sleepers purchased last year came from the part where the honourable member resided;—probably that was why they rotted and decayed so quickly. He was going to ask how it had been proved in this colony that the sleepers made from silver-pine were equal or superior to those made from black-birch. There had not been any experience to show that they were. He could point to black-birch which had been put into the ground thirty years ago, and was as good to-day as it was when first used. He did not mean to say there was no inferior birch; but if they took the average quality it was superior for the purposes of railway-sleepers to any other timber to be found in the colony, and he challenged contradiction from any one who had experience in timber. Yet there were less than ten thousand sleepers supplied from his district. What was the price? The price was fixed at 2s. 6d. each, and freight-charge from any part of the Sounds to any other place in the colony averaged about 7d.—probably 6d. in large quantities; but, at any rate, the department paid 7d. For

the timber obtained from the West Coast they paid 8d. in freight. Now let them contrast the two. Birch sleepers were supplied at 2s. 6d., which, with 7d. freight, meant 3s. 1d. But the number of sleepers purchased at Grey-mouth and Reefton was no less than 50,201, and the prices paid ranged from 3s. 4d. to 4s. 8d. each, while the freight was 8d. Now, if any one could show him that this timber was so much superior in quality as to warrant the colony in giving this difference in the price he was open to conversion on that point, and would admit a good case had been made out. If honourable members wished for proof of what he had stated he could take them to the Sounds and give it to them. He only wished the sleepers from his district to have a fair trial, and he was quite sure the result would be satisfactory. These sleepers, in some instances, were brought down-hill 20 chains, and still they could be purchased at 2s. 6d. each. He claimed some consideration for the people in his district, because the people who were benefited by the sale of these sleepers lived in such isolated places that they got little assistance from the Government; and, if by these means they were economizing a natural product, and at the same time supplying a really good timber, the Government ought to purchase them. It would have been of very material assistance to these people; and they should have benefited by it last year, but nothing had resulted. The people in the Sounds, whom he represented, did not get the value of the sleepers under the conditions framed by the department. In regard to the silver-pine, he had no wish to condemn it at all, but he thought they ought to take into consideration what effect the difference in climatic conditions had upon various timbers, also what length of time they were used, and the kind of work to which these timbers were put. They could not improve upon birch for putting in the ground. Here black-birch, for lasting qualities, stood next to totara—in fact, for some purposes was much better, for all totara was not what they thought it was: a great deal depended on its age, and on the place in which it grew. That had just the same effect as they knew climate had upon cereals or other products. Therefore, knowing as they did that this timber was a thoroughly good, substantial class of timber, and that these settlers had had very little help during the public-works policy, surely the department could assist them by taking sleepers from them when they were required, for they certainly deserved that measure of consideration. He hoped that the Government would see their way to resume this employment. What would be the number in excess of present requirements? There was no great quantity on hand, and he ventured to say, if the timber were stacked up and allowed to season, the money would be well spent. And, after all, the amount was very trifling as compared with the expenditure that went on in other parts of the colony. They voted £10,000 to start a State farm up here, while the people for whom he was speaking were self-reliant,

and the Government might well extend to them the kind of assistance he indicated. The large sum of money he mentioned had been expended for special purposes, and he was only asking that a moderate sum of money should be applied in such a way as to assist those who were unemployed to improve their position. There were many whose only means of raising money was by the use of this timber. They were men who were content, some of them, to work as miners part of their time, and others were willing to struggle along in other ways so long as they could make a bare living. They were satisfied even if they were not able to save anything, but just earned sufficient to make ends meet as best they could. Therefore he asked the consideration of the House to the case of these people, and he hoped the Premier would take their claims into consideration, and give them a chance to work again at this industry as soon as possible, and continue it for some years to come. The question of ordering a few thousand sleepers more or less, after all, meant very little in the way of expenditure, so that there need be no trouble about it so far as finance was concerned. The colony was quite equal to it, and the claim of these people was a genuine one. There was no other place from which they could remove the timber for the sleepers with the same facilities as they could from either of these two Sounds, and yet, as he had shown, the price paid was much lower than that paid for the sleepers obtained from the West Coast. It did not matter where they wished to send them, they could ship them at a less cost there than from any other part of the colony. Therefore he hoped this work would be resumed.

Mr. G. J. SMITH wished to emphasize and indorse what the Minister of Labour had said with reference to the position of the unemployed in Christchurch during the past winter. He could assure members of the House that it was pitiable to know that in this colony, which ought with ease to sustain three or four times its present population, scores of men and women in that city, he was sorry to say, had been on the verge of starvation. He hoped, in view of the facts related to them, honourable members would endeavour to give their best consideration to some scheme to meet this difficulty in the future, and also that the Ministry would give this matter their earnest consideration during the recess. He felt that something more definite was needed to be done to cope with the distress which from year to year seemed to be inevitable in the large centres. What he wished more particularly to refer to was his own question with reference to the Bank of New Zealand. He had to thank the Colonial Treasurer for his courteous answer. He (Mr. G. J. Smith) was only sorry it was not satisfactory. He agreed with him it would be very unwise that the private affairs of the Bank of New Zealand, or of individuals connected with that bank, should be brought up and discussed on the floor of the House. His question went in the direction of looking after the solvency of that institution. He felt certain that the con-

nection of New Zealand with Australia, so far as the Bank of New Zealand was concerned, had been a disastrous one. He felt certain that the Australian business was one that the bank would be very much better without, and that was the reason why he had put the question on the Order Paper. He could not agree with the Colonial Treasurer that, after appointing the President of the bank, there the responsibility of the House ceased. The House, on the recommendation of the Ministry, had guaranteed the capital of the Bank of New Zealand to the extent of two millions sterling. Having given this guarantee, it was now for the House to say upon what business lines the bank should be carried on. All he desired, in putting this question, was that a return should be laid before the House next session which would show *in globo* the actual business relation between the Bank of New Zealand and the Australian Colonies, so that the House could then judge whether it was wise for the Bank of New Zealand to continue carrying on its banking business in any of the Australian Colonies. In his opinion, had such a return for the last few years been laid on the table the House could have come to only one conclusion. However, as the Treasurer seemed to think that it would be inadvisable to interfere with the management of the Bank of New Zealand, he only hoped the President would exercise great care and discretion in the management of that bank, and, in the event of the Australian business being such as he (Mr. Smith) thought it was, endeavour to put a stop to any business being transacted in connection with those colonies. Then, about the tariff revision, the Treasurer could not have understood the drift of the question. He did not ask for, nor did the Tariff Revision Committee report in favour of the House undertaking, a revision of the tariff this session. To the best of his recollection, there were two reports. The one went in favour of colonial reciprocity, and the other was for the appointment of a Commission during the recess to go into the question of tariff revision. He was very anxious that before the House separated they should have a definite expression of opinion as to what should be done in this matter. What he did contend for was that some steps should be taken so that the question of tariff revision could be dealt with in the early stages of next session, and he was sorry the Government had not had time to consider the two reports he had mentioned, so that they could inform the House of the decision they had come to. He took it that unless the members representing the manufacturing districts of the colony got some very decided assurance from the members of the Ministry on this very important question before the House prorogued they would be neglecting the interests of their constituencies. He thought, in view of the legislation they had before the House for the benefit of the country settlers,—with which to a large extent he agreed,—they were justified in asking the members of the Ministry to do justice to the cities, the workers in the cities, and the manufacturers

Mr. Mills

of the colony. It was absolutely necessary that some relief should be given in the direction of a revision of the tariff, so as to foster and encourage our industries. It was all very well to encourage farming, and he thought it was absolutely necessary to do so; but, where a farmer kept four or five men employed, a manufacturer employed ten or twenty, and if they could get their manufactories on a good footing it would give an impetus to trade, and would tend very largely to solve the labour question. He hoped that before the House pro-rogued the Colonial Treasurer would be able to say what steps the Ministry intended to take with reference to the tariff. He regretted the Premier was not in the House at the present time, as he wished to make one or two remarks on the first question on the Order Paper. He regretted exceedingly that, in his answer to the question, the Premier should have thought the question had any personal bearing. There were charges made against the Police Department—very serious charges indeed—not only by a gentleman who wrote under a *nom de plume*, but in leading articles in the newspapers of the colony. The letter was sent to him, and his attention drawn to it, and he considered he was quite within his rights in asking the Minister of Defence whether those charges were true. All the Minister had to say was that he had inquired into them and found that they were incorrect. He (Mr. G. J. Smith) was prevented reading the letter at the time. He did not wish to read it now, further than to say the two charges referred to the Premier were at the beginning and end of the letter. The other charges were as follow:—

“(1) Two bars are allowed under one roof in several hotels in Christchurch and Lyttelton, which is illegal unless under special conditions; (2) several hotels in Christchurch are connected with tobacconists' shops by means of through communication.”

These were the two charges to which his attention was directed, and he wanted to know whether such a state of things existed. He did not know whether the Minister of Defence had received a report from the Christchurch officer, or simply from the head of the department in Wellington; but these charges were continually reiterated in the newspapers of the colony. They had been in the Christchurch papers again and again: and not only were charges made with regard to the liquor-traffic, but there was a charge made that the political element permeated the management of the department so strongly as to cause the removal of some of the men. The charge was reiterated from one end of the colony to the other, and in case the Premier did not know it he should like to say that he had again and again had information supplied to him of very strong dissatisfaction existing among members of the Force. His only desire in putting the question was that the Minister in charge of the department should inquire into the matter and find out whether the charges were true, and also that he should know that there was dissatisfaction in the Force; that the men complained of the

method of promotion, and of the political influence especially. He hoped, if he had to put any further question on this matter on the Order Paper, the Premier would consider that it was dealing with the department, and that in future he would treat him with a little more courtesy.

Mr. WARD said he would like to say a few words on some points referred to by honourable members. The answer he had given that afternoon, he regretted, had not given the honourable member for Christchurch City satisfaction; but, after the views the honourable gentleman had expressed on this matter, he (Mr. Ward) wished now to refer more specifically and fully to the question of the Bank of New Zealand carrying on business in Australia. He pointed out that afternoon that the Government would not interfere in the way of directing the President either in the matter of suggesting that the bank should withdraw from Australia and cease operations there, or that he should have returns laid on the table of the House showing what business the bank was carrying on in any part of Australia. The reasons for this refusal would be obvious to any honourable gentleman who was at all acquainted with business affairs. In the first place, he would point out that it was not recently that this bank had started operations in Australia. It had carried on business in Australia for many years past—he could not say how many—and he should say that, under these circumstances, every honourable member must know it would be impossible, even if the Government were foolish enough to direct it, that all its business operations in Australia should cease. It was impossible that these operations should cease without the bank doing itself a very considerable amount of injury, and possibly incurring heavy loss. That ought to be clear to every honourable member. But with a large and important institution like this there was a great deal to be said for not doing business entirely in this colony. He admitted that had the guarantee been given originally, before the bank had commenced business in places outside the colony, then it would have been a proper thing to direct that its business should not proceed beyond certain places; but it would be an impossibility for it to cease doing business now in Australia without doing itself a great deal of harm. For instance, it was well known that the Australian Colonies had passed through a terrible financial crisis, the results of which would be felt probably for many years to come. Many years would elapse before those colonies could overcome the difficulties into which they had fallen. It might be likely that business was carried on which had been taken up years ago, and which required fostering until the bad times had passed. That being so, it would be most unwise to ask that directions should be given by the Government that the bank should now cease operations in Australia. If it were prudent to cease business there, it should be done when things were prosperous, so that the bank could get out without loss or sacrifice.

Mr. G. J. SMITH said he did not say that. He asked for a return to be kept, so as to judge of the business being done in Australia.

Mr. WARD said there was a question on the Order Paper asking whether directions would be given to have a separate account kept showing profit and loss in Australia, and so on. He thought the honourable member would see that if this system were to be adopted because the colony, owing to a crisis impending here, felt it was essential to give a guarantee—if this system were adopted, of having returns laid on the table, as a matter of fact there was no telling what harm would be done to the institution. The Government had appointed a President, and they had also to appoint an Auditor, both of whom were to represent the colony; and they should trust these two gentlemen to see that the affairs of the bank were so conducted as to insure the best possible results being attained; and, having taken the necessary safeguards, they should not, as requested—no doubt with the best intentions—by the honourable gentleman, have the affairs of the institution dragged out on the floor of the House by returns as to the class of business done, to be published to the world, for rival institutions whose affairs were not subjected to publicity to make use of and take advantage of; and if they complied with the honourable gentleman's request it would not only be an injury to the bank, but to the colony, and that was what they ought to avoid.

Mr. BELL.—Tell us at once what you are going to do.

Mr. WARD said it would be very difficult to satisfy the honourable gentleman. He was now dealing with the particular view put forth by the honourable member for Christchurch City—rightly so, he admitted; but he was trying to define what the view of the Government was so far as this institution was concerned. He believed, and the Government believed, that, with the President they had appointed, this institution should be allowed to conduct its business in the ordinary way. They ought not to hamper it; they ought not to keep up a continuous reference to it by continually discussing its affairs on the floor of that House. That ought to be avoided. So far as the Government were concerned, they intended to place upon the officers appointed by them the fullest trust, and the responsibility that rested on their shoulders should be sufficient to cause them to be careful in the administration of the bank's affairs. Owing to an impending crisis, the Government found it necessary to come to the bank's rescue; but, for all that, it ought not to be the policy of the House to keep up a continuous agitation concerning the affairs and the business of the institution. No monetary institution could prosper under such conditions. Such a course would not only have the effect of injuring this institution, but of injuring any institution carrying on business in the colony. He would be at all times prepared to give the fullest information that it was proper to impart to honourable gentlemen; but it was a serious mistake

on the part of the House to ask the Government to furnish information which, in the ordinary course, could do no good, and was calculated to do a great deal of harm. Now, referring to the tariff, he heard one or two observations from the honourable member for Christchurch City with regret. He raised the question of town *versus* country, and said that farmers employed very few men compared with manufacturers, and that farmers were receiving more consideration than traders were. He thought the honourable gentleman would agree that, while the manufacturers were undoubtedly doing a great deal of good in the cities, and their interests should be forwarded in every possible way, without the producers of the country these manufacturers would not be able to do very much good; and when he referred to the fact that the latter were employing ten or twenty men, as against four or five in the country, the honourable gentleman entirely lost sight of the fact that hundreds of men were employed in handling the products after they came from the soil, and when they had passed out of the farmers' hands altogether. There were a much greater number of farmers, too, employing labour compared with the manufacturers. There were a great number of farmers who employed men, aggregating a very large number. If the honourable gentleman wanted to obtain what he desired for the cities he must obtain the support of the country members, and, if he was going to oppose the country members, when he wanted to obtain some very important concession for the cities the country members would oppose him. As in most other things there must be a give-and-take policy. The honourable gentleman must be prepared to assist country representatives, and no doubt they would be prepared to do what was just and right to the cities. He knew that the tariff was a pressing matter in the honourable gentleman's district, and in other districts; but, from what the honourable gentleman saw on the Tariff Committee, he would agree with him that the evidence pointed to the fact that when this question came up to be dealt with it would take a couple of months to get the tariff satisfactorily amended; and, knowing what he did, he did not think the honourable gentleman could accuse the Government of a want of proper attention to this matter. For his own part, he (Mr. Ward) would be prepared to see an independent session held to consider this question; but in the last days of the session to expect the tariff could come up for settlement was about as possible as it would be to convert New Zealand into a desert, which would be next to an impossibility.

Motion for adjournment negatived.

SHOPS AND SHOP-ASSISTANTS BILL.

Mr. REEVES, in moving, That the report of the Conference on this Bill be agreed to, said the agreement arrived at was, in effect, as follows: The principal point of disagreement was with the action of the Council, in clause 2, in striking out from the Bill, and the operation of the Bill, all shops in which no assistants worked

for hire. That exception had now been very much cut down. The exception was now limited to shops the business of which was *bonâ fide* owned by a shopkeeper of New Zealand or European birth or descent, who worked it either by himself or with his wife, or with the aid of his wife and children under eighteen years of age. This, of course, greatly limited the operation of the clause, and in particular cut out from the exemption the whole of the Chinese shops. Very reluctantly indeed he had thought it better to accept the amendment as so reduced. He did not pretend to say that the Bill, in the form in which he was now going to ask the House to agree to it, was altogether satisfactory: in fact, he thought it was not; but he thought it was quite as good a Bill as they had any chance of passing at the present time. Indeed, he rather doubted whether they would have much chance of passing a better Bill during this Parliament. He hardly thought it fair to ask the House to go on from year to year sending up their original Bill only to have it rejected again and again, and possibly not passed into law unless the next general election indorsed it once more. So, reluctantly, he was going to ask the House to accept the Bill. Otherwise, the Conference was quite satisfactory. The exemption of hairdressers from the operation of the Act had been abandoned by the Council. They were now in the same category as butchers and fruiterers. The verbal amendments in clause 9 were agreed to without opposition. The clause with regard to banks and commercial offices had been altered so as to make it workable. Under the clause as it now stood these offices would be allowed exemption from the Act during two half-yearly periods of four weeks each, so as to give them an opportunity of carrying out their half-yearly balances. During the other months the clerks would leave at five o'clock on ordinary days, and at one o'clock p.m. on the half-holiday of the week; except on six days of the month, when they might either continue at work or return to work for a period of three hours. That was the Bill as it now stood, and, for the reasons he had given, he would ask the House to accept the compromise arrived at by the Conference.

Motion agreed to.

FACTORIES BILL.

Mr. REEVES moved, That the House agree with the report of the Conference on the Factories Bill. As the House knew, there were about six different points on which they disagreed with the action of the Council. On all of these, with one exception, the Council had accepted what the House had asked. On the one point, and that an important one, the Council had disagreed, and stood firm, and the Managers for the House had given way. In clause 20 factory returns to be made by factory-owners had been made to extend to the earnings of piece-workers as well as the wages of time-workers. In clause 54, a certain subsection, which had been put in for reasons of health in regard to women workers, had been

reinstated by the Council. In clause 54 also, while forty-eight hours had been retained as the maximum time which women and young persons could work during a week, they were allowed to begin work at a quarter to eight, instead of eight o'clock as was formerly proposed; but they could not work more than the same amount of time in a week. He believed that was put in in order to meet what was customary in certain factories. Then, in the clause which prohibited children of under fourteen years working in factories at all, honourable gentlemen would remember the Council had put in a proviso allowing children to work by special permit from the Inspector. The House had asked that this permit should be allowed only in the case of very small factories, and the Council had agreed. The Council had agreed that it should apply only in the case of factories where not more than three persons were working, and then only by special permission of the Inspector. Then, clause 63, relating to combined shops and factories, had been altered as the House desired. The House would remember that the Council wished that, where a factory-owner worked a shop, he should be allowed to close the factory on the legal shop-hours holiday. The House wished exactly the reverse—that the factory-owner should be allowed to close his shop on the factory holiday. That had been done, with the alternative that he might close up on Saturday afternoon,—which, of course, was just what the House wanted. Then, there was a certain verbal amendment relative to fruit- and fish-shops agreed to. With regard to clause 64, which the Council struck out, the Managers for the House had given way, and agreed that it should remain struck out. That was the clause by which it was attempted to extend the factory half-holiday from women and young persons to adult males. He had not expected the Council would give way on that, and they had stood firm; but, as the Managers for the House had got their way with the other amendments, and as probably the better place for regulating the hours of adult male labour was the Eight Hours Bill, they had given way, and he asked the House to agree to the report on the Bill.

Motion agreed to.

AUDIT OFFICE AND PUBLIC TRUST OFFICE.

ADJOURNED DEBATE.

Mr. WARD.—Sir, with the permission of the House, I will propose a motion in lieu of that which was circulated, and which is on the Supplementary Order Paper. I propose to move, That this House, having considered the question referred to it by the Controller and Auditor-General in his memorandum to the Speaker of the 3rd instant, is of opinion that the audit of the accounts at the Public Trust Office Department need not have been interrupted by reason of the difference which arose between that department and the officer conducting the audit of the accounts; that the audit should now be proceeded with: and

the House will refer the matter in dispute to a special Committee.

Mr. SPEAKER.—If the amendment of Sir Robert Stout is withdrawn, and the original motion withdrawn, then this can be moved as a motion, and the debate will commence *de novo*.

Sir R. STOUT.—I will agree to that if the honourable gentleman will say "need not be interrupted," instead of "need not have been interrupted."

Mr. WARD.—It has been interrupted, and therefore this is the correct language to use.

Mr. SPEAKER.—Is the amendment withdrawn?

Sir R. STOUT.—If the honourable member accepts that slight verbal alteration. It is only a verbal change. If the honourable member accepts, it I will ask leave to withdraw my amendment.

Mr. WARD.—I have read the motion, and I see no necessity to change it.

Mr. BELL.—I am quite willing to second the proposal which the Treasurer has just made to the House.

Motion, That the original words stand part of the question, negatived.

On the question, That the words proposed by Sir Robert Stout to be added be so added,

Mr. J. MCKENZIE said,—I move the amendment which has been read by the Colonial Treasurer.

Mr. SEDDON.—I think I should take this opportunity, in justice to the Controller-General, to say that I have received an unofficial communication from him. He wishes to remove from my mind any idea that the suspension of the audit of the Public Trustee's accounts was of a permanent character. It was only temporary. That is his explanation, and I think I have a right to mention that fact to the House. I also think, myself, that the amendment now proposed is a proper one, as we are called upon to say whether or not the suspension should have taken place, and, on the ground that has been stated in the Auditor-General's memorandum, I do not think it should have been; and, at the same time, myself and colleagues and, I believe, all concerned feel satisfied that the Auditor-General took the course he did believing it to be his duty to do so. I also desire to say that, as far as my knowledge of the Public Trustee is concerned, he is a most competent and efficient officer, and worthy of every confidence. He has done good work for the colony, and brought the institution into a very efficient state; and under the circumstances I can only express my regret that any difficulty should have occurred between them. As the suspension has taken place, we are right in asking why it has taken place; but, as a Select Committee is to be set up to inquire into the matter and into the circumstances, I think there it might end.

Mr. PIRANI.—Sir, before you put that amendment I wish to say a few words on the merits of the case generally. I would not take up the time of the House on this matter had it not been for the violent personal attack

made upon the Public Trustee, who is not in a position to reply, and therefore the attack may also be termed a cowardly one.

Mr. SPEAKER.—The honourable gentleman cannot apply that term to members of the House.

Mr. PIRANI.—I was not applying it to members of the House.

Mr. SPEAKER.—That was the only interpretation, to my mind, that could be put on the honourable gentleman's language—namely, an attack made in this House which he has termed a cowardly attack.

Mr. PIRANI.—I withdraw the word, and will say the plucky attack made upon the Public Trustee by the honourable member for Wairarapa (Mr. Buchanan) and by the honourable member for Wellington City (Mr. Duthie). I think that something should be said in reply to those members before this matter goes to the vote. Now, if the honourable member for Wairarapa will study the memorandum sent to Mr. Speaker by the Controller-General, he will see that the only reason given for the suspension of the important functions of auditing the accounts of the Public Trust Office is that the gentleman whose duty it was to audit those accounts had said something which was alleged not to be true; and the Auditor-General says that gentleman is incapable of telling an untruth. Now, hitherto, in the records of history, George Washington stood alone as the gentleman who could not tell a lie; but we have an improvement upon that in the gentleman from the Audit Office, who is incapable actually of telling an untruth. If the gentleman is incapacitated in that respect, and his incapacity is so marked as to necessitate its incorporation in a State document, he has hardly the force of character to undertake such a duty as auditing the accounts of the Public Trust Office. Now, the senior member for Wellington City (Sir R. Stout) stated that he disagreed with the suggestion that the officer auditing these accounts should be changed. But, Sir, I think that every honourable member who has read the report of the Public Trust Commission of 1891 would wonder how it is possible that an officer against whom such charges were proved as were made in this Public Trust Commission report should have been continued in the duty of auditing these accounts, when it could not but have been known that he was a man who had caused a considerable amount of friction. His being continued in that position would undoubtedly have a detrimental effect upon the office, and could not but unduly harass the officials in the performance of their duties, especially if they made any alteration in the system the Audit Inspector had hitherto approved. I think if the Auditor-General, in 1891, after that very condemnatory report had been prepared, had changed the officer, we should not have had occasion for this matter being brought up at the present time; and it is indeed a pity that that wise policy was not pursued. I do not intend to go into the charges made by the Auditor-General against the balance-sheets of the Public Trustee, but

Mr. Ward

I should like to point out to honourable members that, of all the errors which the Auditor-General states occur in the accounts of the Public Trustee, no less than 120 of them turn on a mere question of opinion as to whether certain vouchers should have been initialled by the Public Trustee or should have been left as they were at the time. That is a sample of the way in which the Auditor-General condemns the balance-sheets of the Public Trust Office. That sort of thing seems to me very vexatious. It is pursued under the idea that it will do good to the public service, but it is bound to be detrimental to the service, and will simply destroy altogether the departments it is intended to benefit. The honourable member for Wairarapa, in his remarks, said that the Auditor-General was the least to blame of the two in this matter. Now, anybody who has read the correspondence carefully, and who has the best knowledge as to the facts of the case, will see that the whole of the Auditor-General's statements are made on hearsay evidence, and that they depend upon the accuracy of the Audit Inspector, who represents the Auditor-General; and, as showing the accuracy of that gentleman, we have statements from those officers in the Public Trust Office who know anything about the subject that the Audit Inspector actually neglected one of the most important parts of his duties; and to cover up that neglect he tried to beg the question by a subterfuge. The Audit Inspector has been proved capable of reporting what was not exactly the fact, and therefore I say that the whole of the charges against the Public Trustee, being based upon that officer's report, are not worth the paper they are written on. The honourable member for Wairarapa also told us that "the man in the street"—he afterwards corrected it to business-men—that "the man in the street" had told him what was to be the report of the two accountants who were appointed to decide this dispute in reference to the Public Trust accounts. Who were the men who were appointed to inquire into that dispute? One was Mr. Kember, an accountant perhaps of the highest standing in the business in the colony, a man who is a political opponent of the present Government, and who cannot in any sense be supposed to be a man who would do what he was told, as against his own professional reputation, merely to please the Government or the Public Trustee. That is the man who is accused, inferentially, of having furnished a "cooked" report as to the accounts and books of the Public Trust Office. The other gentleman was Mr. Todd, who is an accountant in the Civil Service. He is a man of high standing in his profession, and one who has done good service to the colony a man who, I say, far more than the Audit Inspector, is hardly the man to tell an untruth, especially when his professional reputation is dependent upon it. Those are the two men who, we are to presume, if we rely upon the honourable member for the Wairarapa, would present a "cooked" report to this House. As to the inspection of the accounts of the Public

Trust Office, I think if the honourable member for the Wairarapa were as careful of his facts as those two gentlemen were it would be better for himself and for those who take the trouble to listen to him. The honourable member for Wellington City (Mr. Duthie) said that the Public Trustee appeared to be of a contentious, not to say cantankerous, disposition, and that such a man would wreck any office, and that he was unfitted for this important position. I cannot allow these remarks to pass without comment. In regard to the Auditor-General, unfortunately just now he is ill, and it would not be fitting to say anything derogatory about him; but I should like to say that he is a man who has held a very high position in political life, and who was translated, if I may so term it, from this House to the position of Auditor-General. He has had the sunny side of life in front of him, and during the period of his service he has been able to do as he pleased. He has rich, powerful relations, and is a man who in no sense can be spoken of as one who has seen the worst side of life. Therefore he should need no special pleaders in his defence, but should be able to stand upon his merits. Then, take the man whom the honourable member for Wellington City (Mr. Duthie) has taken the trouble to condemn—the Public Trustee, Mr. Warburton. If any one should be free from attack of the sort used in this debate it surely ought to be this gentleman, who has risen entirely by his own exertions. He has had no silver spoon in his mouth, no powerful friends to help him, and in the last thirty-three years he has worked his way up from the lowest rung of the ladder in the Civil Service to the position of Public Trustee. I think that for the last three years that gentleman has been entitled to a pension of £500 a year, and could get that pension at any time on his retirement; so that he is doing the work of the Public Trustee—doing it well and doing it wisely, and in a manner in which it has never been done before in the history of this colony—practically for £300 a year, amidst the jibes and abuse of every one displeased with the office itself, and especially the members on the Opposition benches who have entered into this discussion. I say that if any man deserves the protection of this House it is the Public Trustee; and it is with feelings of contempt that I have listened to the imputations made about him, and the sneers as to his personal character and his personal attributes. It would have been far more fitting if personalities of that sort had been left out of the debate, and if those honourable gentlemen had dealt with this matter simply upon its merits, without any of these allusions. I do not think there is any need for me to say any more with regard to the Public Trustee; but, in conclusion, I will say that I trust this matter will be settled solely in regard to the character of the public service, and that the attempts that have been made in some quarters to destroy the Public Trust Office, for reasons other than for the benefit of the public service, will fail; and that the Government will see that it is their

duty to stand by the man who has done such good service to them, who has rescued the Public Trust Office from the degradation it was in, as shown by past records, so that for the future, if the standard of the past three years is maintained, it will be one of the brightest spots in the administration of the public service of New Zealand.

Mr. T. MACKENZIE.—I thought the speech of the honourable member for Palmerston was really a bit of special pleading, and was based on ground other than the public good. I also wondered what relation the Public Trustee was to the honourable member, and why he should have so magnified the virtues of Mr. Warburton—a gentleman against whom I would not say a single word. But he could have magnified Mr. Warburton without speaking in such an uncharitable and ungenerous manner against his immediate predecessor. Surely, if Mr. Warburton is possessed of all the virtues, the dark shade need not be cast on his predecessor to make those virtues stand out. One would have thought that that cruel past was now buried finally; it is not at all referred to in any of the evidence laid before the House, and it had no right whatever to be brought up on the present occasion. My honourable friend said he had not risen for the purpose of making a long speech, but he nevertheless spoke at some length; and, after saying that he did not think it right to say anything against the present Auditor-General because he was ill, he immediately began talking about “silver spoons in his mouth,” and sickening nonsense of that sort. As far as I know, every man in this country has an equal opportunity; and if Mr. Warburton has attained to any position in the public service he has done so deservedly, and he must have had powerful friends and talents to aid him.

8.0. Mr. PIRANI.—I did not say so.

Mr. T. MACKENZIE.—Yes, Sir, the honourable gentleman stated distinctly that Mr. FitzGerald had rich relatives, powerful friends, which had enabled him to be translated from this House to a high position; and yet immediately the honourable gentleman finds that we are turning these extreme expressions against him he has not the courage on the floor of this House to stand by those expressions of opinion. He immediately says he did not say anything of the sort. I do not know that Mr. Warburton is doing anything generous. He is not working for £300 a year, as the honourable gentleman wants to make out. He is receiving £800 a year, which is a very generous salary.

Mr. PIRANI.—No.

Mr. T. MACKENZIE.—That is his salary; but the honourable gentleman makes such statements on the floor of this House, and outside the House, that he really does not know what statements he does make. From time to time he has made statements about public men which he has afterwards been compelled to withdraw, and when it is absolutely shown that he has made misstatements he does not know how to withdraw them in a generous

Mr. Pirani

way. I think, Sir, the last question had no right to be opened up by the honourable member. We have no right to go into the details of that long report. We are all just as familiar with them as the honourable gentleman is. The statements the honourable gentleman has made are not correct, and he had no right to take advantage, in this House, to make statements which are not borne out by the evidence. However, as there is more important business to come on, I have no intention of taking up any further time on this question.

Mr. MILLS.—Sir, I have no intention whatever of entering into the dispute between the Public Trustee and the Auditor-General, but I do deprecate the remarks of the honourable member for Palmerston North, who has cast such a reflection upon a man who is not here to defend himself. I think honourable members will agree with me when I say, without fear or favour, that this gentleman who is in the Audit Department, and whom I have known for the past twenty-five years most intimately, has always held an unblemished character, and he is known everywhere for his uprightness and integrity. I feel it my duty, therefore, to say that on the floor of the House, and I can safely challenge any contradiction. I do think that we should be most guarded in our expressions of opinion with regard to any member of the Civil Service, who cannot come here on the floor of the House and reply to any charges that are made against him. I think we ought to be most careful in that direction. Now, to my mind, the very fact that there is friction between these officers is the best evidence to us that things are going on all right. I think if we found things were working too smoothly the probability would be that they were not going on all right. I look upon an auditor in the light, practically, of a financial detective, and we may reasonably expect that things will not run very smoothly if some fault is to be found, and it may be that under these circumstances some friction will arise, as finding fault is a cause of annoyance even in the best-regulated families. We know perfectly well that these little things do occur, but it is only to me clear evidence that the officer is doing his work. I have no intention of saying any more until the report of the Committee comes before the House.

Mr. BELL.—I only wish to say one word, Sir. I quite accept the present motion of the Colonial Treasurer, but I wish to point this out to him: After the speech of the honourable member for Palmerston,—who was within his rights in so speaking, and in criticizing very strongly the action of the Audit officer whose veracity is now attacked,—how can he expect that justice will be done if the honourable gentleman is allowed to be a member of the Committee for the appointment of which notice has been given to-day? Does the Colonial Treasurer still intend to place the honourable gentleman on that Committee?

Mr. BUCHANAN.—As one of those who said a few words on the question when it first came before the House, I wish to add half a dozen

words further. I entirely agree with what the Colonial Treasurer now proposes in the matter. I think it is a matter for regret, however, that such a proposal was not made in the first instance. Now, turning to the honourable member for Palmerston, who was good enough to express the opinion that it was a matter for shame to this House that such remarks should have been made with regard to the Public Trustee as were made on the former occasion: I do not know whether the words I used were in the honourable member's mind when making that statement, but, if so, I wish to say that I am not ashamed of any statement I made, because that statement amounted simply to this: that the Colonial Treasurer should not have permitted an officer in his branch of the service to use such language as has been placed on record in this House. I pointed out that the honourable gentleman's predecessor in office—Mr. Ballance—was compelled to step in and prevent similar unseemly language being used upon a previous occasion. I have nothing whatever to withdraw or retract. The Public Trustee is in a most important position, and far would it be from me to say anything of him, or of any other public officer, which is not fair or just, because we should all be most careful of what we say of men who are not here to defend themselves. With regard to the Auditor-General, without at all claiming that everything he has done is right and above criticism, I would say that his public services have been such as to entitle him to the greatest consideration from the Parliament of this colony. With regard to the Public Trustee, I have nothing to say against him beyond what I have already stated; but it must be obvious that so long as he holds his present office he should be under the control of the public officer of this Parliament—namely, the Auditor-General—otherwise the Audit Office should at once be abolished.

Mr. WARD.—Sir, I did hope, when I submitted the amended resolution to the House, that that would have ended the matter until it had been dealt with by the Committee to whom it is to be referred. I can only regret that it is not so. I am exceedingly sorry to hear the remarks of the honourable gentleman who has just sat down, who has defended the position he took up the other evening by reiterating the statements he made on that occasion, when he found fault with myself because I, as Colonial Treasurer, did not take exception to the correspondence between these two officers, on the ground that the former Colonial Treasurer took exception to certain correspondence. I want to point out this: that it is, to my mind, perfectly useless, for the purpose of comparison, to find fault with one man because he did not take the course that was taken by another man with regard to something else, unless one has before one the correspondence relating to the respective cases, so as to be able to judge on their merits. I do not know what the late Mr. Ballance took exception to, but, if he did so take exception, I have no doubt that he had very good grounds for doing so. I

have not, myself, seen anything to warrant any interference between the two officers. There was a dispute between them on a very important matter, and I did not feel called upon to suggest to either one or the other of them that they should refrain from indulging in such correspondence as they indulged in, and I do not think there is any ground for the honourable gentleman to find fault with me in the way he has done. I would do just the same again, under similar circumstances. I do hope that this debate is at an end, and that the resolution will be carried; and I hope that after this proposed investigation the friction complained of will once and for all cease.

Mr. BUCHANAN.—I wish to explain, Sir, that I did not put it to the House that, because the late Colonial Treasurer took exception to certain correspondence, the honourable gentleman should therefore have done likewise. What I did say was that the recent correspondence was such as to warrant his interference.

Sir R. Stout's amendment negatived.

Sir R. STOUT.—I do not think, Sir, it is proper to put in the words "need not have been interrupted," because, however the other part of the resolution may stand, this is, in fact, a reflection on the Auditor-General before the Committee has been set up or the House has received the evidence on the question. It is practically prejudging the matter. I regret the Treasurer did not accept the suggestion I made to him—namely, instead of the words "have been interrupted," to put in "not be interrupted," and, instead of the word "arose," to put in "has arisen." If he had done so he would not have been casting a reflection of any kind upon any one, and it would have left the field clear to the Committee to report. Now, this House is asked, practically, to censure the Auditor-General before an inquiry has been held, and before the evidence has been received. I think that is entirely unfair, and I for one protest against the resolution in the form in which it has been put. I would move, therefore, That the word "be" be substituted for the words "have been," and the words "has arisen" for the word "arose." I think that is the proper attitude for the House to take up on this important matter.

Mr. BUCHANAN.—Perhaps the honourable gentleman will accept that suggestion without a formal motion.

Mr. SEDDON.—I think the Auditor and Controller-General may with force say, "Save me from my friends!" Yesterday I suggested that a modification of the motion could be arrived at, and the motion be framed in such language that the House should approve—because that is the proper course to adopt—that there should have been no suspension of the audit simply because of what had arisen. The honourable member for Wellington City (Sir R. Stout) says the motion is prejudging the case. It does not prejudice the inquiry at all. So far as the matter in dispute is concerned, it does not deal with that at all. The matter in dispute is to be dealt with by the Select Committee. The Colonial Treasurer

told the honourable gentleman that he could not accept the suggestion which he has made, and I should have thought, under the circumstances, the matter would have been allowed to drop. I think the majority of honourable members are with the motion, and I thought it would have been carried, and that there would have been no necessity for me to say what I am saying.

Sir R. STOUT.—Oh!

Mr. SEDDON.—As I have said, it is a case of "Save me from my friends!"

Sir R. STOUT.—I am not a friend. I am only doing my duty as a member of the House.

Mr. SEDDON.—Does the honourable member think that the members of this House cannot see the difference between the amendment and the motion? If he does not, he is not holding up the House to be a very intelligent body of men. I simply say that the motion, as put from the chair, is as nicely worded as we could make it under the circumstances. I regret, myself, that any debate should have taken place at all until after the report of the Select Committee came before the House. I cannot accept the amendment proposed. As for saying that this House should not express an opinion as to the suspension—though it was of a temporary character—I say, even a temporary suspension should not have taken place on the slight grounds which the Auditor-General has stated.

Sir R. STOUT.—I desire to make a personal explanation. It might have been inferred from what the Premier has said that I had been consulted about the amendment. I never saw the amendment until after it was moved by the Colonial Treasurer.

Mr. PIRANI.—I hope the House will recognise the cunning nature of the amendment which the honourable member for Wellington City (Sir R. Stout) calls a verbal amendment. It amounts to this: By it we should tacitly admit that the Auditor-General was right in suspending the audit for the past week, but that for the future he shall resume his audit. That is the full effect of it, and if honourable members will carefully study it they will see it is so. It has been designed for that special object.

Dr. NEWMAN.—In the way the amendment is drawn it seems to me that this House is really giving a verdict first and then asking for a trial. I have read the amendment very carefully indeed, and it says, "That this House, having considered the question referred to it"—I take it the House has not done that. Then, the very next phrase is that we refer it "to a select Committee." I quite agree with the Colonial Treasurer that this should go to a Committee. I think he is quite right; but I may point out that this House is asked, in a way, to condemn the Auditor-General without having anything more from the Auditor-General than a statement by the Premier that the Auditor-General wrote him a private note on the matter. I do not want to take any side, either one way or the other, as the honourable gentleman pro-

Mr. Seddon

poses to put me on this Committee; but I would ask the Premier to withdraw the first half of this motion; and I would point out to him that, after it has come back from the Committee, the Committee having heard both sides of the question, the House will be in a better position to deal with the matter, and I think the honourable gentleman would be just as far advanced as he is to-day.

Mr. BELL.—I desire to say that the honourable gentleman consulted this side of the House, and the matter was referred to me by the member for Hawke's Bay, and that the wording of the present motion was approved by me. The Colonial Treasurer made no difficulty about accepting any suggestion I made. Of course we could not in the slightest degree bind the honourable member for Wellington City (Sir R. Stout); but I hope he will not divide the House, for this reason: that I shall be compelled to vote with the Colonial Treasurer upon this motion, and shall appear to vote against the Auditor-General. I hope my honourable friend will not put us in that position, after we have accepted the words of the motion.

Mr. SEDDON.—The honourable member for Hawke's Bay was also consulted.

Mr. BELL.—Yes; the honourable member for Hawke's Bay, having been consulted by the Colonial Treasurer, referred the matter to me.

Sir R. STOUT.—It is a peculiar sort of compromise, when the mover of the amendment was never consulted.

Amendment negatived; and motion, as amended, agreed to.

DAIRY INDUSTRY BILL.

On the question, That the House go into Committee on this Bill,

Sir R. STOUT said he had nothing to say against this Bill. It was a Bill which could be dealt with by the experts in the House. There were one or two clauses in the Bill which seemed to him peculiarly drastic, and which took away from the local bodies all powers with reference to inspection of dairies. The general purpose of the Bill he believed every one in the House agreed with. The new subsections to clause 19 would, perhaps, require consideration.

8.30. Major STEWARD did not propose at this stage of the session to discuss the Bill at length, although he looked upon it as one of the most important Bills that had come before the House, because he was fully persuaded that in the direction of the dairy industry lay very much the salvation of the farmers of the Middle Island of New Zealand. They were suffering so much from the low prices of cereals that everything that could be done to encourage this industry should be done. He desired to congratulate the honourable gentleman who had introduced the Bill, which was a very large improvement upon that which was passed a year or two ago. He would not go into the various particulars in which he conceived the Bill to be an improvement, but he would like to point out to

the honourable gentleman that in 1890 a very careful inquiry was held by the Colonial Industries Committee, of which Mr. Beetham was Chairman, the report of which, with evidence in detail, would be found in Volume 8 of the Appendices to the Journals of 1890, in which the whole question of the production of cheese and butter in New Zealand, and its conveyance to other countries, was exhaustively gone into.

Mr. T. MACKENZIE said it was all altered since then.

Major STEWARD said it might have been altered in some particulars, but one thing had stood out very clearly—namely, that inspection at the port of shipment would not be sufficient to insure the correct appraisalment of the quality of the article, except as showing what was the quality and grade at such port of departure; that it would be no reliable guide on arrival at the port to which it was shipped; and that it was exceedingly desirable that power should be taken for the Governor to appoint officers who, if the shipper desired it, could inspect and grade at the port of arrival, and there indicate by brand the quality of the cheese or butter as it arrived at that end. Even were a small charge made he believed it would thoroughly pay the shippers to incur that charge, because of the security that would be given to the position of their articles in the Home-market. He therefore intended, when in Committee, to move, as an amendment, to insert in clause 19 the following words:—

“The Governor may also, if he shall think fit so to do, appoint persons to inspect at the ports of arrival butter produced in the colony and shipped from New Zealand ports, in like manner as is hereinbefore provided in regard to inspection prior to shipment; and the official stamp denoting grading at the port of arrival shall be ‘A,’ ‘B,’ or ‘C,’ prefixed by a cross (x) as denoting first-, second-, or third-grade respectively.”

With a permissive addition to the clause of that kind, he thought they would have a very good Bill. There might be two or three technical amendments required, but he had gone through the Bill very carefully, and it was, on the whole, he considered, an exceedingly good one, which the House would do well to pass.

Mr. BUDDO wished to refer to a few clauses that might require amending. During the last few years they had a considerable struggle in order to establish themselves in the London market, and now that they had obtained a standing they should be very careful to preserve it. The Bill provided for care to maintain that standing, and possibly to improve it. He was sorry to differ from the honourable member for Waitaki on the question of inspection in London, which system, he thought, would only duplicate work, and be very little good, for this reason: that the testing of the butter at the other end must be the system of selection. There was no other way in which buyers would take it but by test, and even if it were branded it was only so that the buyers might know what grade they were buying. In clause

19, subsection (1a), which provided for cool-storage at the port of shipment, he proposed to strike out the words “at the port of shipment.” He would explain for what reason he made that amendment. It seemed to him the growing trend of our factory system was to centralise and to adopt the system of creameries throughout the country, and therefore, when there was a central factory, it could not for several reasons be established at a shipping port. There was, first of all, the question of water, which was a very important item in the making of butter, and which was not usually found of first-class quality at seaports, and therefore the factories would be some little distance from the port as a rule. Then, at the end of clause 19 he would move to add, “Any cool-store now used for the storage of butter and cheese may, if within ten miles of the port of shipment, be still used as a cool-store as if it had been proclaimed by the Governor under the Act.” This would only include a small radius round about the ports. He was sure the time was coming when most of the small factories must cease butter-making, and provide cream for the central factories. He must congratulate the honourable gentleman upon the introduction of the Bill. It was one of the best measures that had ever been before the House, and would tend to create a better system of management by the exporter, and the consumer at the other end would have a great deal more confidence in the article he was buying.

Mr. BUCHANAN, while objecting to too much Government interference, was prepared to bow to the majority and give Government grading a trial. He therefore complimented the Minister on introducing the Bill. He, however, was certain that it was altogether a mistake to imagine that the drastic provisions in force in Victoria and other Australian Colonies had been the cause of the superior quality of butter exported thence as compared with that hitherto sent from New Zealand. It had not arisen from any such cause, but because their climatic conditions had compelled the employment of chilling machinery to keep their milk and butter in good condition; and, secondly, because the employment of chilling machinery was only possible by conducting dairying operations in factories. The one thing necessarily accompanied the other, and hence the better quality generally of the Victorian butter as compared with the New Zealand, where the cooler climate had unfortunately tempted settlers to ignore the value of chilling machinery. The Minister proposed to follow the lead of Victoria in the matter of compulsory grading, and he did not wish to offer any factious opposition. One benefit would certainly accrue, and that was that the farmers who made indifferent butter at home, and who steadily refused to believe that it was not of the very best quality, would be brought face to face with the verdict of the grader at their own door, and would not be able to say that carriage by rail or damage on shipboard had changed their previously good butter into bad butter. It would also be a

valuable check on shipping companies, which were in the habit of blaming the original bad quality of dairy produce for the damaged condition in which they sometimes delivered it in London.

Mr. LAWRY said it was curious that when a Bill was brought before the House affecting the agricultural and pastoral interests of the country scarcely one honourable gentleman desired any discussion on it. As the Chairman of the Committee to which this Bill was referred, he would like to point out that the Committee went very carefully into the nature of the provisions provided in the Bill. They made several amendments, some of which, in his opinion, were not of a very important character. Some of them, however, were of an important character so far as the Bill applied to the convenience of the country settlers. For instance, in the original Bill clause 2 provided that no settler could send his butter or cheese to the local market unless it was first inspected and graded. If honourable members would look at the Bill as it now stood they would see that this grading and branding did not apply to butter and cheese sold within the precincts of the colony. They also made another important amendment in clause 8, and one of the number of things discussed before the Committee was the great and important one of having a port of export in the District of Taranaki. He thought that the Minister had rightly provided in the Bill that there should be only four ports for exporting the dairy produce of the colony, but he very wisely provided that he could establish any place or port for exporting dairy produce if it were shown to him that the necessities of the case justified such a procedure, and he thought that the Minister had acted very wisely in promising the Committee and the Taranaki settlers that, if they could show him they had sufficient butter produce there to induce ships to come and take it away, he would at once declare Taranaki a port of export for the dairy produce of the colony. He thought he had already alluded to the fact that measures of this nature did not obtain from the House that discussion which they deserved. They talked of all sorts of measures which were matters of theory; but when great questions like this—which, as the honourable member for Waitaki had said, was one of vital importance to the Middle Island, in consequence of the low prices of all cereals—came up for discussion, he thought it was a matter that should concern every honourable gentleman, and a matter worthy of the deepest interest and most careful thought of the House. What was going on now in the Districts of Taranaki and Auckland? Honourable gentlemen who said they could not talk on a measure of this nature did not realise what the effect of the successful establishment of the dairy industry throughout the colony would be. It enabled the country settlers to do that which was the aim and object of every country settler—namely, to establish this industry—and it enabled them to keep their families together. Under the old system, when a settler sold his

butter to the storekeeper it was mixed there with various other kinds of butter, and he never got any cash at all. Under the provisions of this Bill, and similar other measures which had been introduced and carried through the House by the Minister of Lands, the settler sold his stuff and got cash within a month, and by this means he was enabled to keep his family together and make them comfortable. He hoped that when this Bill got into Committee it would be carefully dealt with. He was not, however, prepared to accept everything that was contained in the Bill. Like the honourable member for Kaiapoi, he was not sure the grading of butter and cheese would accomplish what was claimed for it by the Minister in charge. He was rather desirous to take the verdict of the gentleman connected with the firm which had spent no less than £160,000 in dairy produce last year in the Province of Taranaki. He saw him some time ago, and this gentleman told him that, so far as his firm were concerned, they would not pay any attention to the grading; they would pay more attention to the brand; but, mainly speaking, their operations, and the price they paid, were guided, not according to the grading, but according to the samples and quality. He did not anticipate there would be any opposition to this measure in Committee, but he would like to point out to the House and to the country that they might do too much in this question of grading, but the matter of branding and the matter of sampling would be matters of importance.

Mr. E. M. SMITH said the Minister asked the House to allow the Bill to go to Committee, and that what they had to say upon it should be said when it came back. Well, at this late period of the session he had no desire to make a long speech, but it was due to the district he represented, and also to the Government, that he should say something. He represented the dairy district of New Zealand—in fact, the Devonshire of New Zealand—and he thought before he had done he would prove to the House and the country it was the dairy district of New Zealand. Now, this industry was a most important one. When they took into consideration that in England alone £13,000,000 a year was spent on butter, every man must admit that fact. When they knew for a fact, from people who were in the habit of going to and fro between New Zealand and England in the butter industry, that there was an unlimited outlet for good butter, and when they knew that the industry was hampered and damaged and endangered by people who shipped butter indiscriminately, and when they knew that the indifferent classes of butter damaged the superior classes very seriously, they must admit the necessity for legislation on this matter. It became evident to the Government that some systematic way of dealing with this butter industry was desirable in the interests of the colony, and the Government, after careful consideration and exhaustive evidence, had framed this Bill to meet the case. Now, in framing the original Bill they stipulated

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that Auckland, Wellington, Lyttelton, and Dunedin should be the four ports from which the butter of New Zealand should be shipped. As soon as the Bill came from the Printer he procured copies and sent them round to the agricultural associations of his district and to some of the leading men connected with the industry in his district. He asked them, of course in a practical way, to go through the Bill, and see if they had any amendments to propose, and whether the Bill was in the interests of the industry. They agreed in the main with the Bill, but with clause 19 as it stood in the Bill originally they found out that the most important dairy district of the colony was left out in the cold—that they were to be compelled to ship all their produce down to Wellington in order that it should reach the markets of the Old Country. Now, in Victoria they all knew it was the object and aim of the Government to encourage this industry, and they went so far as to give bonuses. Now, if the people of Taranaki were compelled under this Bill to ship their butter to the Port of Wellington, what would be the result? Instead of receiving a bonus, they would really have a tax; it would have crippled the whole dairy industry of Taranaki, and would have injured his district in a hundred ways. Therefore a deputation of the leading men came down to Wellington. Unfortunately the honourable gentleman in charge of the Bill was indisposed at the time, and that deputation could not have an interview with him, but they did get an interview with the Colonial Treasurer and the Premier, and after talking over the matter they went away satisfied with the assurance that provision would be made to provide for export from Taranaki direct if they could show that they would have sufficient produce to send away, and that freezing-works would be put in operation. But the statement was made that an arrangement had been made with the shipping companies. Now, it appeared that the department, in making inquiries, had got information which they said led them to believe these arrangements with the shipping company had not been made; therefore they took up the position that they would cause the people of Taranaki to have their produce shipped from Wellington. Then there was a big public meeting in Taranaki; a large number of people attended it, and they passed certain resolutions, and they despatched another deputation down to the Minister. Now, he had read the different speeches made at that public meeting, and when he went back to meet the electors of Taranaki he intended to dress down some of these gentlemen for the statements they had made at that meeting. He would be able to defend the Government which he supported, because they had endeavoured to meet them with everything that was fair, honest, upright, and just. He thought, himself, the Government would have been wise if they had selected those four centres where they had splendid harbours, and they would be justified in blocking out the small districts in which there were no freezing-works, and the proclaiming of which

as ports for exporting dairy produce would entail the erection of cool-chambers or freezing-works, and the engagement of a grader; but now that the arrangement had been made with the shipping company, and the Minister had altered the clause of the Bill, it gave him power by order of the Governor in Council to admit or reject these different districts that met the requirements; and he knew from the very first that they had only got to bring the thing into practical form and give positive proof to the Minister of Lands to get justice. They had always found that. Well, as he had said, this alteration met their case, and they were perfectly satisfied. They had tried the experiment before. Ships could go there and load up at Waitara, and he believed that in only one case had a vessel to go away without taking a full cargo. An arrangement had been made with the shipping company to send vessels to the "Garden of New Zealand," and take this produce on board, so as to have it shipped direct to the markets of the Home-country. To give them an idea of how they were going on, they exported from the colony last year 2,333 tons of butter, besides what was required

9.0. for local consumption. It would be evident what could be done in that dairy district, and, with land-settlement going on, and these small areas taken up by industrious settlers, the progress that was being made in the district was very great. These people were happy and contented, and would not go back into the towns upon any consideration whatever. He had now put himself right with the people in his district. The Minister knew that from the time this Bill was printed he had been at him continually, and intended to keep at him until this clause was amended. The delay in the Bill being brought forward was caused by the honourable gentleman being engaged on another Committee, and he could not therefore attend to this Dairy Committee. They knew now that, with the arrangements made with the honourable gentleman, and with splendid freezing-works, and with the large amount of dairy production that was going on so far as his district was concerned, they had everything to be thankful to the Minister for; and he would endeavour to assist him in getting this Bill through the House. People were apt, at the beginning, to expect too much. He had it on the assurance of those engaged in the butter trade that they would prefer to buy by the brand, and not by the grading; but that was a matter for themselves. As for himself, he was there to do the best he could to protect the industry now under discussion, and he would leave it to the House to say if he neglected one opportunity, when the interests of the farmers of his own electoral district were under discussion, of advocating its and their best interests. Was he not always advocating their best interests? He knew every honourable member would say "Yes." He would continue to do in the future as he had done in the past—work for the interests of all, and neglect none. He would support the Bill as amended.

Mr. T. MACKENZIE would like to say that, whilst in some respects the Bill was necessary, in other respects he thought it would be a considerable hindrance to the industry. Whilst the grading might be agreed to by those who were associated with butter-factories, he could see that this grading would be anything but a benefit to cheese-factories. The Bill divided cheeses into three classes. There was such a thing as full-cream cheese, but what was called "full-cream cheese" here was not full-cream cheese at all; it was full-milk cheese, made from milk containing all the cream. It was quite right to classify their cheese, but it was not right afterwards that they should begin to grade each class. Suppose they made a full-milk cheese: he would tell honourable members that in their factories they had to make cheese for different tastes. He was now speaking as a director of a cheese-factory. They had to go to a great deal of trouble at different times to find a market for their cheese. For a time the Australian markets took nearly all their cheese. Then they had to make a particular cheese of a certain weight and shape for the Brisbane market. They had to make cheese of a distinctly different flavour for the South Australian market. Then, going to the Home-country, they found that cheese which was considered first-class cheese in London required a particular flavour, which would not take in Liverpool and Manchester, for which places cheese of a different class had to be made. The factory he referred to had been in existence for nearly ten years. It had paid up to 4d. a gallon for the milk supplied to it, and had paid dividends to its shareholders; and all this had been done without interference from Inspectors. He did not think it was right that the Government should arm an Inspector with the power to go into a factory and stamp his *ipse dixit* on each cheese produced, and to say what was first-class cheese of different classes, when the people of the factory knew differently. And this cheese was to be sent to the markets of the world subject to this mark. However the mark might apply to butter, it would be a considerable interference with the proper commercial relations which were now established in different parts of the world by a number of the cheese-factories in New Zealand. The Bill not only gave these precious Inspectors power to enter a factory and probe every cheese, but it also gave them power, and, in fact, required them, to probe every cheese at the port of shipment. Did the Government think the people managing these factories were incapable of attending to their own business? Did they think that the managers of a factory which had found markets for itself in many portions of the world, and had succeeded in placing its cheese in London at a higher price than the best Canadian, were unfit to conduct their business?

Mr. ALLEN.—What cheese-factories do you refer to, and what did they get for their cheese?

Mr. T. MACKENZIE said the Inch-Clutha Factory had succeeded in selling their cheese in the London market at 8s. per hundredweight

above the best-quality Canadian cheese, and it was not right they should be unreasonably interfered with, as was here proposed. He entered his strongest protest against the proposed grading of cheese under this Bill. What the factories were particularly anxious to get was that they should have proper conveniences to and at the place of shipment. They should have cool-cars on the railways, and cool-stores and cool-chambers for the butter after it reached the place of shipment, and lower railway rates on milk and cheese. In Committee he would do all in his power to amend some of the clauses of this Bill.

Mr. PIRANI said the last speaker had not only added to his reputation as a humourist that evening, but had also made a new reputation as a cheap advertiser. He trusted the advertisement he had given his factory, in order to get it inserted in *Hansard*, would have some good effect in further increasing the price of his dairy produce. The fault he (Mr. Pirani) had with this Bill was that it was somewhat too arbitrary. The Bill itself was a pretty good one, but the power given to the Inspector in many cases was extraordinarily arbitrary, to a greater extent than would be found in any other law. Practically, if the Inspector said a thing was an offence, it was an offence unless the factory could prove to the contrary. That power should be placed in no man's hands, and he thought the clause should be altered in Committee. There was also too arbitrary a power with regard to storage. If a company had freezing-stores of its own it could not use them, but must use the Government store. He did not think that a fair provision, and he thought some means should be taken to alter an arbitrary provision like that. There was also too much fixity in reference to the weight of a gallon of milk. If that were made optional, and if the large powers in connection with grading were done away with, the Bill would be a workable measure; but if it were passed in its present shape it would do more harm than good.

Mr. ALLEN said there were some members of the House who could see no good in anything except what they said themselves. He was afraid the honourable member who had just sat down was one of those members. The honourable member for Clutha made remarks about a dairy he was connected with, and based his arguments upon what he knew in connection with it. The honourable gentleman did not make those remarks in order to advertise his factory; but, even if he did, what harm was there in advertising his dairy? He might do a great deal of good by so doing. He was sorry the honourable member for Palmerston had not a dairy to advertise. Surely his district was not so denuded that he could not advertise a dairy, but could only pick holes in the remarks of another member. He (Mr. Allen) gave the honourable member for Clutha credit for using the information he did, simply as an argument to show that, even without this army of Inspectors, the article produced at his factory could demand so good a price in the Home

markets at the present time. With regard to the Bill itself, he was afraid that a good many of the factories had a fear that the interference of the Inspectors was going to do some harm to the industry. He did not fear that very much. He thought it was necessary to have inspection, and even a severe inspection. Some of the farmers thought they would be ruined if the Bill became law, but he thought it would be found that the inspection was not so serious as some of them imagined. In many respects the Bill went too far—particularly as to the wide powers given to the Inspector. Then, with regard to the grading, he did not feel at all sure that the provision was going to be successful. It might be all right to grade at the port of shipment, but that was not a guarantee that when the article arrived in London or wherever it was shipped to it would then be equivalent to the article which was shipped; and he thought possibly the grading would be found not to be of so much use as members now anticipated it would be. It would, of course, be far better if they could grade at the port of arrival, but he supposed that was looked upon as a matter of some difficulty. However, it might be possible to grade here, and, so long as it cost nothing to the producer, he did not think it ought to be seriously objected to. If it were charged to the producer, then it might do considerable harm. Some measure ought to be passed to insure that butter and cheese of first-rate quality only, and marked as such, should be shipped from here, in order to gain a hold and retain that hold on the markets in the Old World, for, after all, the market itself depended not on the quantity but on the quality of the article sent away. In England they found a ready sale for a first-class cheese of their own make, and cheese made in their own country demanded no price unless it was of first-class quality. If the quality was first-class the price was now almost as high as ever it was, and so it would remain. If they could ship butter in first-class order and make it arrive in first-class order they could command first-class prices for it. That was what ought to have been the effect, and he presumed that was what the Bill intended to encourage, and in so far as it went in that direction he would be very glad to support it, although there were some clauses which many of those who had practical experience of the working of dairy factories found to be objectionable in the Bill.

Mr. MASSEY said that, being a country settler, and directly interested in the Bill, he would like to say a few words thereon, though he would not detain the House more than a minute or two. This Bill was supposed to be for the encouragement of the dairy industry, and, such being the case, its object was decidedly a praiseworthy one, because, the soil and climate of this country being particularly suited for the production of butter and cheese, the dairy industry might develop to an almost unlimited extent, and must be of vast importance to the colony. Like some of the other speakers, he was not quite sure that the proposed system

of Government grading, which was one of the most important portions of the Bill, would have the desired effect. He was not quite sure that the Minister would be able to get all that he expected from it. He did not think that the mere fact of a man being appointed by the Government to classify butter and cheese as first, second, or third class would have the effect of making the article any better. Of course, it would not have the effect of making it better, and it would not prevent its deteriorating on the voyage between here and England, and he did not think it would have the effect of obtaining for it a better price on its arrival, because the buyers in Britain, being keen business-men, would be guided by their own judgment rather than by the opinion of some one in the colony. He failed to see that the grading of butter and cheese would improve matters at all, and he felt sure that in many cases it would give rise to a certain amount of dissatisfaction. Take the case of a man who thought he was sending Home a first-rate article. Such a man would naturally be very much dissatisfied and disappointed to find that his produce was graded second class, and buyers in England would be very quick to take advantage of that, though it did not follow that because the individual appointed by the Government gave a certificate that a certain brand of butter was first class when it arrived in Wellington, the people at the other end should be of exactly the same opinion. If this system of grading was desirable, it should also be applied to other articles of export—to mutton, wool, gum, and sundry other things which were sent to the markets of Europe at the present time. He thought they ought to be very careful that this system of Government interference should not have the very opposite effect to that which was intended. At the same time he appreciated the motives of the Minister of Agriculture in introducing this Bill. The Minister thought the dairying industry would be benefited by it; but he (Mr. Massey) was very much afraid, so far as grading was concerned, that the Minister would be disappointed. He admitted it was the duty of the Government—the duty of the State—to see that the health of the public was safeguarded in every possible way, and to see that the strictest cleanliness was enforced regarding the manufacture of butter and cheese; it was also the duty of the State to see that no fraud took place—that there was no adulteration in dairy produce or in anything else; but he fancied they might safely leave to the interests of the people everything else. If they went further than that they might possibly be doing more harm than good. In this connection he would like to point out that some of the questions in Schedule B were decidedly inquisitorial, and he thought that they were altogether foreign to the subject. For instance, the Minister wanted to know how many pigs were kept by certain factories, and the price the settlers received for their milk; he wanted to know on what terms the settlers received back skim-milk, and a great many other ques-

tions had to be answered that seemed to him to have nothing to do with the quality of the butter. He noticed that the Stock Committee had improved the Bill, and he gave them credit for so doing; but he thought it was capable of still further improvement, and, though he should vote for its committal, he hoped that a number of objectionable clauses would be amended in Committee, or struck out altogether.

Mr. DUNCAN said that, with others, he took exception to this grading, for the reason that no one could convince him that a grader, let him be ever such an expert, could do justice. Justice could not be done, for this reason: Cheese that would be appreciated in one country or in one part of a country would be called second class in another, and *vice versa*; cheese that would suit Victoria or Brisbane would not suit England; and therefore in grading cheese or butter there would be great injustice to many districts which produced first-class butter and cheese. Besides that, he had never seen the man yet, and he did not believe there was one in existence, who could grade to perfection and in a fair way, because what one would call first class another would call second class, and *vice versa*. It would be objectionable to any one who was exporting cheese perhaps equally good with another's, but which might be milder in taste, to have his produce branded as second class. That would never do at all. The same would apply to districts. Butter that came from one district would have a different taste, flavour, and quality from that which came from another, and it would be the same with cheese. Therefore this grading could not work well, and when the Bill was in Committee they must try to make other arrangements than those that were provided in the Bill, because they would not work to the profit of those who made these articles. There was another matter, with regard to the inspection of ground, water, and such-like, which possibly might be carried on, but it would be very irksome to the public. He thought they had not arrived at the stage when these provisions should be in the law, and these were portions of the Bill he hoped to see amended in Committee. There was no doubt there would be a good deal in having an examiner to see that there was nothing shipped that was not of good quality, to see that the produce was not tainted, that it was in a good state, and fit for human food in every way. Nothing further than that was required. If this system of grading were applied to frozen mutton, if sheep had to be tasted, and each one specified and branded as first-, second-, or third-class mutton, what sort of arrangement would that be? Would it make any difference, when the meat arrived in London, to its sale? No one would submit to that for a moment, nor would the exporters submit to have the cheese and butter classified as first, second, or third class as long as it was up to a fair standard of quality. He should not support the proposal for grading, but otherwise he should support the Bill, though he might say

Mr. Massey

there were amendments that should be made in Committee.

Mr. FLATMAN desired to compliment the Minister in charge of the Bill on what he considered to be a very good measure, taking it all round, though there might be some slight imperfections in it which might be rectified in Committee. He rather agreed with the suggestions of the honourable member for Kaiapoi with regard to the place where the cool-stores should be erected. This Bill was not only to protect the community from having bad articles sold to them, but it would also encourage our great dairy industry by keeping first-class brands in the market. Nothing would go so much against the dairy industry as our produce getting a bad name at the place where exported. In these days of keen competition we could not be too careful. He believed the Bill was necessary. We should look after dairy produce which was shipped out of the country, to prevent the public from being duped as they had been in the past, and also to keep our good name. It might be thought that in many parts of the Bill the Inspectors were given too much power; but he did not think that was so, because they would not take advantage to the full of the power that was given them. The provisions were simply meant to keep the manufacturer within bounds, and to make him produce an article that was worthy of the name of our country. If a few amendments were made in the Bill they might improve it; but he trusted that it would not be hacked about too much. The Bill had been very carefully gone through by the Joint Stock Committee, and he did not know that it could be very well improved. As to the schedule containing objectionable matter, he did not know that it was of much consequence whether it was or was not known how many pigs a person kept. It was simply a matter of statistics, but was of very little importance. It was quite possible a person might never be asked how many pigs he kept, and if he was asked such a question it would not hurt him to give a straight answer. He trusted that the Bill would be put through with very little alteration, and the alterations that were made would, he trusted, be in the right direction. He considered the Bill was for the welfare of every colonist—not only for those actually engaged in the industry, but for the welfare of the colony generally.

Mr. McLACHLAN said it appeared necessary that every member should speak on this very important Bill. Now, he thought he knew as much about dairying as any member of the House, and he thought the Bill was a piece of useless legislation. With the exception of one or two clauses there was nothing that was required in it, and it was most vexatious. Why should the Government legislate as to the statute gallon of milk? They sold their milk by the hundredweight or by the pound, or by its butter-producing qualities. To legislate to say that 10½lb. of milk should be a gallon was hardly worth while. A great many things provided here were, he understood, provided for in the Public Health Act with regard to

the inspection of dairies. He knew that was so in Canterbury, and he did not suppose that was exceptional. With regard to grading butter at ports of export, that might be a good thing. He did not know whether it would prove so or not; but he was afraid they might get a bad repute if they put the broad arrow on some exported butter if it was "A1" here and arrived in London as cart-grease. The

9.30. buyers would place very little reliance upon the brand, and no brand that could be put upon it in the colony would be taken as a certificate when it arrived in London. With regard to the quality of the milk received by the factories, he understood that the factories in the North and Middle Islands were satisfied with the quality of the milk; but he wished to impress upon the Government that no legislation they could pass would ever produce better butter than they were producing at present, and, if they sent an expert to every factory to make the butter himself, the fact of his doing so, or the fact of two or three experts going around the country visiting the dairies, would not improve the quality of the butter. He was not going to offer any factious opposition to the Bill, but if there were one good clause in it he would be prepared to support it. There were, however, a great many useless clauses in the Bill.

Mr. MONTGOMERY agreed with most of the provisions of this Bill. He had sent a copy of it to the agricultural society in his district; but unfortunately that society did not agree with it, and they had passed unanimously the following resolution:—

"That this meeting is of opinion that the whole Act is of a very stringent and tyrannical nature, calculated to materially injure all producers of milk products, except those that have the advantage of being in the immediate vicinity of large factories."

He quite agreed that in many respects clause 11, which provided that milk supplied to a dairy factory should be cooled or aerated, was a tyrannical one; and the same remark applied to clause 12, which provided for the rate of payment for milk. These were mostly Committee objections; but he believed that most of the objections the agricultural societies had to the measure were now met by the amendment made in the definition of the word "dairy." Before the Bill went to the Joint Stock Committee the word "dairy" meant any "place in which butter or cheese is manufactured"; and a man who had one cow might have his house called a dairy, and have to register it and to put a brand upon his produce. As the definition of the word stood now, it did not apply to any place where butter was made unless it was manufactured for export. That amendment would exempt a number of small farmers, and would meet to a large extent many of the objections that had been raised throughout the colony to the Bill, where farmers merely sold their milk in their own neighbourhood, or even in the nearest town. With regard to grading, he agreed with the grading of butter, but not with the grading

of cheese, because in a few months the whole character of that article might be altered, and, as had been pointed out by the honourable member for Clutha, in the case of cheese it was a question of individual taste in various parts of the world, and it was not practicable to grade it at the particular port of shipment. Besides, there were many farmers who had sent a large quantity of cheese Home who objected to samples being taken out. He had a number of suggestions to make in Committee, but he would not detain the House by dealing with them on the second reading.

Mr. MEREDITH said that, so far as he was acquainted with the Minister of Lands, he was quite sure that it was not his intention to harass or irritate those who were connected with the dairying industry in this colony. He believed the honourable gentleman's intention, in introducing this Bill, was to assist in the development of that industry, and to place it on a sound footing. It was a matter of absolute necessity, if this industry was to occupy the place which it ought to occupy, that it should be very carefully protected against unscrupulous individuals. One objection against the Bill was said to be that there was no necessity for it; but he thought there was a necessity as long as they had to deal with unscrupulous persons who were engaged in the trade, and who would palm off an inferior article for one of higher quality, thereby injuring the reputation of our colonially-made article. The Bill was in the interests of those who were honestly endeavouring to develop the dairying industry, and to place a good article on the English market. The flax industry had been ruined by the action of unscrupulous persons, who had filled the centre of bales of manufactured fibre with an inferior article. These bales had been sent to the English market, and the consequence was that New Zealand suffered a heavy loss, and the English buyers looked with suspicion upon the article they imported. He did not say that had been the whole cause of the depreciation in manufactured flax. There had been other causes, but it was evident that this had helped to depreciate the article; and, under the circumstances, he thought the Minister and the House would be justified in passing the measure now before them. He had read the Bill carefully through, and must say that it seemed to be free from those legal expressions and ambiguities which characterized most of the Bills submitted to this House, and which laymen found it difficult to understand. From returns laid before the House this session he noticed that the dairying industry had extended during the past twelve months, the export of butter and cheese last year having been £354,000, or £30,000 in excess of the previous year. Taking the District of Canterbury during the past two years, the industry had grown rapidly. They had now a central dairy factory in Christchurch, having eight or nine creameries connected with it. This industry was going to help to advance this colony very materially. There was one point he wished to mention. On visiting New Ply-

mouth a few weeks ago he met persons connected with the butter-and-cheese industry, and they seemed to be of opinion that New Plymouth should be placed in the same position as the other four ports of export; and he thought they were entitled to consideration. Last year the value of the export of butter from New Plymouth amounted to the sum of £187,700, or about one-half of the total value of the butter and cheese exported from the colony. This being so, he thought New Plymouth was entitled to every consideration, and he had no doubt the Minister of Lands would take this matter into consideration, and endeavour to make provision to meet the requirements of that important district. As to the Dairy Experts moving about the country amongst the dairy factories, he had heard nothing but praise. They were men who knew their work, and did it; who, when visiting factories, not infrequently took off their coats, donned a white apron, turned up their sleeves, and showed how to manufacture a pound of butter. An honourable gentleman asked if he had seen them doing it. No; but he had heard on good authority, from those who were connected with the dairy factories, that they did do so. He would be happy to assist in putting the Bill through.

Mr. HALL thought this Bill was one of the most important measures that had come before the House this session. He regarded it as absolutely necessary, if they wished to put a good article upon the London market, that they should take care, from the very foundation, to see that everything connected with the manufacture of dairy produce, and butter especially, was put on a proper basis. If they conversed with the dairy managers they would find that they were unanimously in favour of the inspection of produce, and of the inspection of the stockyards, cows, and everything connected with the delivery of milk. It was also evident that the settlers were desirous that the factories should be kept perfectly clean, and that the manufacture of butter should be on the very best and most scientific basis, in order that the quality might be good. He believed that everybody, from the farmer to the manufacturer,—in fact, everybody connected with the raising of butter and dairy produce,—desired that its shipment should be carefully watched, and this Bill provided that it should be watched from the time the milk came from the cow to the time the butter or cheese was put on board the vessel, and placed on the London market. It was not only necessary that all this should be insured, but it was also necessary that they should provide against the contingency of some persons desiring to palm off an inferior article. If they looked at the butter trade of the past they would find that many individuals in New Zealand had made considerable profit by collecting all sorts of butter and palming it off as factory butter, whereas some of the samples were of very inferior quality, such as only resulted in a loss to the shippers. Very much harm had been done to the trade by such butter being palmed

off as New Zealand factory butter. For these reasons, he hoped that the Bill would pass, as it was a good Bill, and had been approved of by the experts of the colony. He would not refer to the question of grading, except to say that he agreed with what Mr. Montgomery had said in regard to cheese, which was not always to be judged the same as butter; and for that reason it would be better to leave cheese out of the grading provisions of the Bill. They had not only their own experience, but they had the information from other colonies. He thought the House ought to be very wary in doing anything whatever that would result in loss to the manufacturer. He had been told by cheese-makers that a good cheese had no flavour until it was about three months old, and, as most shippers of cheese would want their cheese shipped before it was that age, it would be difficult to tell what the ultimate quality of a cheese would be, and it would be very difficult to grade. Then, there was the question of the four ports of shipment only. He would point out how this might be a grievance to some shippers. In his own electorate there were several factories about forty miles from Napier, and, if these people were compelled to send their cheese and butter to the Wellington port, it would cost considerably more in transit than if sent to Napier. He thought that could be met by freight being charged only on the lesser distance. He did not wish to say anything further at present on the Bill, but when it was in Committee he should do what he could to amend it.

Dr. NEWMAN only wished to suggest to the Minister that in Ireland,—in Cork,—where the butter industry had been carried on to an enormous extent, grading had added a great deal to the wealth of Ireland. Cork was only a day, at the outside, from the market where the produce was sold.

Mr. J. MCKENZIE.—It has been a success in Victoria.

Dr. NEWMAN asked if they had not some more machinery than was provided in this Bill. He could quite understand this applying to frozen meat, which was in a hard state when it reached the other end. When it reached the other end it was in the same condition as the flesh of mammoths of Siberia, which had been frozen for thousands and thousands of years. But it did seem to him that the butter which was put into a cool-chamber would be in a somewhat different condition when it reached the other end. He knew of some excellent butter having been exported Home some time ago, which, when it arrived, was in a kind of grease—"bosh," he believed, was the technical term—and it fetched almost nothing a pound. There had been cases when a vessel took twelve months to reach England, and the butter would surely be in a different condition when it reached the other end. He would like to ask the honourable gentleman what he proposed with regard to the appointment of experts, to be placed in charge of the shipments of produce on their arrival at Home, whose duty it would be to overhaul them. He thought

Mr. Meredith

there should be some arrangement of that kind. Take, as an example, the large shipments of tallow sent away from the colony. All the leading export firms, besides having an expert to overhaul the quantities of tallow before it reached Home, also kept an agent in London to see that the produce arrived in a good condition, and to watch the condition of the market. He would like to ask the Minister to state, in his reply, whether he meant to have any agent in England to see whether the produce was landed in a good condition; and, while an agent could do a great deal of good in that respect, he would also suggest that he could watch the changes in demand for various sorts of tallow in the London market which frequently took place. Unless a grader were kept there, to keep himself thoroughly posted up in all the latest changes, the system would prove thoroughly unsatisfactory.

Mr. HOGG was not prepared to say that this Bill was by any means perfection. He believed in the old adage that "The proof o' the puddin's in the preenin' o't." Very likely the farmers would have an opportunity of ascertaining for themselves whether this was likely to be an improvement on the present law or not. The honourable member who had just sat down had referred to the excellence of Cork butter, and there was not the slightest doubt that the article which was called "Double-rose Cork" had had a high reputation for many years, possibly half a century. But the singular thing was that this excellent product of old Ireland had been produced without the assistance of any Dairy Industry Bills whatever. What he hoped was that this measure would not be found to be of an oppressive character, and that it would not produce too many inspectors, because the result of an over-inspection of dairies and dairy factories would tend to be harassing to those who were carrying on this very important industry. Some reference had been made to the provisions contained in this Bill for the establishment of cool-stores, and he would like to point out that it was quite probable that cool-stores might be established, not merely at the port of shipment, but also in the interior of the country. He believed there was already a cool-store established in Palmerston North, and probably before very long another cool-store would be established in the heart of the Forty-mile Bush. If those who produced butter and prepared it for export in the inland centres, such as Palmerston and Pahiatua, or, possibly, Woodville, had to send their butter to Wellington, to remain there for a statutory term of four days in a cool-store, there would be the additional cost to the manufacturer.

Mr. J. MCKENZIE.—I am providing for that.

Mr. HOGG was glad to hear that, because he maintained that in cases where this industry was established, and the necessary machinery provided for cool-storage in the interior of the country, there would be no need for cool-storage at the port of shipment. Then,

again, if honourable members would turn their attention to clause 14A they would find that the Inspector was empowered to suspend or cancel any certificate if the dairies were not kept to his satisfaction, or if the produce was not manufactured to his requirements. Well, he maintained that there was a great deal of danger in intrusting such drastic powers to an army of Inspectors.

An Hon. MEMBER.—We had that a few years ago.

Mr. HOGG.—It was all very well to say "We had that a few years ago," but they knew cases of injustice such as he had alluded to had occurred in the past. There had been cases in the Stock Department where a great deal of gross injustice had been done; and he would warn honourable members against the danger they might incur by passing measures of a drastic character, which empowered Inspectors to use their own sweet will on the manufacturers and producers of the colony.

Mr. J. MCKENZIE.—It is the law now.

Mr. HOGG said the law had only had a very brief trial. It should not be left to the discretion of an Inspector to close a factory because everything was not up to his requirements, but there should be proper machinery by which a dairy-factory owner might apply to another tribunal, so that he should not be placed entirely in the hands of an Inspector, who was only responsible to the head of his department. They were giving, he thought, an undue amount of authority to departmental officers, who might injure rather than help the industries of the country by hampering those who were carrying on manufactures. He was not going to refer to the various clauses of the Bill, but he hoped they would be very carefully considered in Committee, because he could say there were undoubtedly several which would be improved by amendment, and others which would require to be rejected; otherwise it would be found that the operation of the measure would, in some respects, do more harm than good to the industry.

Mr. J. MCKENZIE said the discussion that had taken place on this Bill, he was sure, would prove to honourable members the very great difficulty there was in legislating on a subject such as this. Almost every member who had got up had spoken in approval of the Bill, but had raised objections to some portion of it. If all these disagreements were met and amendments proposed and carried to meet their views, it would seem to him that the Bill would then be quite useless. However, he must congratulate the House on the advancement that had taken place in the views of members during the last two years. Honourable members who were here when the present Dairy Industry Bill was put through would remember the difficulty he had experienced in getting any measure of the kind on the statute-book. The argument of the honourable member for Masterton was, on a previous occasion, that they were going to harass the settlers by all

sorts of things that were being done. He would tell honourable members that it was his intention to ask the House, before the session was over, to grant a very liberal sum of money to support this important industry, and without this measure that sum of money would be entirely wasted. Unless this Bill became law it would be useless for him to ask the House to vote that money. Now, let them see what was the position. Honourable members must remember that the whole system of dairy production was completely changed, not only in New Zealand, but all over the world. Twelve years ago there was no such thing as a factory in New Zealand. Four years after the first factory was established—that was, eight years ago—there were only four factories in the whole of the colony. Well, they had advanced, up to last year, to 164 factories in New Zealand, and during last year that number had been increased by seventy-four. This was before the report was compiled which he had laid on the table of the House, and since then the department had received intimation that there were forty-three further dairy factories established or about to be established in New Zealand. He asked members representing country constituencies to consider what was the reason that these factories were being established from day to day and were becoming so numerous in the colony. The reason was that they could find a better market for produce made in factories than under the old system, under which farmers produced their own butter. They had now before them the experience of other countries; and if they were to keep pace with other countries, and place their produce on the London market, and obtain for it the same prices as were obtained by other countries, they must keep pace with the legislation that had taken place in other parts of the world. The legislation of other countries had been far more drastic than anything that had been proposed in the Bill before the House. If honourable members would look at the Dairy Acts of Canada, the United States, or Victoria they would find that the regulations were far more drastic than anything he had submitted to the House.

He submitted the Bill to the House 10.0. in its present shape well knowing the difficulties he would have to contend with in getting it through the House in such a shape as he thought necessary. Almost every one of the provisions in the Bill which was not already law was in the Bill introduced by him two years ago. He had at that time to give way to the feeling of honourable members, and cut those provisions out of the Bill. If they were to cut them out again, simply because honourable members were afraid that the settlers would be harassed by this measure, then it would be just as well to retain the Act which was on the statute-book at the present time. Some twelve years ago we sent only a few hundred pounds' worth of dairy produce to the London market, whilst last year we sent over three hundred and fifty thousand pounds' worth; and it was expected this year that the amount of money to be received for dairy

produce from Home would be about half a million. He was sure that honourable members who knew the climates of New Zealand and Victoria must admit that we ought, at any rate, to send as much produce from our dairy factories to the London market as was sent from Victoria. Notwithstanding the fact that the climate of Victoria was not nearly as suitable for dairying as that of New Zealand, Victoria last year took £700,000 from England for dairy produce; and if we were to keep pace with Victoria and with the other colonies, and with the Canadian and American people, then we must send our produce to the London market in the same way that they did, otherwise we should be shut out. There were a number of objections which had been raised in connection with the Bill which were simply Committee objections. With regard to the question raised by the honourable member for Wellington Suburbs with reference to London inspectors, and also as to the question raised by the honourable member for Waitaki that we should have a system of grading at the other end, he thought it would be a very great mistake for us to try anything of the sort. Let us first grade at this end, and see how our produce arrived at Home. We could have a system of inspection at the other end; but to say that we were to have a double system of grading would, he thought, be a mistake at the present time. However, we must proceed in this matter as experience taught us, and as we found necessary and in our own interests. He did not desire the House to go further than they could safely go at the present time. If they found, after bringing the Bill into force, that it was not sufficient to carry out what the colony wanted, then they could amend the Act next year, and so on. They were only taking a step further in advance this year upon the experience they had gained during the last two years. He might state that the Bill had been submitted to a very large number of dairy associations throughout the colony, and to a number of the owners of dairy factories. A large number of them had returned replies stating that they were willing to support the Bill. Many suggested amendments were made, and, after going over these amendments very carefully in Wellington, they had as far as possible endeavoured to meet the desires of the dairy associations and the dairy-factory owners. Of course, they had not been able to meet them all—that would be impossible; but so far as they possibly could they had tried to meet all the valid objections raised. The Bill had gone through a Joint Committee of both Houses. He thought it would be found that each clause was considered on its merits, that honourable members would find that the Bill was required, and that, with very slight modifications, it would be found suitable for the purpose for which it was intended. With regard to the question of cool-storage, it was provided that cool-storage should be afforded at the four principal ports of the colony. There was also a clause in the Bill enabling the Go-

Mr J. McKenzie

vernment at any time, by Order in Council, to make any other port in the colony a port at which produce could be graded and cooled. He might point this out to honourable members: that whenever the Government declared any port a port to ship dairy produce from, or a port at which it could be cooled and graded, then they would have to find the necessary machinery at such place, and they would also have to find graders at any such place. He thought they should first confine themselves to the four large shipping ports of the colony; and then, in the case of any other place, such as Waitara, where a contract might be carried out by a shipping company to send steamers there, when the Government were satisfied that those steamers would go there and take the produce, they had power to declare that a shipping port in addition. He thought that would meet all objections. He might say it was their intention, for the first year, to give this matter a fair trial, and to provide the storage free at each of the four ports during the time the butter was being graded, so that there would be no extra expense such as had been referred to by the honourable member for Masterton. There was one point which was referred to by the honourable member for Wellington City (Sir R. Stout). That was in connection with the 5th clause. The honourable gentleman maintained that that clause would trench upon the powers of the local bodies. That clause did not in any way trench upon the powers of the local bodies. It simply allowed the Government to appoint officers to inspect dairies, but in no way interfered with the duties of local bodies in the matter. At least, he was advised that was so. There were a few amendments which he thought necessary in order to make the Bill clearer. Otherwise, he thought the Bill should go through as it was at the present time. He need not again refer to the very great importance of this question to the colony. If they expected to get a large population upon the soil, it must be done by encouraging the dairy industry as much as possible. This industry had raised other countries from a state of stagnation and ruin. He had no hesitation in saying that before ten years were over the dairy produce of New Zealand would be of as much value in the London market as the frozen mutton was at the present time.

Mr. BUCHANAN.—In less time.

Mr. J. MCKENZIE said, perhaps so. If they looked back to the very great strides made by this industry during the last twelve years, it must be acknowledged that it was most remarkable, and he had no hesitation in saying that in the next ten years the industry would continue to make great progress.

Bill committed.

IN COMMITTEE.

Clause 11.—Milk to be cooled or aerated.

The Committee divided on the question, "That this clause be a clause of the Bill."

AYES, 42.		
Buchanan	Maslin	Reeves
Buddo	McGowan	Russell, G. W.
Carnell	McGuire	Seddon
Carroll	McKenzie, J.	Smith, E. M.
Collins	McKenzie, R.	Smith, G. J.
Crowther	McLachlan	Stevens
Duncan	McNab	Steward
Graham	Millar	Tanner
Hall	Mills	Ward
Hall-Jones	Montgomery	Willis
Heke	Morrison	Wilson.
Houston	Parata	<i>Tellers.</i>
Kelly, J. W.	Pinkerton	Flatman
Lang	Pirani	Meredith.
Mackenzie, T.		

NOES, 9.

	Lawry	<i>Tellers.</i>
Allen	O'Regan	Harris
Green	Russell, W. R.	Massey.
Hogg		
Kelly, W.		

PAIR.

For.	Against.
Pere.	Buick.

Majority for, 33.

Clause retained.

Clause 12.—Rate of payment for milk.

Mr. WILSON moved to add to the clause, "Provided this clause shall not affect any contract for supply of milk to dairy factories or creameries prior to the coming into operation of this Act."

Amendment agreed to, and proviso added.

Clause 15.—Particulars to be stamped or marked on cheese or butter.

Mr. J. MCKENZIE moved to strike out the word "person," and insert "owner of a dairy factory or creamery."

Amendment agreed to.

Clause 19.—New subsection (1) (a): "Every person exporting butter shall have such butter placed in the cool-store proclaimed by the Governor at the port of shipment at least four clear days prior to shipment, for the purpose of being cooled or frozen. The ports of shipment to be Auckland, Wellington, Lyttelton, and Port Chalmers, and such others as the Governor may from time to time proclaim by Order in Council."

Mr. BUDDO moved to strike out the words "at the port of shipment."

Amendment agreed to.

Mr. MONTGOMERY moved to strike out subsection (c) of section 2: "Shall, prior to shipment, inspect and grade each lot of cheese, and shall stamp or mark each cheese, and each keg, box, or package containing such cheese, with the official stamp or mark and the figure denoting the grade."

The Committee divided on the question, "That the subsection stand part of the clause."

AYES, 29.

Buddo	Flatman	Lawry
Carnell	Hall-Jones	Maslin
Carroll	Hogg	McGowan
Collins	Joyce	McKenzie, J.
Crowther	Lang	McKenzie, R.

McLachlan	Pinkerton	Ward
McNab	Seddon	Wilson.
Millar	Smith, E. M.	<i>Tellers.</i>
Morrison	Smith, G. J.	Meredith
Parata	Stevens	Mills.
NOES, 15.		
Allen	Heke	Steward
Buchanan	Kelly, J. W.	Tanner.
Duncan	Mackenzie, T.	<i>Tellers.</i>
Green	Pirani	Massey
Hall	Russell, W. R.	Montgomery.
Harris		

PAIR.

For. Buick. *Against.* Pere.

Majority for, 14.

Clause retained.

Subsection (3), second paragraph.—“For the purpose of inspecting and grading the quality of any butter or cheese, the grader may open and sample any one or more kegs, boxes, or packages of each lot of such butter or cheese, and affix the official stamp and grade-mark on the lot, or any portion thereof, according to the quality of the sample thereof.”

Major STEWARD moved, That the following words be inserted after the words “sample thereof”: “The Governor may also, if he shall deem it expedient so to do, appoint persons to inspect at the ports of arrival butter produced in the colony and shipped from New Zealand ports, in like manner as is hereinbefore provided in regard to inspection prior to shipment, and the official stamp denoting grading at port of arrival shall be ‘A,’ ‘B,’ or ‘C,’ prefixed by a cross (x), as denoting first, second, or third grade respectively.”

The Committee divided.

AYES, 12.

Buddo	Harris	Smith, G. J.
Carnell	Heke	<i>Tellers.</i>
Crowther	McLachlan	Steward
Flatman	Montgomery	Wilson.
Hall-Jones		

NOES, 28.

Buchanan	McGuire	Pinkerton
Carroll	McKenzie, J.	Pirani
Collins	McKenzie, R.	Russell, W. R.
Green	McNab	Stevens
Hall	Meredith	Tanner
Hogg	Millar	Ward.
Joyce	Mills	
Lawry	Morrison	<i>Tellers.</i>
Mackenzie, T.	O'Regan	Duncan
Maslin	Parata	Smith, E. M.

PAIRS.

For. Allen. *Against.* Seddon.
Pere. Buick.

Majority against, 16.

Amendment negatived.

Clause 21.—“In all proceedings under this Act for any offence or breach thereof the person against whom such proceedings are taken shall be deemed to have committed the

offence or to have done the act charged or alleged, as the case may be, unless he shall prove to the contrary; and such proof shall not be upon the Inspector or other officer who shall have taken any such proceedings.”

Mr. McNAB moved to strike out all the words after “In,” with the view of inserting the following words: “any proceedings for the recovery of a penalty under sections sixteen, seventeen, eighteen, and nineteen hereof, the onus of proof that he is not liable to any penalty shall lie upon the person against whom the information is laid.”

The Committee divided on the question, “That the words proposed to be omitted stand part of the clause.”

AYES, 20.

Buddo	McKenzie, R.	Smith, E. M.
Carnell	Meredith	Stevens
Crowther	Millar	Ward
Lawry	Mills	Wilson.
Maslin	Morrison	<i>Tellers.</i>
McGowan	Parata	Hall
McKenzie, J.	Pinkerton	Joyce.

NOES, 20.

Bell	Hogg	Russell, G. W.
Buchanan	Kelly, J. W.	Russell, W. R.
Collins	Massey	Smith, G. J.
Duncan	McGuire	Tanner.
Flatman	McLachlan	<i>Tellers.</i>
Fraser	O'Regan	McNab
Harris	Pirani	Montgomery.

PAIRS.

<i>For.</i> Buick	<i>Against.</i> Te Ao
Cadman	Mitchelson
Carncross	Bell
Earnshaw	Duthie
Hall-Jones	Mackenzie, T.
Mackintosh	McGuire
Reeves	Green
Seddon.	Allen.

The CHAIRMAN gave his casting-vote with the “Noes.”

Amendment agreed to.

The Committee divided on the question, “That the clause as amended stand part of the Bill.”

AYES, 25.

Buchanan	Lawry	Morrison
Carnell	Maslin	Parata
Carroll	McGowan	Pinkerton
Collins	McKenzie, J.	Smith, E. M.
Crowther	McKenzie, R.	Stevens.
Duncan	McLachlan	
Flatman	McNab	<i>Tellers.</i>
Hall	Meredith	Mills
Joyce	Millar	Wilson.

NOES, 14.

Buddo	Massey	Smith, G. J.
Fraser	McGuire	Tanner.
Harris	O'Regan	<i>Tellers.</i>
Hogg	Pirani	Montgomery
Kelly, J. W.	Russell, G. W.	Russell, W. R.

PAIRS.

<i>For.</i>	<i>Against.</i>
Buick	Pere
Seddon.	Allen.

Majority for, 11.

Motion agreed to.

Bill reported, and read a third time.

The House adjourned at half-past two o'clock a.m.

LEGISLATIVE COUNCIL.

Thursday, 11th October, 1894.

First Reading—Third Reading—Government Advances to Settlers—Government Railways Bill—Public Works Bill—Native Land Court Bill.

The Hon. the SPEAKER took the chair at half-past two o'clock.

PRAYERS.

FIRST READING.

Dairy Industry Bill.

THIRD READING.

Harbours Bill.

GOVERNMENT ADVANCES TO
SETTLERS BILL.On the question, *That this Bill be read the third time,*

The Hon. Mr. TAIAROA said he had the previous day moved that subsection (7) of clause 25 be struck out, and the Colonial Secretary had asked him to wait until the Bill was reprinted. He also objected to the new subsection (8) which had been introduced the previous day by the Colonial Secretary, with reference to the Westland and Nelson Native reserves. These lands had not been mentioned in the Bill until the amendment was inserted. He thought it was unfair to put such a subsection into the Bill, certainly seeing that it had not been inserted in the other House. He strongly objected to these reserves being included. The land in the Greymouth portion of the reserves was town-district land, and he did not think it should be included. No notice had been given to the residents there that such a clause was going to be inserted in the Bill, and he therefore moved, *That clause 25 be recommitted for the purpose of amending subsections (7) and (8).*

The Hon. Mr. McLEAN asked his honourable friend to withdraw the motion, as the lands referred to were mostly town and suburban, and, as such were exempt, the amendment was quite unnecessary. If there were any rural lands they would come under the operation of the Act, but all the land in Greymouth and in Westland would be exempt.

The Hon. Mr. TAIAROA stated, in answer to the honourable gentleman, that the Westland and Nelson Native reserves comprised large blocks of land of many thousand acres, which were not town lands, extending from different

parts of the Wairau, in the Nelson Provincial District, to the West Coast.

The Hon. Sir P. A. BUCKLEY would call attention to the position of the Bill. It was in such a state that the sooner it went to a Conference, if such Conference were required by the other House, the better, and the point referred to would no doubt be dealt with there. The Bill had been practically destroyed.

An Hon. MEMBER.—No.

The Hon. Sir P. A. BUCKLEY said from his point of view it had been, to a certain extent, rendered of very little use, but when it went to a Conference possibly such a concession might be made by the Council as would make it a practical measure. He thought, therefore, the sooner it went to the other House the better. There was nothing in the contention of the Hon. Mr. Talaroa. If he (Sir P. A. Buckley) thought it affected in the slightest degree any interest of the Natives he would consent to the recommittal, but the honourable gentleman was in error in supposing that it did. He would therefore ask the Council to read the Bill the third time.

The Council divided.

AYES, 28.

Barnicoat	Kerr	Reynolds
Bolt	MaoGregor	Richardson
Bonar	McCullough	Rigg
Bowen	McLean	Stevens
Buckley	Montgomery	Stewart
Dignan	Morris	Swanson
Holmes	Oliver	Walker, L.
Jenkinson	Peacock	Whitmore
Jennings	Pharazyn	Whyte.
Kelly		

NOES, 4.

Acland	Taiaroa	Williams.
Feldwick		

Majority for, 24.

Bill read the third time.

GOVERNMENT RAILWAYS BILL.

The Hon. Sir P. A. BUCKLEY.—In asking the Council to agree to the amendments made by the Governor in this Bill I should like to explain its position. If honourable members will look at clause 4, subsection (8), they will find that in that clause, after the word "position," the words "in such Service as if they had never left it" are struck out, and it is proposed to insert the following words: "respectively, as if they had continued in the service of the said Commissioners, and as if section seventy-six of 'The Government Railways Act, 1887,' had not been repealed. The provisions of that section shall apply, *mutatis mutandis*, to any of such persons who shall hereafter retire from the service of Her Majesty." The object of this is to place the officials who entered the service of the Commissioners in the same position in which they were before.

An Hon. MEMBER.—It does not do that.

The Hon. Sir P. A. BUCKLEY.—I admit it would look at the first blush as if it were not so. Up to the year 1887 those who were in the Civil Service and who took employment under

the Railway Commissioners had their rights under the Civil Service Act preserved. But they got a great deal more than that: they got the right to retire from the Service on compensation, which no other Civil servant had. As soon as the railways were restored to Her Majesty they would continue to have the same right, with the exception of the gap. That is scarcely fair as regards the other Civil servants. At first sight, I am bound to say one would suppose, without consideration, that that was the idea; but we want to restore them exactly as they were. They took this service not by their own act, but by the sanction of the Legislature; and let me call the attention of honourable members to section 76, to which reference is made:—

“(1.) The rights of all persons, whether absolute or contingent, who at the commencement of this Act were in the Civil Service of the colony, and who by virtue of this Act shall be deemed to be in the service of the Commissioners, shall, as regards claims for compensation for loss of office, or otherwise in respect thereof, or for superannuation allowance, be and the same are hereby preserved up to the time when they enter the service of the Commissioners; and all such persons shall thereafter be subject to this Act and all regulations made thereunder in respect of their classification, promotion, salaries or pay, discipline, and otherwise howsoever.”

Now, it is a well-known fact that many of these men get very high salaries. Their salaries have been increased irrespectively of the question of the Civil Service or anything else. They have been increased out of all proportion to what other Civil servants were allowed, and it would have been conferring on them an advantage which no other Civil servant had. Further on honourable gentlemen will notice,—

“(2.) The compensation for loss of office or the superannuation allowance to be made to any such person as aforesaid shall be paid or granted upon his leaving or retiring from the service of the Commissioners, but shall be calculated only on the basis of his employment in the Civil Service of the colony prior to his entering the service of the Commissioners under this Act:

“Provided that, if any such person shall be unwilling to be or continue in the service of the Commissioners, he may, on giving them written notice, retire from such service, and shall then receive such compensation or be granted such retiring-allowance as he may be entitled to under any Act in force giving or securing such rights.”

Thus honourable gentlemen will see that no injustice of any kind is done to them. Their status is preserved; their right of compensation is only retained up to the time they entered this service. No injustice is done by the intended amendment; on the contrary, they are placed in exactly the same position as before, whereas under the terms of the Bill as it came up here they were getting greater advantages. This affects very few of them, and it is

Hon. Sir P. A. Buckley

intended that they should be placed in exactly the same position as they were in before the Act of 1887.

An Hon. MEMBER.—Do the years under the Commissioners count?

The Hon. Sir P. A. BUCKLEY.—No; they were not intended to count when they took service, and therefore they are not intended to count now. Their rights are preserved up to the time they entered the service of the Commissioners, and they have the right to retire with compensation now, which no other Civil servant has. Any Civil servant now wishing to retire gets no compensation. It is only if his services are dispensed with that he is entitled to compensation. Should he elect to retire he gets absolutely nothing. But these gentlemen have a right to compensation if they resign.

An Hon. MEMBER.—But they lose a term of years?

The Hon. Sir P. A. BUCKLEY.—Yes; they knew what they were doing; and it would be very unfair to place them in a superior position to other Civil servants. Besides, as I say, their salaries were enormously increased. Then, with regard to clause 12: After the word “October,” in the second paragraph, it is proposed to omit the word “next,” and insert the words “one thousand eight hundred and ninety-four.” That is merely a formal matter, and requires no explanation. I trust I have sufficiently explained the reasons for the amendment. I understand there is some hostility to it, but I do not know why there should be. I may point out to honourable members that if the Governor's amendments are lost the Bill is lost. I move, *That the amendments be agreed to.*

The Hon. Mr. BOWEN.—Am I to understand my honourable friend to say that, if a Governor's message sending down an amendment is objected to, the Bill necessarily falls?

The Hon. Sir P. A. BUCKLEY.—Yes; that is so.

The Hon. Mr. BOWEN.—But, Sir, that puts the Council in a very curious position. It throws an entirely new light upon amendments sent down by Governor's message, because, according to that contention, the hands of the Council might be tied in many important matters. I was going to point out this: It appears to me that there is a considerable amount of injustice done to very deserving officers of the country simply because they have been bandied about between one set of masters and the other. It has been said that they voluntarily took office under the Commissioners, and that when the Commissioners took control they could have retired if they had liked, taking compensation. But we all know very well that the greater number of the officials in the Government service are not in a position to thus throw themselves out of employment. The fact is, it was a compulsory handing-over from the one service to the other, and at the time the Act was passed it was certainly supposed that the railway servants were to belong to as permanent a service as the Government service. Now they are put back again into the Government service with-

out any request of their own, and without any power of their own to make any stipulation. I think it is only right they should be dealt with as if there had been no change at all in the service—that is to say, that, so far as they are concerned, the service of the Commissioners and the service of the Crown should be looked on as continuous. With regard to their position in the service, as the honourable gentleman has pointed out, they may have had an advantage in this matter by being enabled to retire if they were prepared to retire. Those who wished to retire from the service did so five years ago when the Commissioners took over the railways, and they got compensation; but the greater number remained in the service of the Commissioners after the Commissioners took control. At present it does not appear likely that any large number would care to retire; and they would be practically penalised under this amendment, simply because the country has chosen to change the control of the Government railways twice. I think the Council will see that a considerable injustice will be done to these men.

The Hon. Sir P. A. BUCKLEY.—Some of them have had their salaries nearly doubled.

The Hon. Mr. BOWEN.—There are very few indeed who have had their salaries largely increased, and in these cases they had every right, I presume, to the increase. Certainly no one has said that the management of the railways was bad during the last five years, and I do not think it is fair that the Council should assume that these men who have received increases in their salaries have got more than they deserved. As I said, there are not many of them in that position, and the five years they have served under the Commissioners have been as distinctly in the service of the country as when they were under the Crown. I think we should ask for your ruling, Sir, about this question which has been raised, as to the effect of refusing the amendment sent down by message from His Excellency the Governor.

The Hon. Sir P. A. BUCKLEY.—How are you to meet the Governor? There is no provision for it.

The Hon. the SPEAKER.—If the honourable gentleman refers to Rule No. 319 he will see that the Council can amend it.

The Hon. Sir P. A. BUCKLEY.—The effect of doing so would simply be to destroy the Bill. I know of no means of communicating with the Governor after his message has been brought down.

The Hon. the SPEAKER.—Rule 319 says, "Governor's amendments are read a first and second time, and may be agreed to with or without amendment."

The Hon. Mr. BOWEN.—Then, going on to the next rule, we find, "The Governor's amendments, if agreed to by the Council, are forwarded to the House of Representatives for its concurrence." If the House does not agree, it is optional for it to dissent; and if the House and Council cannot agree, then the Bill drops.

The Hon. Sir P. A. BUCKLEY.—I wish to call attention to this: If the matter is sent back to the House, assuming we do not agree to the amendments, where are we then? There are no means of communicating, under the Standing Orders, with the Governor. It is not the House's amendment—it is the Governor's message, and there are no means of communicating with the Governor upon a question of this kind.

The Hon. Mr. MANTELL.—I suggest that, as the amendment was proposed by the Governor and adopted by the House, we now receive it from the House of Representatives as an amendment adopted by them.

The Hon. Mr. OLIVER.—The real question seems to me to be one of great simplicity. The Civil servants in connection with the railway service had their status altered by regulation made under the Act of 1887. They were not consulted. We legislated without respect to their wishes. They had certain rights and a certain status at that time. They were Civil servants, and subject to certain regulations. But we, for national purposes, altered that status, and, having tried the experiment with regard to control,—as to which they had no option,—we now revert to the condition of things subsisting before we passed the Government Railways Act of 1887. It seems only fair that the servants of the country in this Railway Department should go back to the same status exactly as they occupied at the time when, without consulting them, we interfered with their status. The Bill which we passed established that as a principle. It says,—

"All persons who were in the Civil Service immediately before the twenty-eighth day of January, one thousand eight hundred and eighty-nine, shall, upon and after the commencement of this Act, be in the same position in such Service as if they had never left it."

That seems to me to be natural justice, and unless some strong reason is given for interfering with it I think it should stand. Now, we have learned from the Attorney-General that he lays stress, to some extent, upon the fact that certain increases of salary have been given to those Civil servants who are in the railway service.

The Hon. Sir P. A. BUCKLEY.—Which could not have been given under the Civil Service Act.

The Hon. Mr. OLIVER.—I believe that is so in the case of one or two, or, at any rate, a very small number; but when they entered the service of the Commissioners they became subject to certain deductions from their salaries, which deductions have been made, and from which they have suffered to a far greater extent—I speak of the service as a whole—than the few who have had their salaries increased and who have benefited. And, Sir, much need not be made of the privilege which they enjoyed of being able to resign and receive compensation on their resignation. A few did resign, and received compensation; the bulk, however, did not resign, and the proportion of those

who did resign is infinitesimally small. No advantage has been taken of that power except in very few instances, and some of them were the cases of persons who were on their deathbeds and wished to resign so that they might get compensation to give to their friends before dying. It seems to me that the Governor's message—the basis of sending such a message—is an endeavour to interfere with what really was the natural desire of the Ministry themselves—that is, not to do any injustice in taking the railway servants back under the administration of the Government. They had a certain status and certain privileges. We have altered their status and privileges through the altered state of things of taking the railways back to Government control; and it seems to me natural justice that the railway servants should go back precisely to the same status which they held before. I want to say just one word about the question of dealing with the Governor's message. If it is held that we must, in the event of receiving a message from the Governor, either accept the message, or that the Bill which we have passed, and which the other branch of the Legislature has passed, must be entirely sacrificed, then I say the Council and the House would be acting under duress, which would be an extraordinary position if it were established. I hope nothing of the sort will be established.

The Hon. Mr. WHYTE.—While agreeing with the last speaker, I think the position is nevertheless somewhat awkward, because no doubt the clause must be amended. It is nonsense as it stands, and I do not think it fulfils the intention of the Lower House, because it says the railway servants shall occupy the same position in the Civil Service as if they had never left it. That is manifest nonsense, because in all cases of promotion they would be compelled to go back to their old positions. The intention, of course, was not that; but the effect of the clause as it stands is that all persons promoted since the railways came under the control of the Commissioners would have to go back to their old positions. The intention of the Lower House, I imagine, was that any rights which these men had then regarding compensation for loss of office or otherwise should be preserved; but the wording of the clause has quite a different effect. It would upset the whole Service. Therefore an amendment is undoubtedly required. Such an amendment as we have now before us may not be quite fair, but that we must amend the clause in some way is manifest.

The Hon. Mr. MACGREGOR.—The point just referred to as to the construction of the 3rd subsection of clause 4 is a perfectly good one. The words we now have, "in the same position in such service as if they had never left it," were no doubt intended to express this: that the railway servants should be deemed to have been in the Civil Service the whole time. That was obviously the intention in these words, but the meaning expressed is certainly the meaning given to them by the Hon. Mr. Whyte, and the clause as it now stands really does not carry

out the intention of the Legislature at all, because we all, I think, understood or imagined the effect of this would be to give these railway servants the same rights as if they had been in the Civil Service during the gap in which they were the servants of the Commissioners, which no doubt the Act of 1887 took away from them. But as to that, the question arises as to what is the right thing to do. Now, I think it is perfectly clear that, according to what is just, these Civil servants should be treated as if they had continued in the Civil Service during the time they were in the service of the Railway Commissioners, and that is what was intended to be carried out by subsection (3) of section 4. As to the contention that salaries have been raised more than they would have been raised under the Civil Service, that may be a very good reason why the clause should be modified to meet that. For instance, it might be stated that salaries on which compensation is to be paid, including that term in the computation, should not be more than the salaries to which they would have been entitled under the Civil Service Act. The difficulty might have been met in that way and the objection of the Attorney-General entirely removed.

The Hon. Mr. BOWEN.—Their salaries might have been raised in the Civil Service.

The Hon. Mr. MACGREGOR.—Yes; I do not know that there is much in that contention. It is said that these men had the option of resigning, instead of entering the service of the Railway Commissioners. It was quite necessary that should have been put in the Government Railways Act, so that the men should not be, as it were, forced to enter the service of the Commissioners. But, really, these men were not free men at all; they had no real freedom in the matter, because most of them, as we know, by resigning would simply be giving up their means of livelihood, and to say that men under such circumstances exercised any free choice is an abuse of terms. The right thing to do in this case, the thing we must do with the Governor's message, or with any Governor's message, seems to me to be this: that it should be postponed; and I have not the slightest doubt that it could be amended so as to carry out the intention of the Legislature, and that intention is simply to do what is just to these men.

The Hon. Mr. WHYTE.—As if they had continued Civil servants, and as if this section had not been repealed.

The Hon. Mr. MACGREGOR.—We could retain the words "as if they had continued in the Civil Service." We should then be amending the Governor's message, and not rejecting it, as we have every right to do. That would probably meet the case.

The Hon. Sir P. A. BUCKLEY.—I should be glad if my honourable friend would move the adjournment of the debate. That would give time to consider the matter. I was not prepared for any contention on this matter, and therefore I should be glad if the adjournment of the debate were moved. My impression is

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that we have no power to amend the Governor's message.

The Hon. Mr. OLIVER.—Might I suggest that, while you consider this question of the amendments which will be necessary, you might also consider the status of the Railway Commissioners who have left the service—that is to say, Messrs. Hannay and Maxwell?

The Hon. Sir P. A. BUCKLEY.—They have received their compensation. The question does not affect them in the slightest degree.

The Hon. Mr. MACGREGOR.—I think it is a proper thing that the matter should be adjourned for consideration. I move, therefore, *That the debate be adjourned.*

The Hon. Mr. McLEAN.—I agree that the proper way of getting out of the difficulty is by adjourning the debate; but, without entering into the question on the Order Paper, I have only to say that, if it is only a few men who are to be affected, surely there is some way of getting out of the difficulty without doing injustice to the others; but I wish to say that if we cannot amend a Governor's message it is something new to me. If my memory serves me aright, we have amended Governors' messages before, both in this and in the other House. However, that is a question that before all others should be looked into, to see what our powers with respect to a Governor's message are, because it is a serious matter if we are to be taken by surprise, and can do nothing but reject the Bill or adopt the message. I am glad to support the adjournment, in order to ascertain our position.

Debate adjourned.

PUBLIC WORKS BILL.

IN COMMITTEE.

Clause 141.—Toll-gates, &c., may be placed on roads and tolls collected.

Subsection (2).—"But no toll-gate shall hereafter be established within one mile from the boundary of any borough, except for a bridge or ferry."

The Hon. Mr. FELDWICK moved to strike out the words "bridge or."

The Committee divided on the question, "That the words proposed to be omitted stand part of the subsection."

AYES, 11.

Acland	Montgomery	Richardson
Buckley	Peacock	Stewart
MacGregor	Pharazyn	Williams.
McLean	Reynolds	

NOES, 15.

Barnicoat	Holmes	Rigg
Bolt	Jennings	Stevens
Bowen	Kelly	Swanson
Dignan	Kerr	Taiaroa
Feldwick	Oliver	Walker, L.

Majority against, 4.

Words struck out.

Bill reported.

NATIVE LAND COURT BILL.

The Hon. Sir P. A. BUCKLEY.—Sir, this is one of the most important Bills that has

for some time commanded the attention of this Council. I have from my place here on more than one occasion stated that the state of our Native-land laws was a disgrace to our statute-book. I have not altered that opinion, and the Government has, with the assistance of others, endeavoured to simplify to a certain extent some of the means of dealing with these Native lands. Out of curiosity, for the information of the Council, I have gone to great trouble to ascertain the number of Native-land laws that encumber the statute-books, and I find that the number is sixty-one. Of that number, recently and from time to time forty-two have been repealed: and I am not sure that the repealing Acts have not been worse than the original enactments. There are yet nineteen remaining, and this Bill proposes to remove from the statute-book nine that are almost unintelligible. This Bill is broken up into two Divisions. The First Division deals with the machinery of the Native Land Court, and the other is a policy measure, to which I would ask the serious consideration of members of this Council. With regard to the First Division and the alterations in the existing law, which are principally a consolidation of nine Acts, I will refer to them as briefly as possible. I will not follow them consecutively, but will take them in the way in which they occur to my mind. As honourable members are aware, the restrictions on the alienation of Native lands are now taken off by the Governor in Council. It is proposed to alter that, and to enable the restrictions to be removed if the Court thinks proper. I think it is a very proper thing that the Court should be the authority by which this is done. I am not sure that it should not be provided that, after the Court decides it may be done, then the Governor in Council may remove the restriction on the request of the Court. That is a matter for the Committee, and it is one on which I hold very strong opinions. Then, the Bill proposes to deal with the rights of beneficiaries. As honourable gentlemen know, there has been a practice of placing a certain number of names in the certificate of the Court or the memorial of ownership, and nine or ten persons, perhaps, whose names were inserted, who were the trustees of the estate for the whole hapu, ignored the trusts and dealt with the land as if it was their own, with the result that the Natives were robbed of every right they had. It is proposed to give power to the Court to deal with these trustees, and to bring them to account for breaches of the trust which the Court originally reposed in them. Another great advantage is offered by this Bill. I am bound to say that I have for years endeavoured to follow out the legislation on this subject, but I have had to give it up as a bad job, and I am not the only lawyer who has had to do so. There are scarcely any who have been able to get in touch with our Native-land legislation, and I believe I may say the same with respect to some of the Judges. When a Native-land case is brought before them they get heartily sick of it, because it is almost im-

possible for them to know exactly what they have to deal with. In order to simplify the law, every title that the Court has adjudicated upon is to be placed immediately under the provisions of the Land Transfer Act. Certificates of title, memorials of ownership, orders of the Court, and provisions of one Act and another rendered it impossible to ascertain who the real owner was. It is now proposed to make one uniform law, so that immediately the decision of the Court is given the provisions of the Land Transfer Act shall apply to the land. Then, the First Division of the Bill provides for the simplification and execution of the deeds, and sufficient provision is made for protecting the rights of the Natives, and seeing that Europeans do not in any way get the advantage. Further, I should say that it is proposed that the Court should exercise the duties of Trust Commissioners in every case. I think this will be found a very desirable provision, because the Court has full knowledge of the facts fresh from the hearing of the parties, and will be in a position to say whether the provisions of the Act to which reference is made are being honestly carried out. Now I come to the vexed question of surveys. This has been a matter which has exercised the Native mind for many years, and has been a burden and trouble and nuisance to them. All persons intending to negotiate for the purchase of Native lands employ a surveyor, who immediately goes to work—whether the Natives understand the process or not I am not aware—and the surveyor gets a lien on the land, and this places the Native at a very great disadvantage. It has sometimes the force of a mortgage, and the surveyor may be able to sell, and this is not at all likely to benefit the Natives. It is proposed that the Surveyor-General shall license the surveyors, and that no surveyor shall enter on the survey of the lands without the consent of the Court. This will protect the Native and the surveyor as well. I come now to another alteration which it is proposed to make, with regard to wills and succession. The Court will have exclusive jurisdiction with regard to the probate of wills of Natives, and it is proposed also to do away with what has been considered a very great injustice to those who ought to succeed to lands. It is proposed by the Bill that the Court, notwithstanding a will, shall be empowered to investigate the matter and say whether the person making the will has left to those who ought to succeed him the property they ought to obtain. This will do away with what has been known as “undue influence.” We have had several cases, especially in the Napier District, by which, through undue influence at the point of death, Natives have given away property to those not entitled to it, to the detriment of those who ought to be the successors, and who have been often found not to have even ordinary means of support. Then, it is proposed also that no Native land should be sold for debt if the Natives have not sufficient means of support. There is another provision with regard to the exchange of land. The Natives

have no power to exchange their land one with another, and it has been found by experience that where some portion of a tribe, for instance, resides in one place, and another portion in some other place to which the tribe lays claim, and where it is desirous of remaining, they ought to have the option, as between themselves, of exchanging. There is no such provision now, and it is intended to afford them this facility. Then, it is proposed under the Bill to establish a Court of Appeal. A great deal of the time of the Supreme Court has been taken up for many years in deciding questions of this kind. Our Judges, who are very hard-worked, have to deal with these intricate questions in the short time they have at their disposal. It is proposed to establish an Appellate Court, so that the Supreme Court shall not be troubled with the matter. These are the principal alterations in the First Division of this Bill. I now come to the Second Division, with regard to restriction on alienation. I remember many years ago a resolution was proposed in the Council by the late Hon. Mr. Reeves—it was not carried in the Council, but we had a very able debate on the question—that the time had arrived when the Government should resume the pre-emptive right. I have myself long considered that that is the proper course for the Government; and I thought it was a desirable thing that the Natives should in every possible way be protected. Although some people may differ from me, and think there ought to be free-trade in Native lands, I have no hesitation, after having some experience in matters of this kind, in saying that the Natives would be benefited if the Government were to resume the pre-emptive right in dealing with Native lands. I need scarcely point out to honourable members, who know a good deal more about the matter than I do, that a Native, when dealing with a European for Native land, generally comes worst off, and, though a Native may get 5s. or 10s. an acre for his land, the party negotiating with him very often has to pay double that price, but he does not pay it to the Natives. It is paid to the agitator, the pakeha-Maori, the interpreter, and every vagabond who comes between them.

An Hon. MEMBER.—And the lawyers.

The Hon. Sir P. A. BUCKLEY.—Yes, and the lawyers too. And the banks very often get a share of the plunder, because the unfortunate man often has to get an overdraft, and my honourable friend knows what that means. I am quite certain the Native is in no way benefited by this free-trade; and this Government has at last thought it desirable, after full consideration, to say that the pre-emptive right shall be restored. While I say this, I am much pleased to say the Bill also provides that all transactions now pending shall be protected, so that no injustice shall be done to any one where negotiations are not completed. The time is limited within which negotiations may be completed. If the time is not sufficient, more time should be given, where the transactions are fair and honest. I am prepared to do every justice to those who have interests

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in pending negotiations, and to protect their rights under the Bill. I can say no more than that. Then, provision is made by which Natives may become incorporated. Honourable members will recollect that for several years there has been an agitation in another place—I do not think it has ever reached this Chamber—to incorporate Natives for the purpose of dealing with their lands. It is quite true that some Natives do not require this, and do not wish it. Some are not socialists, they are individualists, and are very anxious to have their property individualised, with the view of dealing with it as they think fit. These principally belong to the North; but those on the East Coast have been agitating for many years to establish this system of incorporation, so as to enable them to deal with their property through committees; and, after careful inquiry, and after having made himself acquainted with the wishes of these people, the Native Minister, satisfying himself that it is the desire of the people in that part of the country, has given them the option to incorporate themselves in the manner suggested by Part III. of Division II. But all these things must be done through the Land Board; all dealings must be with the Land Board: and that will protect the Natives, and prevent injustice from being done. I hope that the Council will read the Bill a second time, a Bill which has been carefully considered, and which is, I was going to say, as good a measure as could be devised under the circumstances. I trust that before the end of next session, if we are here, we shall be able to repeal every other Native Land Act which is now on the statute-book; and, having made an attempt in this direction, I think we are taking a step in the right way. Of course, I intend this Bill shall go to the Native Affairs Committee, and therefore I ask the Council now to read it a second time. I trust I have sufficiently explained the provisions of the first part, which are simply in the nature of consolidation and machinery; and, as to the second part, I have explained that so far as I have been able to do so, and I do not think there is any other point to which I need call attention. I therefore move, *That the Bill be read the second time, and be referred to the Native Affairs Committee.*

The Hon. Sir G. S. WHITMORE.—No one at present in the Council can possibly have suffered so much as I have from the administration of the various Native-land laws to which the honourable gentleman has made reference. I could not even approximately say how many there are, but I think our system of passing Acts of this description has been such that it would require a lifetime to master them, and most of them, at all events, are anything but consistent with the next one which came out in the following year. Sir, it is outside the question just now to say how these laws came to be passed. Many of them were passed under a very imperfect knowledge of the circumstances. Many of them were passed by people the majority of whom did not know anything at all of the circumstances of the North Island,

and how much it was affected by the Native-land question. And some were passed to meet particular cases of various kinds. In 1879 the Grey Government had their attention drawn to this, and came to the conclusion there was only one possible solution of the question, and that was the resumption of the right of pre-emption by the Crown; and a Bill was drawn giving full protection for all persons who had even gone so far as to survey the land, and the rest of the country was secured by the system at that time in vogue of paying a small sum on account, and proclaiming the land to be under negotiation by the Government. That prevented any new transactions from going on at all. The Grey Government went out of office, and a new Government came in. They seized upon this action of the Grey Government to show that the country was being pauperised to an extent it could not bear in the purchase of Native lands, and all these purchases were thrown away. I dare say some hundreds of thousands of pounds which had been paid by the Government were absolutely sacrificed, and it was declared by Parliament that the Government should never again have anything to do with the purchase of land. The result was that many persons—I among others—foolishly believing that undertakings of that kind were most likely to be carried out, purchased land on the principle of free-trade in land, indorsed as it seemed to me by the voice of Parliament. The result was that in three years a new Native Land Act was introduced,—in 1882, I think,—and there has been a Native Land Act every year since—a Native Land Court Act, or a Native Lands Frauds Prevention Act, or something else of the same kind, to prevent people from completing their titles; and at this moment nobody, not even the most experienced Maori agent, can be trusted to tell you whether you have a good title or not. It is not to their interest, and never has been, to enable you to get a good title. We are under the heel of these men, and have been for the last ten or twelve years. Once the Government ceased to undertake negotiations with the Natives, from that moment we were the slaves of the agent; and the cost of employing these people—who are the laziest people to be found in the world, with no legal knowledge, and no special training at all—the cost of maintaining these people, I say, has been a serious drag both to the Maori people and to those persons who wished to employ their land usefully. Not only they, but there is another class of people, who have managed to become Justices of the Peace, and who sell their services from day to day, and who at present are a clog to all negotiations. Then, you have the Maori lawyers. I do not wish to be very severe on them, but I am bound to say this: In purely Maori districts they have been a serious hindrance to every really *bona fide* improving settler in the Maori country. No sooner have you got a title which you are advised is perfect than you find yourself engaged in litigation by some lawyer, who thinks himself sufficiently brought up to that kind of work: and on the table at this

moment there are protests against the enormity of the charges they have made. Every Act passed caused that, and I think the Bill before us is the first dawn of better things. I personally hail this resumption of the right of pre-emption as being good for both the occupying settler and the Maori race. I shall be glad to see it done, so long as it is done with justice. The Government must never forget,—and it does not propose under this Bill to forget,—that many persons, acting perfectly lawfully, have laid out enormous sums in complying with the law, and the charges incidental to the law, and might perhaps collectively have embarked a million of money, at least, in transactions which are hung up by the requirements of some of these laws, as, for instance, the necessity, after completing the transaction, of hanging the deed up for three months and fourteen days from the time the Court has given its order. For instance, when the Court has given its order as to a survey, that time must necessarily elapse before they can get the survey made. These are things which nobody could have foreseen: or perhaps the Judge was delayed in signing the order, or the surveyor dawdled over his work; and had the Government made this law to come instantly into force a very large number of persons would be ruined, and their hard-earned money confiscated under its provisions. But the Government does not propose to do that. I am quite satisfied, after reading the Bill, that every settler in the North Island who has had anything to do with Native land has become so disgusted that he will be charmed to see that the system under which he has suffered so much is going to be put an end to. I hardly know a person who is engaged in these things who will not be perfectly ready, and, in fact, glad, to see that the Government is going to take this step. Sir, when the Bill goes into Committee I hope the Council will not make any vital amendments. But there are amendments which, I think, in common justice, ought to be attended to. One is that, in providing for an agreement between the Natives, the Bill makes no provision for a Native who holds his land in severalty under a title from the Crown selling to another or to a European. That I do not think is fair, and I hope we shall put it beyond doubt that they have the privilege, in common with the Europeans, of selling their land in the ordinary manner, and under the laws made for the conveyance of property. That, I think, is only a just thing; and I think, moreover—although it is not a point I shall press, considering how important the Bill is—I think the time proposed to be allowed for completing pending transactions, knowing how slow the Maoris are, and how many difficulties there are in getting surveys finished, might be a little extended. When the Bill is before the Native Affairs Committee I hope that will be fairly considered, and that the Council will be asked to make some small amendments in that direction, which, I think, judging from the spirit which has been shown in the matter throughout, the Government will accept. The Attor-

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ney-General knows a great deal about these matters, and about the persons who are necessarily employed; and I might just mention one or two little things which, at all events, from my own experience, I know to be true. There was a gentleman, who used to sit in another place, who bought a property something like twenty-five years ago. He employed proper agents, and did everything that was required; but he had actually to do a good deal of it over again, because it turned out that there was something wrong in the transaction, and when it came to the end of the lease it turned out that all the Natives had not signed this deed, and they endeavoured to dispossess him of his homestead and his garden; and, moreover, of those who had signed, very few were admitted into the title. So, practically, he got one-third of what he paid for. I know that he was hit very hard indeed, but I hope it will prove to be a blow from which he will recover. I mention that as an instance of what is taking place all the way from Gisborne to the East Cape. Nobody has known since I have been there—a matter of twelve years—what property he really holds at all; and they have never known, even when they have registered their title, whether it might not be upset. There was a notable case at Gisborne—I may be wrong in the name, but I think it was some such name as Mackay *versus* Brown, or Matthews *versus* Brown. There was a property called Kuiti, which was cut up and given to the Natives in severalty. One of these shares belonged to a Native who sold to a person called Matthews, who registered his title, and got a Land Transfer grant, and built a house on the land and improved it,—when he was informed that, under some decision of the Appeal Court, the title was not worth anything, and he must consider his title to be cancelled. There was no attempt even to refund him the money that is called the insurance fund—not even that; and there were a number of other persons who had bought forty or fifty shares in the block who, in spite of the registration of their title, found that they were not worth 2d. That is a particular case, but I could quote hundreds of instances all over the country. At any rate, that suffices to show the enormous intricacy of the Native-land laws, and the extreme injustice done to settlers, who cannot be supposed to know the law, and have to trust to Native advisers or Native agents and the Native laws. I think that honourable gentlemen, when they consider what has been the result of all this Native-land business, how that many men have been absolutely ruined by the mere cost, and the continual difficulties in the way of getting their titles, only to find in the end that they are worthless, must realise the necessity for some such measure as this. There are so few faults in the Bill that I do not wish to point out any in particular. When it goes to the Native Affairs Committee I shall have an opportunity of doing so, and I hope that when we bring the Bill back to the Council honourable gentlemen will find it is a Bill which, for its principle and its policy, ought to be given

effect to. I would rather see the Bill go forward without amendment than see it dropped, because there is certainly an honest attempt in the Bill to conserve the pending rights of persons engaged in Native-land dealing, and there is no disposition shown anywhere I know of to take advantage of the circumstance of passing the Bill to injure any settler. On the other hand, with one single exception, we have a Bill that will be a valuable Bill; and all the best part of the country, and the most easily used, will, within a reasonable time, come into occupation; and settlers will be able to devote the whole of their time to improving the country and to working their farms, instead of having to spend it galloping about from their homesteads to the nearest town to attend sittings of the Land Court, or probably having to come down to Wellington to watch a case in the Court of Appeal, diverting their means and their time from more legitimate occupations. I am glad the Bill has been introduced, and that it goes in for the principle of resuming the right of pre-emption, modified as it is here, because it is not wholly resuming the right of pre-emption. I approve of that principle, and I believe that it will turn out, at all events so far as the East Coast, which I know, is concerned, to be productive of a great deal of good, and to give a chance to the hard-working settler to earn money by legitimate means.

The Hon. Mr. WILLIAMS.—My sympathies are with the Native Minister in this matter, and I think this is an honest endeavour on his part to solve a very difficult problem, and to settle the Maori land. It is monstrous that there should be some thirteen millions of acres of land in the hands of the Maoris, lying waste, and not producing either rates or taxes. But I regret very much that the Minister should have thought it necessary to resort to pre-emption to solve this difficult problem. "Pre-emption" is an ugly word. It is a word that is written in blood in the early history of the colony. It graduated in blood, and was buried in blood in the year 1862, with the hope that we might never hear the term again. One of the first acts or endeavours of the Native Land Department to acquire land for the Crown was in Mangonui, north of the Bay of Islands, and that at once led to a collision between the Natives—two tribes contesting for a block of land. The leader of one of the tribes was Hone Heke. This brought him to the front. He gained the victory, but lost several of his men. This alienated his mind, and so embittered him against the Government that it eventuated in the cutting-down of the flagstaff and in the destruction of Kororareka. Previous to the collision, Commissioner Godfrey was instructed by the Governor to inquire into the cause of the quarrel. He reported,—

"Immediately after my arrival at Kaitaia all Nopera's tribe assembled there in considerable numbers; and, in a public conference, many violent and seditious speeches were made by Nopera and other chiefs. In these harangues they declared—

"1. That the sales of land around Kaitaia

already made by Nopera and his party to individuals should be acknowledged, but that any surplus lands—i.e., those the Government does not grant to the claimants—will be resumed by the chiefs who sold them.

"These and many other violent expressions seemed to proceed partly from a feeling that not being allowed to dispose of their lands to whomsoever they pleased, as formerly, is an interference by the Government with a right they are not quite convinced they surrendered to the Crown."

On the same day Mr. Kemp, Protector of Aborigines, wrote,—

"I enclose herewith extracts of the depositions of the respective chiefs taken by me before the Court. Nopera has expressed himself dissatisfied with the purchases effected by the Government in Mangonui. At Kaitaia many of the chiefs, with their tribes, collected together. They made several violent speeches, the substance of which was as follows: 1. That they object to the Government assuming any authority over their possessions. 2. That they strongly protest against any land being sold to the Government. The disaffection towards the Government apparent in the speeches alluded to arises, I think, from the right of pre-emption vested in the Crown prohibiting them from disposing of their lands to any other persons, thus depriving them of a privilege they formerly enjoyed, and from the sales of which they derived a very considerable revenue."

With regard to Kororareka, Mr. Busby,—who had been British Resident for some years in the country,—while in England, wrote to Mr. Hope to this effect:—

"In compliance with your request, I have the honour to address to you in writing the substance of what I verbally stated to you respecting the late disturbances at the Bay of Islands. From an intimate knowledge of the character and conduct of John Heke during the last eleven years, as well as from the sentiments he has more than once expressed to myself, I have no hesitation in affirming that the act of cutting down the flagstaff was a premeditated act of defiance or rebellion against the Government; and, though I am inclined to hope that few of the chiefs in the northern part of New Zealand would be parties to such an act, yet I am firmly persuaded that the majority, if not the whole, of the Natives participate in the distrust and disaffection of which that proceeding is an evidence. This disaffection may be traced almost exclusively to the conduct of the Government with respect to the land question. When it was proposed to the Natives to cede the sovereignty of their country to the Queen the alleged grounds of that proposal were the great influx of Her Majesty's subjects into New Zealand, which she could not prevent, and the impossibility of repressing the disorders which resulted from such a state of things, and of affording protection for the weak and well-disposed of either race from the violence of men of an opposite character. The only motives alleged were those of benevolence

and protection. The chiefs were persuaded to agree to the Treaty, so far as it was executed at Waitangi, by their confidence in the missionaries and myself. But had we been aware that it was the intention of Her Majesty's Government to enter into a competition with the New Zealand Company in colonising the country, by the profits to be realised from the lands of which the Natives were invited for their own protection to yield the pre-emption, we could not, with our knowledge of their feelings and sentiments, have conscientiously recommended them to agree to the Treaty."

Further on, he says,—

"I was a witness of the baptism of John Heke and his children about six or seven years ago, and his fast-flowing tears on that occasion showed how keenly he felt the solemnity of that sacrament, and the obligations it imposed. It is impossible for me to believe that he was at that time otherwise than a sincere, intelligent convert, and, though I have since heard actions imputed to him inconsistent with his Christian profession, I have no difficulty in believing that he considers he was only doing the duty of a patriot to his country in the late disturbance. Heke is married to the daughter of the late Hongi, who visited England, and was introduced to King George IV., and who was the greatest warrior New Zealand has produced. There is much reason to apprehend that his influence would be very great throughout the northern part of the Island should matters be pushed to extremities between him and the Government."

The Government did not take warning from these events, or from the unfortunate affair at Wairau, but continued to purchase large tracts of country for a nominal consideration, without due inquiry as to who were the rightful owners. I will give the Land Purchase Commissioners' own words in this respect. One of them stated,—

"He was totally dissatisfied with the course which the Government had taken, buying the Natives' land for the least possible amount, and making a profit out of it. Hitherto the negotiations of the Government for the Native lands had been conducted on no principle at all, by persons whose only qualification in general was a knowledge of the Native language. Of course these officers had no interest in making purchases complete and indefeasible, but they felt vitally interested in making purchases as soon as possible, and for as little as possible, and sending up reports of purchases said to be made, without minding a little vagueness of boundaries. To that he attributed all the difficulties which now troubled us."

An extract from a letter of the District Commissioner of Hawke's Bay to the Chief Commissioner says,—

"It may be said, in a few words, that at present there is no Native-land question in this province—that is to say, that within the last two years the Natives have put a stop to land-selling to the Government. This step, on their

part, arose from the dissatisfaction produced by the sale of lands by some of the chiefs. Finding the sale of land so ready a means of obtaining large supplies of money, the next step was an easy one—namely, that from selling lands they had a right to, or were authorised to dispose of, to selling those belonging to other people, with which they had no business to meddle. The heart-burnings and dissatisfaction arising from this cause at length broke out in war, about which time the Maori King movement began to gain ground in Waikato, from which district a deputation, under W. Thompson, *alias* Tamihana Tarapipipi, the King-maker, came down with the ostensible purpose of making peace, but really to gain adherents to their party."

And, again,—

"With reference to the general bearings of the question, it cannot be denied that the mind of the Natives is at present thoroughly unsettled on the land question. They are deeply imbued with the idea that the Government wish to obtain forcible possession of their lands."

The heart-burnings and disaffection arising from these proceedings culminated in the Waitara war, and eventually in the King movement and the Waikato war. By a common consensus of opinion it was conceded that to waive the right of pre-emption was the cure for the evil, and in 1862 the first Native Land Act was passed, and free-trade granted in lands. Under pre-emption the lands purchased by the Government were—in the North Island, 5,861,000 acres, at 6d. per acre; in the South Island, fourteen million of acres, at 3d. per acre. The gross amount paid was £170,000, or, roughly, twenty million acres odd for £170,000, or an average of 2d. per acre. The lands sold by the Natives to Europeans direct under the Native Land Act up to 1885 amounted to 2,374,400 acres; the lands leased, 1,683,000; lands still held by Natives, 13,259,600. Of this total, 873,879 acres were paid for, the sum paid being £277,133, or an average of 6s. 4d. an acre. Over and above this, the Government received £27,700 for 10 per cent. duty, and the land was assessed for taxation purposes, for it immediately became taxable, at £905,474. I take these figures from a speech of the late Premier Mr. Ballance, reported in *Hansard* in 1885, Volume 3, page 393, and I assume them to be correct. It will thus be seen that under the pre-emption the Natives received 2d. per acre for twenty million acres, and under free-trade they received 6s. 4d. an acre for their lands. The pre-emption landed the colony in war, which cost six millions sterling; free-trade satisfied the Natives, pacified them, and ended the war; so much so that at the present time the Government have suggested the repeal of the Arms Act, which prohibits the sale of arms to Natives. But why cannot the two systems go side by side? There are large areas which may be dealt with by the Government for settlement purposes; while there are other tracts which might be better dealt with by private enterprise—rough, broken

Hon. Mr. Williams

country, serviceable only for pastoral land. The Government have the necessary machinery for purchasing under "The Native Land Purchase Act, 1892," "The Native Land Purchase and Acquisition Act, 1893," and "The Lands Improvement and Native Lands Acquisition Act, 1894"; and there is no reason why they should not be able to purchase all the lands that they require; and surely the Frauds Prevention Acts furnish a sufficient guarantee that the Natives would not be imposed upon by the settlers under free-trade. The return to pre-emption now will be considered by the Natives a breach of faith, seeing that they have enjoyed the right to sell their own land for over thirty years; and, finding themselves boycotted by the Government, they will boycott the Government in return, and the consequence will be that there will be no sale of land, and settlement will be stopped. The Act of 1886 proved a dead-letter, and it is just possible that the present Bill, if ever it comes into force, will also prove a dead-letter. The present Government cannot, of course, be blamed for the errors of others, but they may take warning from the past. It is a remarkable fact, and very suggestive, that, although the Crown obtained twenty millions of acres at the very low price of 2d. an acre, yet when you add to that the cost to the country owing to the hostilities with the Natives—namely, £6,000,000—that brings the price up to 6s. 2d. an acre, or very nearly the amount paid by settlers under free-trade.

The Hon. Mr. TAIAROA.—I should like to ask the Colonial Secretary whether he would agree to adjourn this debate until to-morrow. Although I tried to follow this Bill through the other House, I really have not had the time to look at it, and I have only just got it with the amendments made by the other House.

The Hon. Sir P. A. BUCKLEY.—I do not think any advantage will be gained by delay, and, as some honourable members who understand this matter are desirous that the Bill should go to the Native Affairs Committee as soon as possible, my honourable friend, who is a member of that Committee, I trust will have every opportunity of discussing the measure there, and when the Bill comes back from the Committee he will have a further opportunity of addressing the Council upon it. I think we should read the Bill a second time now, and refer it to the Committee, because no advantage would be gained by delay.

Bill read the second time.

The Council adjourned at seven minutes to five o'clock p.m.

HOUSE OF REPRESENTATIVES.

Thursday, 11th October, 1894.

First Reading—Second Readings—Third Readings—Education Board Members' Expenses—Abattoirs and Slaughterhouses Bill—Public Works Statement—Sitting of the House—Privileges of the House—Ministerial Residences Sale Bill—Go-

vernment Advances to Settlers Bill—Harbours Bill—Tramways Bill—Tongariro National Park Bill—Little Barrier Island Purchase Bill—Water-Supply Bill—Stamp Bill.

Mr. SPEAKER took the chair at half-past two o'clock.

PRAYERS.

FIRST READING.

Native Land Court Certificate Confirmation Bill.

SECOND READINGS.

Trustees Bill, Native Land Claims and Boundaries Adjustment and Titles Empowering Bill, Legitimation Bill.

THIRD READINGS.

Criminal Code Bill, Trustees Bill, Legitimation Bill.

EDUCATION BOARD MEMBERS' EXPENSES.

On the motion of Mr. COLLINS, it was ordered, That a return be laid before this House showing the amounts charged as expenses by members of the various Education Boards throughout the colony for the years 1892, 1893, and 1894; such return to state the amounts charged as travelling-expenses, whether by railway or other methods of locomotion.

ABATTOIRS AND SLAUGHTERHOUSES BILL.

IN COMMITTEE.

Clause 3.—No slaughtering permitted within half a mile of any borough.

Dr. NEWMAN moved the addition of the following words at the end of the first subsection: "unless with the consent of the Council of such city or borough, or the Board of such town district."

The Committee divided.

AYES, 18.

Button	Lang	Russell, W. R.
Carncross	Lawry	Smith, E. M.
Crowther	McGuire	Wilson.
Fraser	Mitchelson	<i>Tellers.</i>
Graham	Pinkerton	Buchanan
Green	Russell, G. W.	Newman.
Hutchison, W.		

NOES, 39.

Allen	Joyce	Montgomery
Bell	Kelly, J. W.	O'Regan
Buddo	Kelly, W.	Parata
Buick	Mackintosh	Pirani
Cadman	Maslin	Saunders
Carroll	McGowan	Seddon
Collins	McKenzie, J.	Stevens
Duncan	McKenzie, R.	Stout
Duthie	McLachlan	Ward
Earnshaw	McNab	Willis.
Hall	Meredith	<i>Tellers.</i>
Harris	Millar	Morrison
Hogg	Mills	Tanner.
Houston		

PAIR.

For.	Against.
Cadman.	Mackenzie, T.

Majority against, 21.

Amendment negatived.

Clause 6.—County and Borough Councils may erect abattoirs.

The Committee divided on the question, "That the word 'city' be inserted, as proposed by the Abattoirs Committee."

AYES, 45.

Buchanan	Heke	Morrison
Buddo	Hogg	Parata
Cadman	Houston	Pirani
Carncross	Joyce	Reeves
Carnell	Lang	Russell, G. W.
Carroll	Lawry	Russell, W. R.
Collins	Mackenzie, T.	Saunders
Crowther	Mackintosh	Smith, G. J.
Duncan	Massey	Stout
Duthie	McKenzie, J.	Tanner
Earnshaw	McLachlan	Ward
Fraser	Meredith	Willis.
Graham	Millar	<i>Tellers.</i>
Green	Mills	Button
Hall	Montgomery	Pinkerton.
Harris		

NOES, 10.

Hall-Jones	McGowan	<i>Tellers.</i>
Hutchison, G.	McNab	Hutchison, W.
Kelly, J. W.	Steward	McKenzie, R.
Maslin	Thompson.	

Majority for, 35.

Word "city" inserted.

Sir R. STOUT moved to strike out the following words: "within the limits of such city, borough, or county"; with the view of inserting "so long as the abattoirs are not within the limits of any city or borough."

The Committee divided on the question, "That the words proposed to be omitted stand part of the clause."

AYES, 37.

Allen	Hogg	Pinkerton
Buchanan	Joyce	Pirani
Cadman	Lang	Reeves
Carncross	Mackenzie, T.	Russell, W. R.
Carroll	Mackintosh	Saunders
Crowther	Massey	Seddon
Duncan	McKenzie, J.	Smith, E. M.
Earnshaw	McKenzie, R.	Ward
Fraser	McLachlan	Wilson.
Graham	Meredith	
Green	Millar	<i>Tellers.</i>
Hall	O'Regan	Button
Harris	Parata	Mills.

NOES, 18.

Buddo	Kelly, J. W.	Russell, G. W.
Carnell	Maslin	Steward
Collins	McGowan	Tanner.
Hall-Jones	McNab	<i>Tellers.</i>
Heke	Morrison	Smith, G. J.
Hutchison, G.	Newman	Stout.
Hutchison, W.		

Majority for, 19.

Amendment negatived.

The Committee divided on the question, "That the clause as amended stand part of the Bill."

AYES, 40.

Allen	Harris	Morrison
Buchanan	Hogg	Parata
Buddo	Joyce	Pirani
Button	Lang	Reeves
Cadman	Lawry	Russell, W. R.
Carncross	Mackenzie, T.	Saunders
Carroll	Mackintosh	Seddon
Crowther	Massey	Smith, E. M.
Duncan	McGowan	Ward
Earnshaw	McKenzie, J.	Wilson.
Fraser	McKenzie, R.	
Graham	McLachlan	<i>Tellers.</i>
Green	Meredith	Mills
Hall	Millar	Pinkerton.

NOES, 13.

Carnell	Kelly, J. W.	Stout.
Collins	Maslin	
Hall-Jones	McNab	<i>Tellers.</i>
Hutchison, G.	Newman	Russell, G. W.
Hutchison, W.	Smith, G. J.	Tanner.

Majority for, 27.

Clause as amended agreed to.

Clause 30.—By-laws relating to abattoirs, &c.

Subsection (9).—"For prescribing the conditions subject to which meat from beyond the district over which the local authority has jurisdiction may be brought for sale or consumption within such district."

Mr. MORRISON moved the addition of the proviso: "Providing that no local authority shall have power to prohibit within its boundaries the sale of meat which has been killed in accordance with the provisions of this Act, and which has been inspected in the manner provided by this Act."

The Committee divided.

AYES, 44.

Buchanan	Hutchison, G.	Mills
Buddo	Hutchison, W.	Montgomery
Buick	Kelly, W.	O'Regan
Carncross	Lang	Parata
Carnell	Larnach	Pirani
Collins	Lawry	Reeves
Crowther	Mackintosh	Russell, W. R.
Duncan	Maslin	Seddon
Duthie	Massey	Stevens
Flatman	McGowan	Steward
Fraser	McGuire	Ward
Graham	McKenzie, J.	Wilson.
Hall	McLachlan	<i>Tellers.</i>
Harris	McNab	Kelly, J. W.
Hogg	Millar	Morrison.

NOES, 8.

Earnshaw	Pinkerton	<i>Tellers.</i>
Joyce	Russell, G. W.	Allen
Mitchelson	Tanner	Button.

Majority against, 36.

Proviso added.

Clause 32.—By-laws to have same effect as if made under Acts relating to municipal districts.

Mr. W. HUTCHISON moved to add the words, "Provided that all such by-laws made in this behalf shall not come into operation

until the assent of the Governor in Council has been given to the same."

Amendment agreed to.

New clause 49A.—"Nothing in this Act contained shall apply to any *bonâ fide* farmer who, as incident to his farming operations, slaughters on his farm for sale or barter large or small cattle: Provided that the proof shall at all times lie on him to satisfy the Court that his principal avocation is farming and not slaughtering."

Mr. BUCHANAN moved, That the following proviso be added: "and provided that the local authority from time to time may make by-laws regulating the number of large and small cattle which may be slaughtered or bartered."

The Committee divided.

AYES, 18.

Allen	Mitchelson	Russell, W. R.
Bell	Montgomery	Stout
Duthie	Newman	Wilson.
Heke	Parata	Tellers.
Lang	Pinkerton	Buchanan
Mackenzie, T.	Russell, G. W.	Fraser.
Millar		

NOES, 87.

Buddo	Houston	McLachlan
Buick	Hutchison, G.	McNab
Button	Hutchison, W.	Morrison
Carncross	Kelly, J. W.	O'Regan
Carnell	Kelly, W.	Reeves
Crowther	Larnach	Saunders
Duncan	Lawry	Seddon
Earnshaw	Mackintosh	Tanner
Flatman	Maslin	Ward.
Graham	Massey	
Hall-Jones	McGowan	Tellers.
Harris	McKenzie, J.	Hall
Hogg	McKenzie, R.	Mills.

PAIR.

For. Against.
Carroll. Te Ao.

Majority for, 19.

Amendment negatived.

Clause agreed to.

Bill reported, and read a third time.

PUBLIC WORKS STATEMENT.

(For all Tables and Returns referred to in this Statement, see Appendix D.-1.)

Mr. SEDDON.—Mr. Speaker, it is again my pleasure to lay before you the Public Works Statement. Exception has been taken to the delay in bringing it down, but this was quite unavoidable, seeing that the ways and means available could not be ascertained until the recent legislation in reference to improving Crown lands and purchasing Native lands was effected.

It will, no doubt, be contended that the policy measures dealing with finance should have been brought forward and passed at an earlier period of the session. Against this I may fairly urge that questions of great moment required the attention of the Legislature. These questions were of such an exceptional character that they could not brook delay, but,

when they were dealt with, no time was lost in promoting the Lands Improvement and Native Lands Acquisition Act, which was only passed by the Legislative Council on the 3rd instant, and now awaits the assent of His Excellency. I hope, however, the delay will not have made the Statement less attractive.

ROADING CROWN LANDS AND PURCHASING NATIVE LANDS.

The Colonial Treasurer, in the Budget, indicated a new departure with respect to the improvement of lands and the roading of the same, and the purchase and roading of Native lands. Details in connection with the proposed expenditure under these heads will be found in the estimates of expenditure under the head of "Lands Improvement Account" and "Native Lands Purchase Account." The necessity for the increased expenditure in connection with improving and roading the lands of the Crown, and for the purchase of Native lands and roading the same, will be conceded by every true colonist. If this necessity is not met it will be impossible to keep pace with the demands of those who desire to settle upon our lands, and the sons of our fathers will leave our shores and seek homes elsewhere. Others also, who for years have found intermittent employment in our towns, and who now seek to settle in the country, and with that object are engaged on the co-operative works, would also become disheartened and return to the towns, there to eke out a miserable existence, and, in many cases, ultimately become a burden on the ratepayers. The Government believe it to be their duty to meet the urgent demands for land for small settlements, and that in so doing they are acting in the true interests of colonisation. By settling the people on the lands permanent prosperity will also be assured, and the loss of population effectually prevented.

Making provision for the purposes hereinbefore enumerated has had the effect of swelling the proposed expenditure of the year to considerably more than was appropriated last year. On reference, however, to Part I. it will be seen that the amount asked for under that Part of the Fund is only £564,980, being less by £48,880 than was appropriated last year. The difference is principally accounted for by a reduction of nearly £100,000 in the votes for roads, and an increase of nearly £40,000 in the vote for development of goldfields, and about £10,000 in the vote for public buildings.

The total increase in the appropriations under all heads will be £229,708, made up as follows:—

Lands Improvement	£	£
Account ..	150,000	
Native Lands Purchase		
Account ..	150,000	800,000
Decrease under Part I.	48,880	
" " " II.	26,417	70,297
Increase	..	229,708

PROVISION FOR ROAD-WORKS GENERALLY.

An increased expenditure is proposed under the head of "Main Roads" amounting to £16,961. The principal portion of this is owing to the necessity for provision being made for the main roads north of Auckland, the maintenance of roads generally, and especially the roads from Nelson to Westland and Hokitika to Christchurch. The local authorities are absolutely unable to maintain these roads. In some of the districts mentioned there has been no other public-works expenditure; they have no railways; and, whilst there are vast areas of Crown and Native lands, there is very little rateable property. The keeping-open of these roads is of colonial as well as local importance, more particularly in regard to the tourist traffic.

Another cause which has necessitated an increased expenditure this year is the exceptionally bad harvest, low prices, and the inability of the owners of property from various causes to make improvements: thus throwing out of employment a very large number of very deserving colonists. The distress during the winter—more particularly in the large centres—has been exceedingly great, and it devolved upon the Government to meet this unforeseen difficulty and to make provision to alleviate as far as possible the wants and requirements of those who, through no fault of their own, were thrown out of work. The Government has, however, rigidly adhered to the policy that it was the duty of the State to find employment only on reproductive works, and on improving lands the property of the Crown. Accordingly, the roads put in hand are only such as are required for the promotion of settlement and the development of the resources of the colony. The other works undertaken have been bush-felling and other improvements on Crown lands, and by this means also settlement has been promoted. The colony will lose nothing in connection with this class of expenditure, for the amount expended will be added to the capital value of the land. Those employed in doing the work will in many cases become settlers, and be located on the land they have been employed to improve, and they will subsequently pay the interest on the moneys which have been expended in making the improvements. By these means the men become accustomed to a country life, and a large percentage of them will never again trouble either the Government or the local authorities as "unemployed."

That the General Assembly should have to perform the functions of a General Board of Works cannot be said to be satisfactory, but as matters stand it is a necessity. By the local-government legislation of 1876 it was no doubt intended, in regard to minor works, such as roads and bridges, that the local governing bodies should deal with these questions. All the machinery was then provided; but a serious defect, and one which has not yet been rectified, crept in—namely, the local authorities were not provided with an assured revenue upon which they could depend for the

construction of necessary works, and for the maintenance of the same when constructed.

The Government has already stated its intention of introducing next session amended proposals with regard to local government. Pending the necessary legislation being passed, and the necessary funds being thus provided, Parliament is asked to follow the usual course and make due provision for the several works enumerated in the estimates. The amounts required for road-works are in excess of those asked for during the last three years, but this excess is largely due to the purchase of Native lands, and to the amount required for roading the lands purchased. A large amount is also required for farm-settlements, and for land-improvements and main-road maintenance. In respect to the latter, as previously stated, the condition of the finances of the local authorities is such that it is impossible for them to bear the expense of these roads.

ROAD AND RAILWAY EXPENDITURE.

A pleasing feature will be found in the fact that, whilst there has been a large increase in the expenditure on roads—which are a great and urgent necessity, in fact, the lifeblood of settlement—there has been a considerable decrease in the expenditure on railways.

The appropriations asked for for railways this year also show a decrease on last year's votes, and the decrease would have been still more marked had it not been for the fact that a much larger sum is asked for by the Railway Commissioners for additions to open lines this year than was voted last year. Last year the amount voted was £18,978; this year £40,000 is required; and on going carefully into the matter the Government has come to the conclusion that the Commissioners have not been unreasonable in their demands.

Notwithstanding the smallness of the expenditure it will be found that the outlay during the last two years has been the most advantageous that has taken place for a considerable period, for the finishing of partly-constructed lines and bringing them to remunerative points was considered to be of the first importance.

In another part of the Statement will be found a comparative return showing the appropriations for and expenditure on railways and roads respectively for the years 1890-91, 1891-92, 1892-93, and 1893-94, from which it will be seen that there has been a gradual reduction in the expenditure on railways, and a largely increased expenditure upon roads. Honourable members will, I feel sure, agree with me that the construction of district roads and the maintenance of main roads in the settled districts is, owing to our defective system of local government, to some extent defensible as a charge upon the Consolidated Fund; but in regard to railways, which remain for the benefit of posterity, it is a reasonable contention that this class of work should be constructed out of funds which the present generation should not be asked wholly to provide. So long, however, as we have partly-constructed lines, and a judicious expenditure will bring them to a pay-

Mr. Seddon

able point and make the past expenditure remunerative, then a grant from the consolidated revenue for such works is warranted, leaving the further extension and completion of such railways to be dealt with in the future.

PUBLIC WORKS FUND.

The state of the Public Works Fund on the 31st March last (including a small asset of £78 due to Part I. under "The Government Loans to Local Bodies Act, 1886") was as follows:—

Parts of Fund.	Unexpended Balances, 31st March, 1893.	Receipts during 1893-94.	Totals.	Expenditure, Year ended 31st March, 1894.	Balances remaining, 31st March, 1894.	Liabilities existing, 31st March, 1894.	Net Balances available, 31st March, 1894.
	£	£	£	£	£	£	£
Part I. ..	177,685	419,353	597,038	339,300	263,738	214,742	48,996
Part II. ..	152,943	2,428	155,371	76,174	79,197	28,866	50,331
Totals ..	330,628	421,781	752,409	409,474	342,935	243,608	99,327

From the above table it will be seen that the receipts during the year more than met the expenditure, so that the Fund was in a better position, to the extent of £12,307, on the 31st March last than it was at the commencement of the year. The receipts under Part I. consisted of £250,000 transferred from the Consolidated Fund, £163,713 of released sinking funds, £3,757 from the Ellesmere Railway Trust, and £1,868 from miscellaneous sources. The £2,428 shown as a receipt under Part II. was a transfer from Part I. to cover expenditure on the purchase of Native lands to that amount which had been charged to Part II. in excess of the allocation authorised.

TOTAL WAYS AND MEANS AVAILABLE.

The Colonial Treasurer has already mentioned, in the Financial Statement, the proposal to again transfer a sum of £250,000 from the Consolidated Fund for general public-works purposes. An amount of £54,681 will also be available from released sinking funds under our loan-conversion operations. A further sum of £250,000 will be available for roads and bridges, and the preparation of lands for settlement, and for assistance to settlers to enable them to make improvements, under the Lands Improvement and Native Lands Acquisition Act; and a further similar sum for the purchase and roading of Native lands under the same Act.

The total ways and means available for public-works purposes this year will therefore be as follows:—

Public Works Fund, Part I.—	£
Balance remaining on 31st March, 1894	263,738
Transfer from Consolidated Fund	250,000
Released sinking funds	54,681
	568,419
Public Works Fund, Part II.—	
Balance remaining on 31st March, 1894	79,197
Total Public Works Fund	647,616
Lands Improvement Account	250,000
Native Lands Purchase Account.. ..	250,000

Gross total ways and means £1,147,616

APPROPRIATIONS PROPOSED.

The appropriations proposed under these several heads are as follow:—

Public Works Fund, Part I. ..	£ 564,980
Public Works Fund, Part II. ..	75,183
Total Public Works Fund	640,163
Under the Lands Improvement Account	150,000
Under the Native Lands Purchase Account	150,000

Gross total appropriations proposed £940,163

This will leave an unappropriated balance of £7,453 under the Public Works Fund to be carried forward to next year, besides £100,000 each on the Lands Improvement and the Native Lands Purchase Accounts, or a total unappropriated balance of £207,453.

The votes proposed under Part II. nearly absorb the balance of the ways and means standing to the credit of that Part of the Fund, which means that on their expenditure the one million specially raised for the North Island Main Trunk Railway will be practically exhausted. Honourable members will doubtless desire to know how this amount has been expended. The figures are as follow:—

North Island Main Trunk Railway Loan.

Amount of loan	£ 1,000,000
Receipts from lands purchased	7,580
Total	1,007,580

Expenditure.

Survey and construction of North Island Main Trunk Railway	548,911
Purchase of Native lands	220,000
Roads to give access to railway	164,095
Charges and expenses of raising loan	51,788
Departmental expenditure	18,772
Balance unappropriated	4,014

Total 1,007,580

This expenditure has given or will give us 59 miles of finished railway; 12½ miles additional on which the formation-works will be completed, and the rails in process of being laid; 9 miles on which the formation-works will be in an advanced condition; 70 miles of line permanently surveyed; and 65 miles of preliminary survey. It will also give us good coach-roads affording access to the railways at both ends, and leading through the centre of the North Island—namely, from Hunterville to Turangarere and Tokaanu; also from Pipiriki, on the Wanganui River, to Ohakune, Karioi, and Moawhanga; also about 65 miles of road between Stratford and Ongarue, leaving about 40 miles of that road still to be made; besides many miles of minor roads and exploration tracks, and temporary and permanent service roads and bridges. It has also provided us with an estate of 1,137,377 acres of freehold and 129,148 acres of leasehold land, besides other large areas which have been partially acquired.

Total Expenditure to End of 1893-94.

The expenditure on all works and services throughout the colony out of the Public Works Fund up to the 31st March last, including the value of the provincial and the purchase-price of the district railways, has amounted to a total sum of £29,293,451. The principal items are as follow—namely: Railways, £15,806,308; roads, £3,855,455; immigration, £2,145,552; buildings, £1,890,711; purchase of Native lands, £1,297,517; lighthouses, harbour-works, and harbour defences, £906,958; telegraph extension, £679,793; development of goldfields, £572,441; defence-works (general), £429,719; departmental expenditure, £376,162; and cost of and discount on raising loans, £1,026,828.

CO-OPERATIVE SYSTEM.

The co-operative principle of constructing public works continues to give very satisfactory results both to the State and the workmen, and the interest in the matter has also become more widespread.

As time wears on, the advantages claimed for the system of constructing public works on the co-operative principle are being more and more amply verified. As compared with the contract system, a much better class of work has been done, whilst the cost to the colony has been no greater. Another advantage is the power which is left in the hands of the Government to regulate the expenditure on public works. As a case in point, during the months of April, May, June, July, and August, whilst work was available in the settled districts, the Government reduced its expenditure on roads, railways, and other public works. This enabled the settlers to take advantage of the labour that was thus set free, and it removed the complaints which were made in the past that the local bodies and the settlers could not obtain the labour when required.

A very pleasing feature in connection with this matter was the few complaints made by those who were retired from the works, for only

in one or two isolated cases did they complain—thus negating once and for all the objection that was taken to the co-operative system by those who asserted that the co-operative men would become a political power, and that pressure would be brought to bear by them to force upon the colony an increased public-works expenditure.

In previous years inquiries were received from the neighbouring colonies in reference to the system, and during last year similar inquiries came from America, while recently the British Government has, through the Agent-General, requested to be furnished with the fullest information with regard to it. An article in explanation of the system has been prepared by the Under-Secretary for Public Works, and will appear in the next issue of "The New Zealand Official Year-book." Copies of this article will be sent to England and elsewhere, and the Government confidently expect to hear of the scheme being largely adopted in the carrying-out of public works in other countries.

The number of men employed under the system during the last twelve months has been as follows:—

Month.	Public Works Department.	Lands Department.	Total.
September, 1893 ..	840	1,115	1,955
October, " ..	829	1,060	1,889
November, " ..	900	1,098	1,998
December, " ..	1,028	1,094	2,122
January, 1894 ..	984	1,042	2,026
February, " ..	981	1,081	2,062
March, " ..	911	951	1,862
April, " ..	744	896	1,640
May, " ..	780	960	1,740
June, " ..	756	1,018	1,774
July, " ..	694	974	1,668
August, " ..	695	1,094	1,789
Average monthly number	845	1,082	1,877

The works on which the men have been employed have been of a very varied character. Almost all classes of railway-work have been carried out under the system, including earth-works, bridges (wood, stone, and iron), culverts (wood and stone), fencing, platelaying, ballasting, supply of sleepers, and the erection of station and other buildings. All sorts of road-works have also been undertaken, and the erection and repair of public buildings have likewise been carried out under it.

The earnings of the men have varied a good deal, according to their capabilities and industry. The total earnings of the co-operative contractors employed under the Public Works Department during the year have been £69,603, and under the Lands Department £88,377, or a total of £157,980 distributed amongst the co-operative contract workmen of the colony.

Mr. Seddon

PUBLIC WORKS LEGISLATION.

The laws relating to public works have, in the Public Works Bill now before Parliament, been carefully revised and consolidated. The new Bill will be found to be a great improvement, both in substance and arrangement, on the Public Works Acts previously existing, and administrative work thereunder will consequently be accomplished with less difficulty in the future by the officers of the Government, as well as by the local authorities working under the Act.

A new Tramways Bill has also been prepared, and is now before Parliament. This Bill has been modelled on the Act at present in force in Victoria, and it is believed that it will be a great improvement on the previous tramway legislation.

An amendment to the Inspection of Machinery Act has also been introduced and passed. Under this Act the administration of this branch of the public service has been formally placed under the Minister for Public Works, who has, as a matter of convenience, been administering the Act for some time past. The Act also provides for drivers of certain classes of engines holding certificates of competency.

DEPARTMENTAL.

In submitting this Statement to Parliament, I think it is due to the valuable departmental officers and engineers and the whole staff to state that they have performed their duties in a most satisfactory manner; and the careful supervision exercised over the expenditure is most commendable. It might appear to those uninitiated in the working of the department that with a smaller expenditure the duties of the staff would be lighter. This is, however, not the case, for with the working of the co-operative system the departmental work, and also the work thrown upon the engineers and overseers, is very much increased.

WORKING RAILWAYS.

The Mangaonoho Section of the North Island Main Trunk Railway and the Mokihinui Extension of the Westport-Ngakawau Railway were handed over to the Railway Commissioners for working in the early part of last financial year, and the fact was mentioned in last year's Public Works Statement. In addition to these lines, the section of the Rotorua Railway between Putaruru and Tarukenga, 23 miles 5 chains in length; the Blenheim to Omaka Section of the Picton-Awatere Railway, 2 miles 43 chains in length; and the Greymouth-Hokitika Railway, 24 miles 37 chains in length, were also handed over to the Commissioners during the latter part of the year. Since the close of the financial year the Hikurangi Extension of the Whangarei-Kamo Railway, 8 miles in length, and the Middlemarch-Hyde Section of the Otago Central Railway, 16 miles 20 chains in length, have also been handed over; and the last section of the line to Rotorua, 8½ miles in length, will, it is hoped, be ready for handing over on the 1st December next.

The policy of the Government since its advent to office has been to complete the unfinished lines, so as to turn unproductive expenditure to profitable account. In pursuance of this policy, no less than 135 miles of railway have been completed and opened for traffic during the three and three-quarter years that the Government has been in office. Of this total length, 61 miles 7 chains were opened during the late financial year.

The amount voted for additions to open lines last year was £18,978, of which amount £9,700 was for additional rolling-stock. Only £8,042 of the total amount was actually expended during the financial year, however, and, of this sum, £8,161 was for rolling-stock. For the current year the Commissioners ask for £46,910, of which £22,175 is for rolling-stock, and £6,000 for the extension and improvement of the Railway Wharf at Port Chalmers. A vote for £40,000 has been provided on the estimates.

A pleasing feature in connection with the increased amount asked for under this vote is the demand for trucks specially fitted for bringing dairy produce to ports for shipment; also an additional supply of trucks specially designed for carrying frozen meat.

The results of last year's working were not equal to those of the previous year. The total receipts during 1892-93 amounted to £1,181,521, against £1,172,792 for 1893-94; and the net profit, after deducting working-expenses, amounted to £497,434 in the latter year against £449,380 in the former—a deficiency of £11,946. This, in the face of an increased capital expenditure of over £400,000, and an increase of sixty-one miles in the length of line worked, cannot be regarded as a very satisfactory result. The percentage return on the total capital invested in the railways also declined from £3 1s. per cent. to £2 17s. 9d. per cent. The shortage in the receipts was doubtless due to the poor harvest, which had the effect of diminishing the tonnage of grain carried as compared with the previous year by 112,446 tons.

STATE CONTROL OF RAILWAYS.

During the late general election the question of the control of the railways engaged public attention from one end of the colony to the other, the majority of the electors being in favour of the Government having sole control. A large section favoured the reconstruction of the Board to provide for a Minister acting with the Commissioners, whilst a few favoured the continuance of the control of the railways by the Railway Commissioners. The demand for a change in the railway administration being so general, the Government considered it advisable to have an infusion of new blood on the Board, and, on the engagement of Messrs. Maxwell and Hannay expiring, Messrs. Ronayne and Scott were appointed to take their place. These appointments were made for a period of nine months only, leaving Parliament untrammelled to decide as to the future management of the railways. In the reappoint-

ment of Mr. McKerrow as Chief Commissioner a break in the continuity of the control was avoided. In not reappointing Messrs. Maxwell and Hannay we wish it to be clearly understood that no reflection was intended in regard to their competency as railway experts. The refusal to reappoint them was owing to the fact that the policy which had been pursued in regard to the management of the railways did not meet with general approval, and a change in the *personnel* of the Commissioners was considered advisable. The law under which they were appointed contemplated that at the end of the engagement of the Commissioners the Government of the day and Parliament should be able to review the position—the non-political control of the railway system being purely experimental. The course adopted has proved beneficial, for, as will be seen by reference to the estimates, a substantial reduction in the cost of working has been made, the railways are being worked efficiently, the general public is satisfied, a slight change in policy has been effected, and a better feeling exists on the part of the railway employes. The passing of the Government Railways Bill of this session will, however, restore the railways to popular control, and the result will, I feel sure, fully justify the change. The lesson taught in the past must be borne in mind, and those who have worked to restore to the people the control of the railways should not forget what led to the Railways Act of 1887 being passed, and under which for six years the Parliament and the people have been subordinated to three irresponsible Commissioners.

Firmness in resisting unreasonable demands for reductions in the tariff will be essential, and fairness and tact in dealing with the employes imperative. It has been urged that concessions can be made in respect to promoting local industries and in the carriage of lime and manures, so as to increase the natural products, and that the reduction made will be more than compensated for by the increased freights.

It has been further urged that by a reduction in excursion rates and passenger-fares the increased number travelling will enlarge the revenue, and that without entailing any material augmentation in the working-expenses. Great responsibility will devolve upon the Minister for Railways, and the greatest caution will require to be exercised, for, whilst it is necessary to bear in mind that the railways have been constructed for the convenience of the travelling public and the promotion of settlement, yet at the same time the question of revenue must not be overlooked, for a serious reduction in the railway revenue would mean additional burdens on the people generally.

In justice to the Railway Commissioners, and in fairness to all concerned, the Government will, on assuming control of the railways, have a thorough examination made alike of the permanent-way, the rolling-stock, and the bridges.

Mr. Seddon

RAILWAYS UNDER CONSTRUCTION.

The several railway-works that have been under construction during the late financial year are as follow :—

Kamo-Kawakawa.

The section of this line between Kamo and Hikurangi, 8 miles in length, was practically completed within the year, and was handed over to the Railway Commissioners for working on the 2nd July last. The expenditure on the line during the year amounted to £8,929, exclusive of the value of permanent-way materials supplied; while liabilities existed at the close of the year to the amount of £5,434 in addition. For the current year it is proposed to ask for a vote of £12,000. A survey has been made of a portion of the proposed extension of this line to Whakapara and Hukerenui. The total length of the proposed extension is 6 miles 35 chains, and it will not be an expensive line to construct. It will open up a large extent of very good land, and it will also tap the far-famed Puhupuhi kauri forest. Owing to a large portion of the valuable kauri bush of this forest having been fired some time ago, it is absolutely necessary that the trees should be felled and utilised without further delay, or they will become valueless. The sale of this timber, and the enhanced value given to the Crown land through which the line will pass, will more than pay for its construction, and the Government therefore proposes to ask Parliament to authorise the work. The vote proposed for this year will provide the greater portion of the funds required for the section to Whakapara.

A very largely-signed petition has been presented to the House this session praying for the construction of the entire line between Kawakawa and Hikurangi, so as to establish a connection between the Kawakawa-Opuā and the Whangarei-Hikurangi Railways. The construction of this connection may become necessary in the future, but we are unable to see our way to propose to do more this session than I have already indicated.

Helensville Northwards.

Practically nothing has been done on this line since my last Statement was delivered, the total expenditure thereon during last financial year having amounted to £329 only. The Makarau Contract is the only work in progress, and on this work the contractors have met with unexpected difficulties in piercing a tunnel. Operations were entirely suspended for a time, but have recently been resumed, and, with the return of fine weather, the contractors will doubtless be able to overcome their difficulties and complete the contract.

The liabilities already existing on account of this railway amount to £8,995, but, as the whole amount is not likely to come in for payment during the current year, a vote of £7,000 is asked for. This also includes a small amount to provide for the commencement of a new section of the line of about three miles in length.

Grahamstown—Te Aroha.

The formation of the twelve miles of this railway between the Ohinemuri River and Te Aroha is finished, and the platelaying and ballasting are now in progress, all the rails and sleepers required for the work being already on the ground. The plans for the bridge over the Ohinemuri River have been completed, and the ironwork ordered from England, and on its arrival in the colony the erection of the bridge will be put in hand under a co-operative contract. The formation of the station-yard at Paeroa will be proceeded with directly the Ohinemuri Bridge has been fairly started. The department hopes to be able to have the whole line between Te Aroha and Paeroa—13 miles 3 chains in length—ready for traffic shortly after the end of the current financial year. The expenditure on this railway last year amounted to £5,489, exclusive of the value of rails and sleepers, and a vote for £13,000 is asked for this year.

Putaruru—Rotorua.

The section of this railway between Putaruru and Tarukenga—23 miles 5 chains in length—was opened for traffic on the 24th November last, thus enabling tourists to easily reach Rotorua from Auckland in one day. The formation and bridge-works between Tarukenga and the Rotorua terminus, a distance of 8½ miles, have also been completed, and contracts let for the platelaying and ballasting, as well as for the necessary station-buildings. The works on both contracts are actively in progress, and it is confidently expected that the line will be ready for traffic all the way to Rotorua by the 1st December next. The expenditure on this line during last financial year was £18,357, while liabilities to the amount of £5,448 existed at the close of the year. We ask for a vote of £17,000, which will complete one of the most necessary and useful railways in the colony.

North Island Main Trunk Railway.

At the northern end of this railway the Mokau Section, 11 miles 9 chains in length, which carries the line up to the Poro-o-tarao Tunnel, has been under construction throughout the year, and is now nearly completed. For the current year we ask for a vote of £25,000 for this end of the line.

This amount will provide for the completion of the formation-works on the Mokau Section, and for commencing the platelaying thereon. It is very desirable that the northern end of this railway should be completed to the junction with the Stratford—Ongarue Road at Kawakawa, so that when this road is finished there may be a direct connection by road and rail between Auckland and Taranaki.

At the south end the Mangaonoho Station has been completed, and a considerable amount of work done on the Makohine Section, the ordinary earthworks on this section being practically finished, and the culverts are now being built and three tunnels excavated. The rails have also been laid as far as the site of the

viaduct over the Makohine Ravine, so that the materials for the structure can be transported to the site without difficulty. The plans of the viaduct are nearly ready, and tenders for its construction will be invited shortly.

For this end of the line we also propose an appropriation of £25,000 this year. This will provide for proceeding with the formation-works now in hand, and for making a beginning with the Makohine Viaduct.

The expenditure on the North Island Main Trunk Railway last year, including the cost of surveys, amounted to £39,220, while liabilities existed at the close of the year to the amount of £14,676. The total vote proposed for the current year is £52,778, which, in addition to the works already mentioned, includes an amount of £2,500 for carrying on the surveys.

The surveys which were put in hand on the recommendation of the Select Committee of the House appointed during the session of 1892 have been proceeded with, but I am sorry to say the result has not justified the expenditure. The Urenui route, projected by Mr. Ralph Donkin, has been partially surveyed by that gentleman. Mr. Donkin, with a party of from five to nine men to assist him, was engaged on this work for ten months, and during that period he only succeeded in making a trial survey of eight miles of the line, and a rough traverse of five miles more. The small amount of work accomplished in the time is in itself an evidence of the difficulties met with, and the memorandum on the subject by the Engineer-in-Chief, which has already been laid before Parliament, shows that the line surveyed cannot be regarded as superior in any respect to the Waitara—Mimi line, previously surveyed by Mr. James Blackett, and it is also longer than that line. The results of this survey being so unsatisfactory, instructions were issued in May last for further work thereon to be discontinued.

Mr. R. W. Holmes has made two exploratory surveys with the view of effecting improvements in the central route, but these surveys also have been barren of beneficial results. Mr. Holmes's carefully-prepared and detailed report has already been laid before Parliament, together with the minute of the Engineer-in-Chief thereon, and it is unnecessary for me to say anything further on the subject here. Mr. Holmes is now engaged in permanently locating the line along the central route, on which he finds he is able to effect a number of minor improvements.

Mr. Leslie H. Reynolds has also made careful surveys for the purpose of eliminating the very steep grades at present existing on some parts of the opened line between Marton and Eltham, so as to ascertain the cost of effecting the necessary improvements in that portion of the line in the event of the main line to Auckland being constructed by that route. Mr. Reynolds's report has been laid before Parliament, and shows that some rather extensive deviations from the existing line would be necessary—one of them being 11 miles 68

chains in length, and estimated to cost £128,150. The total length of the deviations required between Marton and Eltham would be about 27½ miles, the total estimated cost of the same being £271,130.

Eketahuna—Woodville.

The early completion of this railway is very desirable, as when completed it promises to be one of the best-paying lines in the colony. During the year the works have made considerable progress, the bulk of the earthwork being now completed. The concrete piers of the Makakahi Bridge have also been built, and the iron girders, for which a contract was let some months ago, will shortly be placed in position. A contract has also been let for the large bridge over the Mangatainoko River, and the platelaying to the site of this bridge is about to be commenced. The expenditure on the line during last year amounted to £16,716, while liabilities existed at the close of the year to the amount of £7,887, and further liabilities to the amount of £22,160 have since been incurred. We ask this year for a vote of £40,000, which will cover the large liabilities existing, and provide for the completion of nearly all the formation-works on the line, as well as for the platelaying as far as the Mangatainoko Bridge.

Blenheim—Awatere.

The small amount of work done on this line was merely for the purpose of putting the formation-works on the Utawai and Dashwood Sections into a state of repair, and for the purpose of preventing, as far as possible, damage to the works by flood-waters, &c. The amount expended was £1,224, and liabilities existed at the close of the year to the further amount of £772. We ask this year for a vote of £2,500 to cover these liabilities, and to provide for necessary expenditure in connection with the line.

Westport—Ngakawau—Mokihinui.

The last section of this railway was completed and handed over to the Railway Commissioners in August, 1893. This section established through-communication between the Mokihinui Coal Company's railway and Westport, and since it has been opened has had the effect of considerably increasing the output of coal from the mines in the Mokihinui basin. The increase would have been much larger, however, but for an unfortunate dispute as to the rates of haulage of coal over the company's line, which has had the effect of temporarily closing the mines of the Westport Cardiff Coal Company. As a means of effectually settling this dispute, and of preventing any others of a like character arising in the future, a Bill will be introduced empowering the Government, after a careful valuation has been made, to purchase the company's railway for a sum not exceeding £18,000. The Bill will provide for the payment of the purchase-money out of the funds of the Westport Harbour Board, and for endowing that Board with the profits on the working of the line.

Mr. Seddon

Greymouth—Hokitika.

The whole of this railway, 24 miles 37 chains in length, was handed over to the Railway Commissioners, and opened for regular public traffic, on the 20th December, 1893. A good deal of work remained to be done to the stations, however, and this has since been in hand, and is not yet quite completed. The expenditure on the line last year amounted to £10,894, while liabilities existed at the close of the year to the amount of £8,619, and further liabilities to the amount of £4,343 have since been incurred. The vote asked for this year—£15,000—will cover these liabilities, and the few remaining works required to complete the railway. The returns in connection with the working of this railway effectually disprove the statement made that when completed it would not pay working-expenses.

Otago Central.

The works on this railway have been very vigorously proceeded with throughout the year. Nearly three hundred men were employed upon the line at one time, and an average of about two hundred have been at work for the whole year. The section between Middlemarsh and the Rock and Pillar Station, 8 miles in length, was opened for traffic on the 1st May last, and the section between Rock and Pillar and Hyde, 8 miles 20 chains in length, was also handed over and opened on the 24th of the same month. The formation-works on the Hyde-Kyeburn Section were commenced in June last year, and good progress has been made therewith for a distance of about 4½ miles. The next workable section of this railway will be the portion between Hyde and Ryan's Crossing, 10 miles 30 chains in length, and considerable further work is now being put in hand, including the construction of the tunnel, and the masonry culverts and abutments of bridges, with the view of completing the line to that point.

The expenditure on the line last year, exclusive of the value of the permanent-way materials supplied, was £33,061, and was by far the largest expenditure on any railway-works in the colony, with the single exception of the North Island Main Trunk Railway. If the value of the permanent-way material supplied is added the total expenditure would amount to £46,872. The liabilities existing at the close of the year amounted to £11,261, while further works, entailing a liability of £15,134, have since been authorised. We ask for a vote of £45,000 for the line this year. This will cover all the liabilities, and will provide for the work being rapidly pushed on with.

As a great deal of misconception seems to exist in some quarters on the subject of the amounts specifically borrowed for and allocated to this railway, I have thought it desirable to have the following statement prepared, showing the amounts specially borrowed for the Otago Central Railway, and the amount expended thereon up to the 31st March last:—

OTAGO CENTRAL RAILWAY.
Allocations out of Loans.

	£	s.	d.
Under "The New Zealand Loan Act, 1882,"—			
Construction, permanent-way, &c....	300,000	0	0
Under "The New Zealand Loan Act, 1886,"—			
Construction	£140,000	0	0
Permanent-way, sleepers, and rolling-stock	60,000	0	0
	200,000	0	0
Under "The New Zealand Loan Act, 1893,"—			
Construction	£85,000	0	0
Permanent-way, sleepers, and rolling-stock	20,000	0	0
	105,000	0	0
	605,000	0	0
Expenditure in excess of allocation ...	32,273	0	0
Total	£637,273	0	0

Expenditure.

	£	s.	d.
Total expenditure on Otago Central Railway for construction, permanent-way, and sleepers to 31st March, 1894 (as per Table 3, Public Works Statement, 1894)	621,7	0	0
Add rolling-stock provided, and charged to separate vote	15,504	0	0
Total	£637,273	0	0

The amounts shown in this table as allocations for permanent-way, sleepers, and rolling-stock were not specially allocated to this railway under any Act, but are the proportions of the total allocations for permanent-way, sleepers, and rolling-stock in the different Acts which are fairly due to the Otago Central Railway on a mileage basis. These figures show that not only have the total funds allocated to this railway been actually expended thereon, but a sum of £32,273, taken from other sources, has been expended in addition.

Callin's River Railway.

The works on this railway were at a standstill when the last Public Works Statement was made. They were, however, resumed in November last, and have been pushed along steadily since that date. The work in hand comprises the formation of the line for a distance of about four and a half miles, which will complete the railway to Owaka (Vial's). The expenditure during the last financial year amounted to £1,338 only, but liabilities existed at the close of the year to the amount of £900, and further liabilities to the amount of £5,134 have been incurred since. A vote of £10,000 is asked for this year, which will provide the bulk of the funds required to complete the line to Owaka.

Seaward Bush Railway.

The formation of this railway has been completed as far as the Maitara Swamp, the rails laid, and the ballasting is now in progress. The line is expected to be ready for opening to the Gorge Road in December next. Borings have been made to test the foundations for the bridge over the Maitara River, and plans of the bridge are being prepared, and tenders for its erection will be invited shortly. The expendi-

ture on this line last year, exclusive of the value of permanent-way materials supplied, was £5,042, while liabilities existed at the close of the year to the amount of £2,735, and further liabilities to the amount of £6,815 have since been incurred. The vote proposed for the current year is £15,000.

Other Projected Railways.

Riversdale-Switzer's.—A petition presented to Parliament this session by the member for Wakatipu prayed for the completion of this railway. About two miles of the line was completed several years ago, and the formation-works executed on a further length of six miles, the total expenditure on the work having amounted to about £7,500. The completion of the line as far as Muddy Creek would not be a very expensive undertaking, the principal obstacle in the way being the bridge over the Maitara River, which is estimated to cost £7,500. The Government is not able to propose any appropriation for this line this year, but during the recess the question of resuming its construction will receive careful consideration.

Waipahi-Heriot Extension.—Two petitions have been presented praying for the extension of this railway to Roxburgh. The Government has no information in its possession as to the probable cost of the line, as no survey has yet been made. A survey will be undertaken during the recess, however, so that full information may be available by the next meeting of Parliament.

Gore-Kelso.—The desirableness of constructing this railway has been strongly urged upon the Government recently. The line was projected several years ago, and partly surveyed. It would be about twenty-four miles in length, and would probably cost about £85,000. The country which it would traverse is of the very best quality, and would doubtless yield a considerable traffic, so that the line would probably pay. The question of undertaking the construction of this railway will be considered during the recess.

Kingston-Frankton.—A petition was presented to Parliament last session urging the construction of the extension of the Invercargill-Kingston Railway to Frankton, and further representations on the subject have since been made to the Government by the local authorities of the district. This extension would, however, be a very expensive one to construct, as for many miles it would traverse the eastern shore of Lake Wakatipu. The line would, moreover, have to compete with water-carriage on the lake; and the country between Kingston and Queenstown, being very mountainous, would yield little or no traffic. I am therefore unable to hold out any hopes of the Government being able to take the construction of this work in hand at present.

Summary.

The total appropriations proposed for railway-works this year, including additions to open lines, surveys, and permanent-way,

sleepers and rolling-stock, amount to £313,028, as against £316,628 voted last year. The amount proposed to be voted this year is the smallest appropriation asked for for railway purposes since the public-works scheme was initiated.

MIDLAND RAILWAY.

The section of this railway between Lake Brunner and Jackson's, which was in progress when my last Public Works Statement was delivered, has since been completed and opened for traffic. This brings this company's total length of completed railway up to 75 miles 50 chains.

The acceptance by the company of the recommendations contained in the report of the Select Committee appointed during the present session to inquire into matters affecting this railway will, it is hoped, lead to a speedy and vigorous resumption of work on the line. The intervening section between Jackson's and Paterson's Creek, which still remains to be constructed, is 57 miles 44 chains long, and the company hopes to be able to complete it within four years from the date of signing the new contract. The completion of this section will establish through railway-communication between the east and west coasts of the Middle Island, a boon long looked for, which, when realised, will to some extent compensate for the way in which settlement has been retarded owing to the locking-up of the lands on the West Coast for the last ten years. By the proposed new contract the company is to complete the line from Belgrove to Norris's Gully. This will tap the Motueka Valley, and shorten somewhat the journey to Reefton. The abandonment, however, of the construction of the Reefton-Belgrove Section for a time is a matter for deep regret, and that this should be resented by the people of Nelson is only natural, seeing that for ten years settlement has been retarded, and the expectant hopes of an early connection by railway with Reefton have now been somewhat suddenly shattered. The Government strongly sympathizes with the Nelson people in their disappointment, and, but for the impossibility of arranging with the company on any other terms, would not have agreed to the abandonment of this portion of the company's original contract.

ROADS.

Roads controlled by the Minister of Lands.

Under the head of "Main Roads" £23,039 was voted last year, and £22,235 spent, with liabilities at the end of the year of £9,242. For "Miscellaneous roads and roads to open up Crown lands" £148,287 was authorised, including £90,000 from the Government Loans to Local Bodies Account, and £88,042 spent, while liabilities amounting to £87,381 were outstanding at the end of the year. For grants-in-aid £11,663 was voted and £8,951 spent, with liabilities at the end of the year of £3,389. Village settlements: Voted, £3,380; spent, £2,898; liabilities, £1,480. And, finally—Roads to give access to Marton-Tē Awamutu

Mr. Seddon

Railway: Voted, £40,800; spent, £35,155; liabilities, £14,191.

The following summary shows the road-works performed during the year:—

Dray-roads constructed ..	296 miles.
Dray-roads improved ..	223 "
Dray-roads maintained ..	1,215 "
Bridle-roads constructed ..	238 "
Bridle-roads improved ..	155 "
Bridle-roads maintained ..	405 "

The roads from Hunterville to Murimotu and Tokaanu, and from Pipiriki (at the head of the steamer navigation of the Wanganui River), *viâ* Karioi, to Moawhanga, have been formed throughout, but not wholly metalled.

The Stratford-Ongarue Road has been formed for 31½ miles from the Stratford end, and for about 16 miles from the Ongarue end: leaving about 57 miles to complete the connection with Auckland.

The main road from the Catlin's River to the Waikawa River, through the Tautuku Forest, has advanced so far that only a bridge over the Tautuku River remains to complete the whole distance of thirty-four miles. The large area of forest-land which will no doubt be settled upon, and the produce from which must pass over this main road, will fully justify its construction.

Of roads through Crown lands, and roads to give access to them through settled districts, 1,402 miles were constructed and maintained last year. These roads are essential to advancing settlement. Without them the Crown lands would be almost valueless. They must be continued if the land is to be made use of.

The several works which are proposed to be undertaken during the current year are detailed in the estimates which accompany this Statement.

The cost of constructing and maintaining main roads during the past year was about £10,000 more than in the previous year; and for the current year the expenditure is estimated at a still higher rate.

It must be evident to those who have travelled over the principal main roads and bridges of the colony—which are wholly or partly maintained at the expense of the County Councils—that they are fast falling into disrepair; and as it would be false economy to permit such works, constructed at great expense, to get into such a state as to require further large expenditure to restore them, it is proposed in some cases to entirely take over control, and in other cases to assist the counties. It is abundantly evident that many of the local authorities are financially unable to bear the burden of the cost of maintaining such roads as carry the through traffic of the colony, especially in parts where no rates can be collected.

For main roads the large sum of £40,000 is asked for, in order to execute the works detailed, and which works the local authorities are unable to provide.

The provision made for miscellaneous roads amounts to £20,000. These roads are mainly for the convenience of settlers who have in

years gone by acquired lands from the Crown, but who are not yet provided with reasonable means of access to their properties. A few of the works are for the convenience of tourists, and others are such as should reasonably be provided for.

The sum of £20,605 is required for roads to give access to the North Island Main Trunk Railway. The principal work to be undertaken is a further length of the Stratford-Ongarue Road, to connect Auckland with Taranaki. The other sums applied for are to metal the Pipiriki-Karioi Road and a portion of the Hunterville-Tokaanu Road, and to open further tracks into the Crown lands adjacent to the railway-line.

Out of the Lands Improvement Account it is proposed to expend £150,000 in the construction of roads and tracks to open up Crown lands. This, as already stated, is of prime importance to the further settlement of the country.

Under the heading "Grants-in-aid" there are three items which call for some notice. These are—(1) Co-operative works for unemployed, £5,000; (2) improved farm settlements, £20,000; and (3) advances to co-operative workmen, £500. The first is intended to meet unforeseen demands for employment, and for works the necessity for which may arise during the year. The second is to provide means to pay for the felling, burning, and grassing of Crown lands in moderate areas, suitable for working-men of small means. In this way a start will be given to the farmer, and the Government will receive interest, in the way of rent, on the improved value of the land let. The third item is to enable the Government to make small advances to co-operative workmen employed on the construction of roads through Crown lands, to enable them to bring their families on to the works and out of the cities, where they are paying rent. The advances will be refundable out of the men's earnings. It is proposed to lease to men who desire it a small area around each dwelling.

The roads which it is proposed to construct out of the Land-purchase Account will probably absorb £40,000 during the current year. This amount will be used in the laying-out of permanent roads, and the construction of tracks to show how best to subdivide and settle newly-acquired lands.

It is proposed to obtain under the Government Loans to Local Bodies Act the full amount of £50,000 which the Act authorises. The land upon which this sum will be expended has been placed in the market, or disposed of, loaded with sums sufficient to pay interest and sinking fund, in accordance with regulations made under the Act.

It has often been said by persons in whose district no railway works were under construction that the Government was expending too much money on railways and too little on roads. I have therefore had a statement prepared showing the amounts voted for and expended on roads and railways respectively during the last five years, which I think will

show that, whatever blame may attach to former Governments in this respect, no such charge can be laid at the door of the present Government:—

Work.	1890-91.	1891-92.	1892-93.	1893-94.	1894-95.
<i>Amounts voted.</i>					
Railways ...	£ 362,919	£ 490,276	£ 369,755	£ 316,628	£ 313,028
Roads ...	181,119	204,464	231,193	244,169	316,060
<i>Amounts expended.</i>					
Railways ...	179,012	154,416	220,894	176,256	...
Roads ...	71,683	109,710	135,359	177,667	...

This table shows that, while the amounts voted for railways have generally declined during recent years, the amounts voted for roads have steadily increased. The same also applies to the expenditure, the expenditure on railways having been greater in 1890-91 than in 1893-94, whereas the roads expenditure in the former year was less than half the amount expended in the latter.

Roads on Goldfields (Mines Department).

The expenditure authorised under the above head last year amounted to £47,000. The amount, however, included some items that do not properly come under the head of "Roads," and which this year are provided for under "Development of Goldfields." It was not practicable to expend the whole amount voted within the year, the net expenditure to the 31st March last having amounted to £20,387 only; but liabilities existed at the same date to the further amount of £20,081.

The opening-up of roads and tracks upon our goldfields, especially for prospecting purposes, is admitted on all hands to be of the utmost importance as an avenue whereby the mining industry may be advanced and the hidden wealth of the colony developed. We therefore propose a vote of £45,455 for works of this class this year.

PUBLIC BUILDINGS.

The total appropriations for public buildings and domains last year was £143,375—namely, £92,485 under the Public Works Fund, and £50,890 under the Consolidated Fund. The actual expenditure within the year amounted to £92,021—namely, £44,082 under the Public Works Fund, and £47,939 under the Consolidated Fund.

Under the Consolidated Fund the sum of £30,999 was expended on school-buildings, the remainder of the expenditure under that fund being almost entirely for maintenance and repairs.

The principal works carried out under the Public Works Fund were—the new lunatic asylum at Porirua, and more or less extensive works at the asylums at Auckland, Sunnyside (Christchurch), and Seacliff (Dunedin); additions to the post-office at Invercargill; new post-offices at Danevirke and Kaikoura; new Customhouse at Westport; new Courthouse at

Rangiora; purchase of site for a new Court-house at Pahiatua; and new police-stations at Dargaville, Westport, Greymouth, and Naseby. An amount of £15,000 was also provided out of this fund for school-buildings, to supplement the vote under the Consolidated Fund.

The total appropriations proposed for public buildings this year amount to £159,925—namely, £50,500 under the Consolidated Fund and £109,425 under the Public Works Fund. The Consolidated Fund vote provides £31,000 for school-buildings, and the usual votes for maintenance and repairs of public buildings generally. Under the Public Works Fund provision is made for the new laundry and other works at the Sunnyside Asylum; for sundry works at the asylums at Auckland, Seacliff, and elsewhere; for a new prison at Dunedin; for completing the Government Printing Office, and for sundry works at the Parliamentary Buildings; and new Courthouses, police-stations, post-offices, &c., at numerous places throughout the colony. A vote of £15,000 is also proposed for school-buildings—the same as last year.

MISCELLANEOUS CHARGES ON THE PUBLIC WORKS FUND.

Lighthouses and Harbour-works.

The vote for the various works under the above heading last year amounted to £7,400, and the expenditure brought to charge within the year was £6,588—namely, £2,612 on lighthouses, and £3,976 on harbour defences. The lighthouse expenditure was wholly on the new light on Stephen Island (Cook Strait), which was completed within the year, the light having been regularly exhibited since the 29th January last.

The expenditure on harbour defences at the different ports was as follows:—

Auckland	£	897
Wellington	£	2,251
Lyttelton	£	647
Dunedin	£	181
Total	£	3,976

The vote proposed for the current year is £13,500—namely, £3,500 for sundry harbour-works and towards the erection of a wharf at Howick, and £10,000 for further works under the head of "Harbour Defences."

It is intended during the current year to push on with the defences of the four principal ports. The first in importance are those at Wellington, and next those at Lyttelton, and after these those at Auckland and Dunedin respectively. The works will be carried out on the suggestions of the Military Adviser of the Government, and in accordance with the recommendations of the recent conference on the subject of our defences.

Purchase of Native Lands.

The operations of the Native Land Purchase Department since the passing of "The Native Land Purchases Act, 1892," have been carried

Mr. Seddon

on out of funds raised under the provisions of that Act.

During the year ended the 31st March last the area added to the public estate through purchases finally completed was 345,850 acres, including the bulk of the better portions of the Awarua Block—in all, 143,000 acres—and the Ngaere Swamp, 7,500 acres. Settlement is now rapidly proceeding on these lands.

Full details as to completed and uncompleted negotiations will be found in the return G.-3, 1894, presented to Parliament on the 12th July last. Considerable progress since the date of the above return has been made with the purchase of the balance of the Awarua Block and other lands in various parts of the North Island, especially in the Waipatu district and the King-country.

The further provision made by the Lands Improvement and Native Lands Acquisition Act this session for the purchase of Native lands must result in a commensurate impetus to *bonâ fide* settlement in the North Island.

Development of Goldfields.

A vote of £5,000 was taken last year for waterworks on goldfields, and rather more than that amount was spent, the actual expenditure having amounted to £5,272.

Further works in the shape of water-races and reservoirs are necessary in order to command the auriferous drifts, of which we have such large areas in the Middle Island, and which can only be profitably worked by hydraulic sluicing on a large scale. We therefore ask this year for a vote of £10,000 for water-races.

The introduction of hydraulic sluicing in the alluvial mining centres has rendered it necessary to make provision for the large quantity of tailings and *débris* which must find their way into the ordinary watercourses, sometimes raising the beds of these streams to such an extent as to injure the occupiers of low-lying lands adjacent thereto. It would be suicidal to allow the stoppage of mining operations in such places, and provision is therefore made in the estimates for meeting some of the cases which most urgently require to be dealt with.

For many years past our mining population has been demanding that provision should be made for testing auriferous lodes at deeper levels than hitherto worked in our quartz-mining centres. Hopes have also been held out by various Governments that some assistance in this direction would be granted. The vote proposed for prospecting deep levels, for dealing with the tailings difficulty, and to provide for resumption of land for mining purposes, is £30,000.

Telegraph Extension.

The amount voted under this head last year was £30,078, but the expenditure coming to charge within the year amounted to £16,137 only (including £4,559 on the telephone exchanges), but liabilities existed at the close of the year to the amount of £9,581.

The most important new lines of telegraph

constructed during the year were those from Matakana to Leigh, the line to Tokatoka, Otaki to Shannon, extension to Peel Forest, Owaka to Ratanui, Middlemarch to Hyde, Winton to Brown's Siding and Hokonui, the Island Block line, and Riversdale to Waikaka.

The vote proposed for the current year is £31,000, which, in addition to covering the liabilities, provides for a new cable across Cook Strait; for additions to existing telephone exchanges; the construction of telephone-lines from Ross to Hende's Ferry, Culverden to Hamner Plain, and others; and for improvements and additions to existing telegraph-lines.

CONCLUSION.

The total appropriations proposed in the estimates accompanying this Statement amount to £940,163, as compared with £710,460 voted last year. If the proposed expenditure is not distributed over the whole colony in exactly even proportion, honourable members will perceive that the reason for this is the great and pressing need of those localities where settlement is proceeding most rapidly. The utmost efforts have been made to deal fairly with every district, and each district's special needs and claims have received most careful consideration.

SITTING OF THE HOUSE.

Mr. SEDDON moved, That the House, at its rising, adjourn till half-past eleven to-morrow. The House divided.

AYES, 31.

Buddo	Lawry	Pinkerton
Button	Massey	Reeves
Carnell	McKenzie, J.	Seddon
Collins	McLachlan	Smith, E. M.
Graham	Meredith	Stevens
Guinness	Millar	Stout
Hall	Mills	Ward.
Harris	Mitchelson	
Houston	Montgomery	<i>Tellers.</i>
Lang	Morrison	Kelly, J. W.
Larnach	Parata	O'Regan.

NOES, 29.

Buick	Heke	McNab
Carncross	Hogg	Pirani
Crowther	Hutchison, G.	Russell, G. W.
Duncan	Hutchison, W.	Russell, W. R.
Duthie	Joyce	Tanner
Earnshaw	Kelly, W.	Thompson
Flatman	Mackintosh	Wilson.
Fraser	Maslin	<i>Tellers.</i>
Green	McGowan	Allen
Hall-Jones	McGuire	Buchanan.

PAIRS.

<i>For.</i>	<i>Against.</i>
Cadman	Mackenzie, T.
Carroll.	Te Ao.

Majority for, 2.

Motion agreed to.

PRIVILEGES OF THE HOUSE.

A message was received from the Legislative Council, stating that it had passed the Government Advances to Settlers Bill with amend-

ments, and requesting the concurrence of the House of Representatives.

Mr. SPEAKER.—I think it my duty to draw the attention of the House to the amendments made in this Bill, because they appear, to my mind, to be an infringement of the privileges of the House. The amendments are: In clause 25 the amendment takes away the power of the State to advance money on urban or suburban land, which is further affected by the amendment in section 43. Clause 25 enlarges the field for advances by including the Westland and Nelson reserves land, and the thermal-springs land. Part III., relating to the raising of money by means of land-bonds, has been wholly struck out, and consequential amendments are made throughout the Bill. Clause 42 reduces the amount that may be advanced from £5,000 to £1,000. Clause 43, as amended, only allows advances to be made up to one-half of the value of the security, instead of two-thirds as permitted by this House. Now, in drawing attention to these amendments, which I believe to be an infringement of the privileges of the House, I wish to state that I am, in doing so, starting no new principle,—that I am merely following the example set by previous Houses, by previous Speakers. As formerly, so now an attempt has been made by the Legislative Council to limit the special privileges of this House, as regards its financial measures, to Bills of supply and Bills of taxation. In the Payments to Provinces Bill of 1871 the Legislative Council struck out a clause—No. 28—which amendment this House regarded as an infringement of the privileges of this House, and it appointed a Committee of its leading members—Messrs. Fox, Stafford, and Vogel of those days—and that Committee took care not to limit its objections to the matter of Bills of supply and Bills of taxation, but it laid its reason for objecting on these broad grounds: "That it is beyond the power of the Legislative Council to vary or alter the management or distribution of any money as provided by the House of Representatives"; and the point was conceded conditionally by the Legislative Council in these words:—

"The Council recognises, however, that the Bill is a portion of the general financial policy of the Government, and that its rejection at this stage might be attended with great public inconvenience. While, therefore, still maintaining its constitutional right to make the amendments in question, it consents to abstain from exercising this right on the House of Representatives engaging—first, to amend the Bill so as to restrict its operation to the present financial year; secondly, to refer the point in dispute between the two Houses to the Law Officers of the Crown in England, upon a case to be prepared by Managers appointed by each House."

The case was prepared, and submitted to the Crown Law Officers. The Law Officers of the Crown at the time were the late Chief Justice Coleridge and Sir George Jessel, and this was their decision:—

"We are of opinion that, independently of 'The Parliamentary Privileges Act, 1865,' the Legislative Council was not constitutionally justified in amending the Payment to Provinces Bill, 1871, by striking out the disputed clause 28. We think the Bill was a money Bill, and such a Bill as the House of Commons in this country would not have allowed to be amended by the House of Lords; and that the limitation proposed to be placed by the Legislative Council on Bills of aid or supply is too narrow, and would not be recognised by the House of Commons in England. . . . We think that the claims of the House of Representatives contained in their message to the Legislative Council are well founded,—subject, of course, to the limitation that the Legislative Council have a perfect right to reject any Bill passed by the House of Representatives having for its object to vary the management or appropriation of money prescribed by an Act of the previous session."

On which opinion the well-known writer, the late Mr. Todd, comments thus:—

"This opinion is a direct and unimpeachable settlement of the point at issue. The relative rights of both Houses in matters of aid and supply must be determined in every British colony by the ascertained rules of British constitutional practice. The local Act upon the subject must be construed in conformity with that practice wherever the Imperial policy is the accepted guide. A claim on the part of a colonial Upper Chamber to the possession of equal rights with the Assembly to amend a money Bill would be inconsistent with the ancient and undeniable control which is exercised by the Imperial House of Commons over all financial measures."

Having stated so far, I think it will be the duty of the Government to now make such a proposition as they think most advisable under the circumstances. I can only say, for myself, that I have not recklessly taken up the position which I have done, but that I am following the example set me by my predecessors; and that my only desire is, in the conduct of the business of this House, to do what will best secure harmony between both branches of the Legislature, and that harmony can only be maintained by each body acting within its own constitutionally-defined privileges.

Mr. WARD.—In rising to move, That the amendment made by the Legislative Council in the Advances to Settlers Bill be disagreed with, I will ask the House to appoint as Managers for drawing up reasons for disagreement the Premier, the honourable member for Waitaki, the honourable member for Wellington City (Mr. Bell), and the mover. I think, after the authorities you, Sir, have quoted and the statement you have made in the House, that honourable members will agree with me in the opinion that a distinct interference with the privileges of this House has been caused by the alterations which have been made in another place in this important Bill; and I trust that still there may be a chance of the good which the country is likely to derive from

the passing of this Bill being effected as a result of the Conference of the Managers which I now desire should be appointed.

Mr. SEDDON.—I think it is as well that I should explain to the House that the same members have been moved as Managers on this Bill as were appointed Managers in respect of the Consols Bill. It is the desire of the Government, and I believe it is acquiesced in by the representatives of the Council, that the whole of these Bills which have, and I think have properly, been ruled to be money Bills should be taken together; and, if the Council does not agree to the reasons that we send up, and adheres to its amendments, a further Conference will be held, and if we had two or three sets of Managers that might lead to confusion. Therefore I desire to make this explanation to the House. Otherwise the House might think the Government were slighting members who are quite capable, I know, of conducting business on behalf of the House at such a Conference, or of drawing up reasons why we should disagree with the Council's amendments.

Captain RUSSELL.—Will it be the duty of the gentlemen appointed to discuss the question as to whether there is a breach of the privileges of this House, or do you, Sir, rule absolutely beyond dispute that a breach has been committed?

Mr. SEDDON.—No doubt the first reason that will be submitted presently will be that there has been a breach of the privileges of this House. The House will be asked to concur in that before it goes to the Legislative Council at all.

Captain RUSSELL.—As you quoted authorities, Sir, it seemed to me they were not quite analogous to the case before us, inasmuch as in the Payments to Provinces Bill there was a distinct appropriation of money from the Consolidated Fund, I presume for a definite purpose; whereas this is a question of policy for the expenditure of money hereafter to be raised, but not involving an expenditure of money at the present time. It does not affect the Consolidated Fund at all. I am not prepared to argue the point, having only just heard the authorities read at this moment, but that is the impression made on my mind as you read them—that the cases are not analogous, inasmuch as the one is a charge upon the Consolidated Fund, and the other a question of policy for the country to consider—the expenditure to be made hereafter out of money not yet raised. The policy of raising that money is one that might fairly come within the purview of the Legislative Council.

Sir R. STOUT.—Mr. Speaker, I only want to say a word or two, in case my silence might be misconstrued. I have not yet heard what amendments the Council has made in the Bill, nor had I the pleasure of hearing all your remarks; I therefore do not wish to express any opinion on the subject, until I have seen the amendments and perhaps had the opportunity of hearing your ruling.

Mr. Speaker

Mr. WARD.—Perhaps it is rather interesting to the House to hear the leader of the Opposition now say the proposals of the Bill do not affect the Consolidated Fund. During the course of the Bill through the House very opposite reasons to that were put forth as a justification for the opposition to the Bill. The honourable gentleman now announces that this is a policy Bill, and that on the ground of its being a policy Bill the Upper House is justified in the amendments it has made, and that he deems it is not an interference with the privileges of the House. I can only say that the view put forward by the leader of the Opposition is that, in an important policy Bill which the Government advocated throughout the length and breadth of the land—

Captain RUSSELL.—Particularly at Winton.

Mr. WARD.—Yes; throughout the length and breadth of the land, and Winton is an important portion of the land. We now find quite different reasons adduced by my honourable friend for maintaining the important alterations another place has thought proper to make in the Bill. I can only say it is very interesting to honourable members. I am surprised to hear this expression of opinion from the honourable member, because one of the first functions of the leader of the Opposition—I think the honourable member will not disagree with me in saying so—is that, where the Speaker of the House maintains that the privileges of the House have been interfered with, he should—and precedents, I think, are established for it—uphold the Speaker in maintaining the dignity and privileges of the House. I can only express regret at the position he has thought it within his province to take up, to attempt to uphold another place as against the maintenance of the privileges of the House, and the ruling of the Speaker upon such an important matter as this.

Captain RUSSELL.—The honourable gentleman has entirely misrepresented what I said, Sir.

Amendments disagreed with, and Managers appointed.

On the question of the amendment made by the Legislative Council in the Harbours Bill,

Mr. SPEAKER said,—The amendment made in the Harbours Act Amendment Bill is by striking out the clause as passed enabling rates to be levied. It was held, a few years ago, and the point was conceded by the Legislative Council, that any interference with rating powers this House gives is an infringement of the privileges of the House. The Bill itself is not a money Bill, and it would be competent, if the House thought proper, to waive its privilege with regard to the amendment made; but I think, probably, it would be best to allow this Bill to go to the Managers that have just been appointed, for them to report upon.

Mr. SEDDON.—I move, That this amendment be also disagreed with, and referred to the same Managers.

Motion agreed to.

On the motion of Mr. SEDDON, the amendments made in the Land for Settlements Bill were referred to the same Managers, and the name of the Hon. the Minister of Lands was added to the Managers.

MINISTERIAL RESIDENCES SALE BILL.

Mr. SEDDON said, in moving the second reading of this Bill, it was not necessary for him to say anything in respect to the measure, but it was generally conceded that it was desirable that the Ministerial residences should be sold. The mode of sale was by public auction, and, pending the sale, power was given to lease the residences. These residences were a source of continuous expense to the colony in the way of caretaking, gardeners, and so on, and if disposed of there would be a saving.

Captain RUSSELL said the Premier had really given no reason why the Ministerial residences should be sold. He only said they required a gardener to be kept to keep the lawn mown; but there were other points which he thought were worthy of consideration. Surely every person must admit it was desirable that Ministers should have some official residence.

Hon. MEMBERS.—No.

Captain RUSSELL said honourable members might say "No," but he considered that they should have official residences. He thought it was essential that a man who was a Minister of the Crown should have some place which might fairly be called a house of his own. His own feeling was that in his

10.0. official capacity a man who sacrificed his private business to come up to Wellington to take part in the Government of the country was fairly entitled to have provided for him some place of residence where he could live in the comfort in which he was accustomed to live before. He was far from thinking that a man by living in a grand house could add to the dignity of his name or to the lustre of his occupation, but it was only consonant with the dignity of a Minister that he should have some private place of abode, and he did not see how any one could disagree with that. It was impossible, when a Minister came to Wellington, for him to find a suitable house, if he had a good-sized family, because, although there were many houses in Wellington that would be suitable for any Minister of the Crown, still these houses were occupied by the owners; and the class of house which it was necessary a Minister should have, if he had an average-sized family, was not obtainable, and the consequence was that Ministers were obliged to submit themselves to the great discomfort of living in hotels. He did not think it was convenient or proper that a Minister should be, for a period of three years, during which he was likely to hold office, put to the inconvenience of living in a hotel, nor did he think it was desirable from any point of view that a Minister should be permanently resident in a hotel. As he had just said, he did not think a man by living in a fine house could add to his dignity or usefulness: on the other hand, he might add

that he did not think that by living in a hotel a man would detract from the dignity of his position. But it seemed to him that, with the business a Minister was obliged to perform, he would not have the necessary privacy in a hotel. He was receiving people, and performing private and semi-official business, at all times of the day when he was not in his office, because they knew, as a matter of fact, that as a Minister he was subject to the incursions of all and sundry. He should therefore have some proper place where he could receive people. Then, coming to the question of expense, he did not think the question of expense should be taken very much into consideration in this case, inasmuch as Ministers had a right to, and were paid, such allowances as would enable them to get a house instead of having one provided for them to live in, and he thought the saving of expense would be very small indeed. Ministers received, he believed, £200 a year lodging-allowance, and if they capitalised the sum of £200 a year it would be evident that a house could be provided for the Minister without inflicting any greater charge on the country than was charged in the £200 a year which was provided for in the lodging-allowance. He thought the comfort in residing in a private house must be infinitely greater than in living in a boardinghouse or in a hotel, and he thought no good reason had been shown why these Ministerial residences should be disposed of. There had been a statement made about the garden being an expense too great for the colony to bear, but that in itself seemed to him a paltry reason to put forward. The question resolved itself into this, then: Did the colony desire that the men who were placed in the foremost position in the colony should live in publichouses? That was what it came to. He could not believe, himself, that it was consonant with the dignity of a Minister that he should have no place of abode other than the small hotels which they had in New Zealand, where there could not be the proper amount of privacy or comfort. He was afraid the House would agree to the selling of these residences, and they would possibly have some vague intimation about not wishing magnificent establishments for the giving of dances, and so forth. He did not think a Minister need have a house of that description, but he asserted it was essential that each Minister should be provided with such accommodation as would enable him to come and live in Wellington during the time he was in office without the sacrifice of his comfort. He would, at any rate, divide the House on the second reading of the Bill.

Sir R. STOUT did not believe in the Government selling this land, and if the present Ministers did not wish to live in these houses they could allow them to be leased for a term of years. He did not think that the Government ought to part with this property. The property might have to be rebought, or other lands bought, and it was always undesirable for a Government to part with lands in a growing city. The Government had already far too

Captain Russell

little land in the City of Wellington, and perhaps in other cities. That was seen a short time ago, when it was found necessary to arrange to get a part of the reclaimed land. And, as there were now only three residences left, and they did not know what requirements they might have in the future, he did not think it wise for the Government to dispose of the residences. He did not say that a Minister should be forced to live in one of these residences if he did not wish to do so: that was altogether a different question. He cordially agreed with the honourable gentleman who had last spoken, that it was undesirable that a Minister should live in a publichouse. It was only in recent years that this had been done, and he thought it was to be regretted. However, if the House wished to dispose of the property, then he had given notice of an amendment on the Supplementary Order Paper that the Tinakori Road residence should be handed over for the new university, as it seemed to him that that would be one of the best means of obtaining a site for a university when a grant was asked for from the House to support higher education in Wellington. Of course, the House had got to face that question in the future, because it was hardly right that the middle district of New Zealand should be without university education, whilst university education was provided in Auckland, Canterbury, and Otago. He thought, however, that the residences should be retained by the Crown; but, if the House did not assent to that, he hoped the suggestion he had made would be agreed to. He did not wish to take up any more time on the question, but he did ask the House to consider well the effect and nature of this Bill; and he also asked those who thought that the State should not part with the freehold of this land not to consent to the State selling this small area of land in the City of Wellington, and not to agree to this Bill being passed.

Mr. DUTHIE said there was one point he would like to urge upon the Premier. If the House had resolved upon parting with these residences, he would remind the Premier that when a deputation waited upon the late Sir Harry Atkinson to ask that the Tinakori Road residence should be set apart for a university he replied promising that their request should receive favourable consideration. Of course, the Premier might say that he was under no obligation to keep the promise of his predecessor; but he thought the fact he had stated should be some indication to the Government that Wellington had a claim to this land for a university site. He hoped the Government would accept the amendment of his honourable colleague (Sir R. Stout). They knew that the area of land still available in the City of Wellington was very limited, and that the demand and price for suitable sites must advance very considerably. There were now but very few acres still available in the city for residence purposes, and in the market, and if at some future time the colony required to purchase residences it would certainly have to pay very high prices for them. He thought it would be

a great mistake to part with these residences; honourable members must recognise that, with the swing of the pendulum, others might succeed the Ministers now in office who might require those residences.

Mr. SEDDON said there had been no good reasons advanced to show why this Bill should not be read a second time. The remarks of the honourable member for Hawke's Bay as to the necessity of Ministers having official residences might apply to the past with some force, but under the new order of things these residences would not be required. Ever since he had been in the House these Ministerial residences had been an expense to the country, and had also been the subject of dispute in the House. There had been returns asked for showing the number of glasses in the house. They had heard about a Minister's wife ordering new curtains, and getting a new carpet when the old one was not worn out; and then, when inventories were being taken, a Minister had to show that a saucepan, perhaps, at the back of the house was unfit for use. He said, when it came to that, it was altogether undesirable. Then, there were the four gardeners, which meant an expense of about £100 a year each.

Captain RUSSELL.—There are not four gardeners for the four residences.

Mr. SEDDON said there were six gardeners altogether. Two were employed constantly at Government House. In addition to that, there were constant repairs needed to the buildings, and if honourable members looked at the estimate they would find that a considerable sum was annually required for repairs. These sums, added to the gardeners' wages, would be saved under the proposed arrangement. There was another matter which had not been referred to—namely, as to the suitability of the residences. He questioned very much whether any of the Ministers would care to go into the Tinakori Road house. It was a huge pile of buildings, and was a most expensive residence; and yet it was not a comfortable residence. It was not a well-selected spot for a Ministerial residence in Wellington. He did not want to decry its value, but he would say that the building was not at all in a good position. It might happen that Ministers who were men of means might be able to keep up such a house as that, but, as for comfort, it was one of the most uncomfortable places that ever a man went into. It had a great barn of a drawing-room, and, for a man with a family, who wanted some nice, comfortable rooms, there were none in that house. Then, as to the residence in Molesworth Street, that was not a proper place for a residence at all. It was right in the heart of a business street: that street would, one day, be a whole line of shops. There was very little land there, the land at the back having been leased for gardening purposes. The building was very old, and required a lot of repairs. Not only that, but the refurnishing and the recarpeting would take a lot of money. It was very

convenient to the House and the Government Buildings: that was the only advantage it had. But for a Ministerial or private residence, or a residence for any one in an official position, it was not at all well suited. Then they came to the question of Ministers living in hotels. There was something in that contention, he admitted; but there was something to be said on the other side, too. When any Minister did his work and attended to his duty he would find, as all Ministers had found, that they were most irregular in going to their meals. One could not fix any time, because just as it came to lunch- or dinner-time deputations of members or others came and saw the Minister. Then there was, perhaps, correspondence and telegrams to send off, and the Minister had to remain behind; and the result was that it was almost impossible to have a regular meal-hour. He was rather surprised to hear the honourable member for Wellington City (Sir R. Stout) make the objection which he did, because when he first knew the honourable gentleman as a Minister, in 1877 or 1878, he met him at the Empire Hotel.

Sir R. STOUT said he was not a Minister in 1877. When he was a Minister he never stayed in any hotel.

Mr. SEDDON said he first met the honourable gentleman at the hotel he had referred to, but probably he was mistaken as to the honourable gentleman being a Minister at the time. The next question was as regarded the promise made by Sir Harry Atkinson to hand over the Tinakori land for university purposes for Wellington. It was a valuable estate, and the question was, whether or not it should be granted for university purposes. Wellington had been well able to look after itself. Two years ago it was granted a very fine endowment. He referred to the Botanic Garden.

An Hon. MEMBER.—It is a recreation endowment.

Mr. SEDDON said it was now, practically, an endowment for the citizens of Wellington. Ministers had been twitted all along for not living in these houses. He might point out that when Ministers did live in the residences returns were constantly being asked for as to the expenditure upon them. When the honourable member for Wellington City (Sir R. Stout) was Premier he must have felt very much hurt indeed at the returns asked for, and at the attacks which the Opposition made on Ministers when Ministers did what they were bound to do for themselves and their families—namely, make themselves comfortable. He had never lived in one of the residences. Any Minister doing so ran the risk of having his private affairs dragged up as he had seen done in other cases. These residences were not suitable. Wellington was growing, and there was sufficient enterprise in the place to meet all the requirements as regarded residences. The Government had promised to bring this matter forward, and they had now done so. He trusted the Bill would be carried.

The House divided.

AYES, 44.

Buddo	Kelly, J. W.	Morrison
Button	Kelly, W.	Parata
Carnell	Lang	Pinkerton
Collins	Larnach	Pirani
Crowther	Lawry	Russell, G. W.
Duncan	Mackintosh	Saunders
Earnshaw	Maslin	Seddon
Flatman	McGowan	Smith, E. M.
Graham	McGuire	Stevens
Guinness	McKenzie, J.	Steward
Hall-Jones	McNab	Ward
Harris	Meredith	Willis.
Hogg	Millar	<i>Tellers.</i>
Houston	Mills	Buick
Joyce	Montgomery	Tanner.

NOES, 11.

Buchanan	Heke	Stout.
Duthie	Mackenzie, T.	<i>Tellers.</i>
Fraser	Massey	Newman
Green	Russell, W. R.	Wilson.

PAIRS.

<i>For.</i>	<i>Against.</i>
Cadman	Mitchelson
Carroll.	Allen.

Majority for, 33.

Bill read a second time.

Bill committed.

IN COMMITTEE.

Clause 2.—Governor may sell lands in First Schedule.

Mr. MILLAR moved, That the words "sold or" be struck out.

The Committee divided on the question, "That the words proposed to be omitted stand part of the question."

AYES, 20.

Buddo	Lawry	Seddon
Carnell	McGowan	Stevens
Hall	McKenzie, J.	Tanner
Harris	McLachlan	Willis.
Hogg	Meredith	<i>Tellers.</i>
Houston	Parata	Graham
Kelly, W.	Reeves	Mills.

NOES, 17.

Buick	Massey	Pirani
Collins	McNab	Russell, G. W.
Earnshaw	Montgomery	Stout.
Fraser	Morrison	<i>Tellers.</i>
Heke	Newman	Lang
Maslin	O'Regan	Millar.

PAIRS.

<i>For.</i>	<i>Against.</i>
Cadman	Hutchison, G.
Carncross	Te Ao
Duncan	Wilson
Flatman	Green
Hall-Jones	Mackenzie, T.
Joyce	Russell, W. R.
Mackintosh	Duthie
Pinkerton	Buchanan
Smith, E. M.	McGuire
Ward.	Allen.

Majority for, 3.

Amendment negatived.

Sir R. STOUT moved the following new clause:—

"The lands described in the Third Schedule are hereby vested in the Middle District of New Zealand University College for university purposes."

Sir R. STOUT moved, That the Chairman leave the chair.

The Committee divided.

AYES, 6.

	<i>Tellers.</i>
Bell	Heke
Earnshaw	Massey.
	Fraser
	Stout.

NOES, 24.

Buddo	McKenzie, J.	Pirani
Carnell	McLachlan	Russell, G. W.
Collins	McNab	Seddon
Graham	Millar	Stevens
Hall	Morrison	Willis.
Harris	O'Regan	<i>Tellers.</i>
Kelly, W.	O'Rorke	Lawry
Lang	Parata	Mills.
McGowan		

PAIRS.

<i>For.</i>	<i>Against.</i>
Allen	Ward
Buchanan	Pinkerton
Duthie	Mackintosh
Green	Flatman
Mackenzie, T.	Hall-Jones
Mitchelson	Cadman
Newman	Reeves
Russell, W. R.	Joyce
Smith, E. M.	McGuire
Te Ao	Carncross
Wilson.	Duncan.

Majority against, 18.

Motion negatived.

First Schedule.

Sir R. STOUT moved to strike out the first paragraph.

The Committee divided on the question, "That the paragraph proposed to be omitted stand part of the schedule."

AYES, 20.

Buddo	McGowan	Pirani
Carnell	McKenzie, J.	Seddon
Collins	McLachlan	Stevens
Graham	Meredith	Willis.
Harris	Morrison	<i>Tellers.</i>
Hogg	O'Regan	Lawry
Kelly, W.	Parata	Mills.

NOES, 10.

	<i>Tellers.</i>
Earnshaw	Lang
Fraser	Massey
Heke	McNab
Hutchison, G.	O'Rorke.
	Bell
	Stout.

PAIRS.

<i>For.</i>	<i>Against.</i>
Cadman	Mitchelson
Carncross	Te Ao
Duncan	Newman
Flatman	Green
Hall-Jones	Mackenzie, T.
Joyce	Russell, W. R.

Mackintosh
McGuire
Pinkerton
Ward.

Duthie
Smith, E. M.
Buchanan
Allen.

Majority for, 10.

Paragraph retained.

Bill reported.

GOVERNMENT ADVANCES TO SETTLERS BILL.

11.0. The following reasons were brought up for disagreeing with the Council's amendments in the Government Advances to Settlers Bill:—

"REASONS for disagreeing with the Amendments made by the Legislative Council in the Government Advances to Settlers Bill.

"(1.) That the amendments made by the Legislative Council in sections 25, 42, and 43, and the expunging of Part II., are an invasion of the undoubted privileges of this House.

"(2.) That the action of the Council is inconsistent with the exclusive control which has ever been exercised by the House of Commons over all financial measures, and this House maintains its right to the like exclusive control.

"(3.) That it is as much beyond the power of the Legislative Council to vary or alter clauses prescribed by the House of Representatives for the management or distribution of money as it is beyond the power of the Council to vary provisions of aid and supply."

Reasons agreed to, and ordered to be transmitted.

HARBOURS BILL.

The following reasons for disagreeing with the amendments made by the Legislative Council in this Bill were brought up, and agreed to:—

"Clause 2: It is submitted that the reduction of the right of overdraft, as made by the Council's amendment, will unduly restrict the financial operations of Harbour Boards, and that the clause has been rendered unnecessarily stringent.

"Clause 4: The expunging of this clause is an infringement of the privileges of the House.

"Clause 6: This clause introduces an innovation in account, as it authorises the Harbour Fund to be applied to purposes foreign to harbour management.

"Clause 9: This unnecessarily increases the representation of County Councils on Harbour Boards.

"Clause 10 is not regarded as necessary, because provided for already under the principal Act."

TRAMWAYS BILL.

Mr. SEDDON, in moving the second reading of this Bill, said it was a consolidation Bill, and also an improvement on the present law in reference to tramways. The measure had been very carefully drawn up. It was moulded upon the Victorian legislation. Originally the law was that the promoters of tramways had to deal directly with the Government, and inci-

dentally the Government consulted the local authorities. This was changed now, and the local authorities would have to be consulted in the first instance by the promoters of tramways, and the Government only dealt with the local authorities. The local authorities, having charge of the streets, were best fitted to see where tramways should go, and how they would best meet the convenience of the public with due safety. It was a matter for the local bodies to deal with direct, and not for the Government as had been formerly the case. He might also say the Bill was necessary because of the change that had taken place in regard to the working of tramways since electric motors were now working satisfactorily, and since there was no legislation to meet the case of an electric tramway: it was therefore necessary that the Bill should pass. It had already passed the Legislative Council, and in its present form, he thought, was an improvement upon existing legislation, and would give satisfaction.

Mr. DUTHIE said this Bill might throw a very great liability on the local bodies in respect to damage that might occur to the waterworks plant. In the City of Wellington they had a high-pressure water-supply, and electric tramways, he was given to understand, might prove injurious to the pipes.

Mr. SEDDON said that if the local authorities objected the Act could not come into force. Formerly the Government used to deal with promoters of the tramway companies, and the local authorities had no control: now it was to be a matter simply between the local authorities and the Government.

Mr. DUTHIE thought it was a very important matter, and that they should take care to see that the waterworks plant was not deteriorated in any way. This point could be dealt with in Committee, but he thought it was only right at this stage of the Bill to direct attention to the objection taken by the local authorities.

Sir R. STOUT said there was another point in connection with tramways that he wished to draw attention to—that was, the following question: Supposing a local authority purchased a tramway, what would it be paying for? In one clause of the Bill it seemed that they would have to pay practically for the good-will, and that, surely, could not be intended. He might say that the City Corporations of Wellington and Dunedin had both drawn attention to that provision in the Bill; and he did not think that if a local body did purchase the tramways it ought to have to pay anything for the good-will. Section 3 said, "'Undertaking' includes the tramway, and all works, cars, rolling-stock, equipment, material and plant, rights, powers, and privileges connected with the tramway." It would appear from that that the good-will was included, and it would be seen that the Corporation had to pay for the undertaking. That being so, it meant they had to pay practically for the good-will, and he did not think that was right. In section 29 of the schedule there was the following provision:—

"Subject to the provisions of this Act, and of any existing lease, the local authority (not being the promoters) may, by notice in writing given to the promoters, require them to sell to the local authority the undertaking; and thereupon the promoters shall sell the undertaking to the local authority. But the following provisions shall apply:—"

And it then went on to provide what were to be the terms, especially if the two parties did not agree. It said,—

"The terms of the sale and purchase of the undertaking shall be such as may be agreed upon between the local authority and the promoters, or, if there be no agreement, or in so far as any agreement, if made, may not extend, the terms shall be the payment of the value of the undertaking."

That would include privileges, and would include good-will, and he therefore desired to point out that this was a Bill which should not be hastily hurried through, as it might, if passed in its present shape, cast upon the local authorities a very great responsibility. He had received letters on the subject from the local authorities, but he had not put any amendment on the Order Paper, as he did not know the Bill was coming on. He thought, however, the Bill should be amended, and provision made to meet the objections he had just mentioned.

Mr. SEDDON said that when the Bill was in Committee he would postpone it if there was any desire to do so.

Mr. MILLAR desired to say that in regard to this measure there was one thing he thought the House should know—that was, that primarily the object of the Bill, he believed, was to allow the Dunedin Tramway Company to get rid of their property. This information had been kept back, and he thought it was well that the House should know something in regard to it before they passed this measure. Under the present arrangements the Dunedin Tramway was the property of the Bank of New Zealand, or virtually so. The bank held a promissory note, payable on demand, for £36,000, upon which the Tramway Company were paying 8 per cent.; and there was also an overdraft of £2,000, for which they paid 9 per cent. Under these conditions it was impossible for that company to pay, and, instead of calling up the uncalled capital of 17s. per share and paying off the bank, thereby enabling the company to pay dividends to its shareholders, it had continued paying the 8 per cent. to the bank; and he supposed the bank would not now wish to get rid of this asset if they were not in want of cash. He was given to understand that a company was being formed in London, and they were going to give £41,000 for the whole concern, and the result of that would be that the Bank of New Zealand would get back £36,000 and the £2,000 overdraft, while the balance of the £41,000 which would be given for the line would go in commissions to the promoters of this new company, the original shareholders not getting anything at all. The only benefit the people would receive

Sir R. Stout

would be the benefit of sending Home some £4,000 or £5,000 in interest to this foreign syndicate. Under the present conditions the Dunedin people were perfectly satisfied with the tramway service, but if this new scheme was allowed to go on it would mean the withdrawal of £10,000 per annum from the town and district. That was the amount spent at present in wages, horse-feed, and horses. Primarily the object of the Bill was to allow the Bank of New Zealand to get rid of this property, and it had been arranged to introduce the measure first of all as a local Bill, but he presumed it had been concluded that it would not get through, and now the result was that it came up as a public Bill. He did not think he would be doing his duty unless he drew attention to the facts of the case, and when in Committee he would move certain amendments.

Mr. SEDDON said he would be perfectly willing, when the Bill was in Committee, to postpone it, and every opportunity would be given to members to make it a good Bill. He might say he had not been aware of what the honourable member for Chalmers had stated, but last session a Bill was introduced because it was impossible, as the law then stood, to allow a tramway company to construct a line without the Government being responsible, and, that being the case, the Government could not give any consent to the scheme asked for in Dunedin. As to the point raised by Sir Robert Stout, in regard to the question of good-will, he thought there was something in it, and that they should make it very clear what a local authority had to pay for if they bought a property. He was quite prepared to make that amendment in Committee. It was necessary that the Bill should be passed, because the electric motors were now the order of the day, and they should study the interests of the travelling public, as well as of the promoters, by giving them every facility in this direction. He did not know that the Bank of New Zealand were the promoters in Dunedin, or what the financial position of the Dunedin Tramway Company was, but they should endeavour to frame the Bill on modern lines, in order to meet the demands and wants of the public.

Bill read a second time.

TONGARIRO NATIONAL PARK BILL.

Mr. J. MCKENZIE said those honourable members who had been in the House during the last five or six years would recollect that this Bill had been before the House on various occasions, and two other Ministers of Lands in office previous to himself had tried to get it made law, but there was always some obstacle interposed by the Natives interested in the land of which it was proposed to make a national park. Last year he had introduced a Bill for the second time, and he had made full arrangements with the Natives in the matter, but at the last moment he could not get the Bill through, owing to the session coming to an end. Since then the Government had purchased the interests of several of those Natives who were

interested in the block, and the interests of the remaining Native owners were now very small indeed. The chief who originally gave a portion of the mountains to the colony as a present had now given a certain area of land; the Government had bought another area; and out of the 62,000 acres which comprised the area proposed to be set aside for a park there was very little left indeed. There were only a few shares belonging to the Natives, and the latter would very soon sell their interests to the Government, and, if they did not sell, the Bill contained full provision to enable the Government to ascertain the value of their interests in the land, and the owners would be compensated by the colony to the full value of any interest they might have. With regard to the desirability of setting aside this land as a national park, he was sure that any one who had seen that portion of the country, and who had seen those mountains, would come to one conclusion as to the advisability of setting aside this area of country,—which he might say was almost useless so far as grazing was concerned, and would admit that it should be set aside as a national park for New Zealand. The beauties of that portion of the country would be preserved for all time to come for the benefit of the people of New Zealand, and they would be thought a good deal of in time to come. This matter was pretty well known to every member of the House, and he therefore moved the second reading, feeling sure honourable members were now satisfied that it should pass.

Mr. HEKE said he had been interviewed by several Natives who claimed to be interested in the lands about Tongariro, and also by the young chief Te Heuheu, in reference to this Bill, and he had informed him that the Minister in charge of the Bill should introduce a preamble setting forth the tract of land that was to be handed over to the Queen.

Mr. J. McKENZIE said that was provided for in Supplementary Order Paper No. 54.

Mr. HEKE would like to call attention to another matter—that was, in reference to the pension which old Te Heuheu was entitled to. He had been given to understand that the desire of young Te Heuheu, who was now living, and who had succeeded his father, was to have his father's pension paid to him. He thought it was only fair that if such a pension did exist in the father's time it should be paid to the young man now.

Mr. SEDDON said if the honourable member would put himself in communication with him he would look into the matter.

Mr. HEKE would take the assurance of the Native Minister in this matter; but he wished also to mention that, in regard to the interests which were held by some of the Natives at the present time, he did not at all like the idea of the Government obtaining those interests by force from the Natives by having a valuation made, and taking away their land altogether.

11.30. When the Natives did not wish to dispose of their interests they should

have the opportunity of making a bargain with the Native Minister or the Minister of Lands in reference to their interests. He believed the Natives who still had interests in the land about there were willing to dispose of them for a certain price. To provide for taking the land away from the Natives under the clauses set forth in the Bill was a monstrous piece of legislation. He did not believe in taking Native land at a valuation, especially if the Natives did not agree to such valuation. Legislation of this nature was entirely inconsistent with the Treaty of Waitangi.

Sir R. STOUT said it did not appear to him that the last paragraph of section 2 was clear enough as to the payment of compensation. The provision made in the Bill was that any land which had not been sold to the Crown the Governor might take possession of under the Public Works Act. This could be amended in Committee, and a provision could be put into the Bill that compensation was to be paid under the Public Works Act of 1894. But there ought to be some clearer provision that when the compensation-money had been fixed the amount should be given to the Natives. The provision was that the Native Land Court should inquire into the rights of the owners and assess the value of their interests; but that would hardly be sufficient, because under the Public Works Act the person who made a claim had the right to appoint an Assessor, and the Crown appointed another Assessor, and they came to a decision. He did not see why the value should not be determined under the Public Works Act of 1894. Then, let the Native Land Court determine what was to become of the money. He would suggest, therefore, that the Bill should not be committed until the following day, and that provision should be made for the two things he mentioned: first, that compensation should be fixed under the Public Works Act of 1894; and second, that the Native Land Court should determine who were entitled to it. He quite agreed with what had been said as to the necessity for the colony to acquire this land as a public park, and he was exceedingly glad that the purchase had been gone on with; but they must see justice done to the Natives, and justice would not be done except in the way he pointed out.

Mr. J. McKENZIE said there was no desire whatever to do anything wrong to any Natives who had an interest in the country. The object in putting the Chief Judge of the Native Land Court in the Bill was, as the honourable gentleman stated, to find out who was the right owner, and who was entitled to be paid compensation for the land. The Government thought the Chief Judge was the proper person for that purpose. He (Mr. McKenzie) had no objection whatever to amending the Bill in the direction the honourable gentleman suggested, so as to facilitate its passage. In regard to the question raised by the honourable member for the Northern Maori District, that honourable member would see that on the Supplementary Order Paper he had provided

a preamble which the honourable gentleman would no doubt find satisfactory.

Bill read a second time.

LITTLE BARRIER ISLAND PURCHASE BILL.

Mr. J. MCKENZIE, in moving the second reading of this Bill, said it gave the Government power to complete the purchase of Little Barrier Island. They had already purchased a portion, but a few interests were still left belonging to Natives, and it was desired to provide that the owners should get paid for whatever interests they might have. Negotiations were going on at the present time for the purchase of the remaining portion of the land. The Bill was to facilitate their getting possession of any share they might not be able to buy under the ordinary system of obtaining land from the Natives until next year.

Mr. HEKE thought the provisions of the Bill were altogether out of reason, and were very unfair to the Natives who still held their interest and did not wish to dispose of it at the price offered by the Government. The preamble of the Bill set forth that a certain document had been signed by three owners on behalf of their fellow-owners. He understood, by a telegram which he had received from one of the leading chiefs, that he was deceived when he was called upon to sign that document. He understood, when the document was placed before him to sign, that he was to receive £3,000 for his interest alone. He now found out that he was to assign all the interests of his fellow-owners for the £3,000. The chief informed him that he had a copy of that document, and he (Mr. Heke) had wired to the Native to forward him all the documents he had with reference to the purchase of the Little Barrier. He would move, That after the Bill is read a second time it be referred to the Native Affairs Committee.

Sir R. STOUT said he had also received a communication from Tenetahi to the same effect the honourable gentleman had spoken of. He said the signature to the conveyance was obtained from him by the Government on the distinct understanding in writing that he was to have the whole of the purchase-money paid to him. He did not know, of course, what the agreement was between the Land Purchase Office and the Native, but he felt there must be some misunderstanding, as he did not think any such officer would wish to do an injustice. The Native, however, said if the Bill passed as at present it would do him considerable injury. He thought, therefore, the Bill might be referred to the Native Affairs Committee, and if the documents were not received from the Native they might obtain a copy from the department. As to the island itself, he quite agreed that it ought, if possible, to be secured by the Government. He believed it was of very little use to the Natives, and it should be secured for the purpose of preserving native birds from molestation by Europeans.

Mr. CARROLL was understood to say that it was a most important thing for the colony

Mr. J. McKensie

that the island should be acquired. He hardly thought it was fair that Tenetahi should insist on the whole of the purchase-money being given to him, as the others who had interests in the land should get their shares. He thought, under the circumstances, that the suggestion made by the honourable member for the Northern Maori District and the honourable member for Wellington City (Sir R. Stout) was a good one—namely, that the Bill should be referred to the Native Affairs Committee.

Mr. MITCHELSON said that last year he presented a petition in connection with this very island, and the petitioner then asked that the Government should either purchase the island from Tenetahi and his co-owners, or allow the Native Land Court to cut off the shares of those who declined to sell. He (Mr. Mitchelson) himself disagreed entirely with that request. This island the Government ought to acquire; but he thought, at the same time, if the whole of the Native owners had signed an agreement to accept £3,000 in full compensation for the whole of the island, they should be compelled to abide by that agreement. The only question was, what the value of the interest of Tenetahi and those who declined to receive their share of the £3,000 amounted to, and if these Natives had only an equal right with those who had received their share of the money. If that was so, then those Natives who now objected to the passage of the Bill had no case. He quite agreed with the suggestion that the Bill should be referred to the Native Affairs Committee.

Bill read a second time.

WATER-SUPPLY BILL.

This Bill was read a second time and committed.

IN COMMITTEE.

Mr. BELL moved to insert the following new clause:—

"A certificate under the seal of the County Council or Water-supply Board of the amount of the preliminary expenses and liabilities incurred, as mentioned in the last-preceding section, shall be conclusive evidence that such amount has been so incurred."

Clause agreed to.

Bill reported, and read a third time.

STAMP BILL.

This Bill was read a second time and committed.

IN COMMITTEE.

Clause 5.—Stamp duty on certain deeds of assignment.

Mr. WARD moved, That the words "five pounds" be struck out, with a view of inserting "two pounds ten shillings."

The Committee divided on the question, "That the words proposed to be struck out stand part of the clause."

AYES, 6.

McGowan
Millar

Montgomery
Morrison.

Tellers.
Kelly, J. W.
Pirani.

NOES, 38.

Allen	Hogg	O'Regan
Bell	Kelly, W.	Parata
Buddo	Lang	Reeves
Buick	Larnach	Russell, G. W.
Carnell	Mackenzie, T.	Seddon
Carroll	Maslin	Stevens
Collins	Massey	Stout
Earnshaw	McKenzie, J.	Tanner
Graham	McLachlan	Ward
Hall	McNab	Willis.
Hall-Jones	Meredith	<i>Tellers.</i>
Harris	Mitchelson	Lawry
Heke	Newman	Mills.

PAIRS.

<i>For.</i>	<i>Against.</i>
Buchanan	Pinkerton
Duthie	Mackintosh
Green	Flatman
Russell, W. R.	Joyce
Te Ao	Carncross
Wilson.	Duncan.

Majority against, 32.

Words struck out.

Words "two pounds ten shillings" inserted.

Bill reported, and read a third time.

The House adjourned at five minutes to two o'clock a.m.

LEGISLATIVE COUNCIL.

Friday, 12th October, 1894.

First Readings—Second Readings—Privileges of the Council—Government Railways Bill—Rating on Unimproved Value Bill—Shops and Shop-assistants Bill.

The Hon. the SPEAKER took the chair at half-past two o'clock p.m.

PRAYERS.

FIRST READINGS.

Trustees Bill, Stamp Bill, Water-supply Bill, Abattoirs and Slaughterhouses Bill.

SECOND READINGS.

Mining Companies Bill, Dairy Industry Bill.

PRIVILEGES OF THE COUNCIL.

On the motion of the Hon. Mr. BOWEN, the following gentlemen were appointed a Committee to draw up reasons for the Council adhering to its amendments in the Advances to Settlers Bill: The Hon. Mr. Stewart, the Hon. Mr. MacGregor, the Hon. Mr. Ormond, the Hon. Mr. Bonar, and the mover.

The Hon. Mr. MONTGOMERY moved, formally, *That the Council do not insist on its amendments in the Harbours Bill*; but might say that there was a question of privilege in this case also, and that it should be referred to the same Committee as that on the previous Bill.

The Hon. Mr. STEVENS said it was beyond his comprehension how the amendment made by the Council in clause 4 of this Bill could be

regarded as a breach of the privileges of the other Chamber; nor did he see that this case stood on the same level as the question involved in the other three Bills amended by the Council. This was a separate clause introduced into the Bill, and it had been the intention of the Council to expunge the clause for the purpose of having a local Bill introduced to meet the case of the Otago Harbour Board. That it was now to be considered an invasion of the privileges of the House of Representatives was really more than they should be called upon to believe. What the Council had done was entirely in the interests of the Otago Harbour Board, and to enable them to retain possession of their own finances and administration. He should strongly deprecate this being brought into the same category as the three other Bills which were supposed to be the subject of a Conference at the present time.

The Hon. Mr. OLIVER said clause 4, to which allusion had been made, simply permitted all the Harbour Boards to charge such tonnage rates as they might think fit without any limitation whatever, and the Council very properly took exception to granting such unlimited power to the whole of the Harbour Boards in the colony. How this could be construed into a breach of the privileges of another branch of the Legislature it was difficult to imagine. He thought the Council should resolutely insist on its power. He thought the Bill should be sacrificed rather than they should give way.

The Hon. Mr. MACGREGOR said the language used in the reason that had been assigned for dissenting from the amendment made by the Legislative Council in this Bill was certainly such as to cause the Council to very carefully guard against any attempt to encroach upon its power. The contention now set up with regard to clause 4 was certainly very remarkable, and it was an encroachment on the power of the Council which he was sure the Council would very firmly resist. The clause, as it stood in the Bill, was entirely distinct from the other clauses in that Bill. It was, in fact, an entirely separate and distinct enactment. Very little importance might be attached to the clause as it stood; but the principle involved, as to the power of the Council, was certainly as important as that involved in any of the other Bills. The principle seemed to be this on the part of the House of Representatives: that, inasmuch as this clause dealt in some sense with rates, taxes, and dues, therefore the Council had no power to touch it; and the position seemed to him to be that, this clause being an entirely distinct and separate enactment, there could be no question that the Council had constitutional power, if not to amend it, at all events to strike it out. To give way on this point would be an admission on the part of the Council that it had not that power. He thought there could be no question as to the power of the Council to strike out a clause of this character, though it might be open to question whether the Council had power to amend it. There could be no question that, if

the clause was in the proper sense a money clause, then it should not appear in a Bill which was not a money Bill. If it were held that the Council could not strike it out, then he apprehended there would be no alternative but to lay aside the Bill altogether. However, the principle involved was so important that he was quite sure the Council would take a firm stand upon it.

The Hon. Sir P. A. BUCKLEY was bound to say that he agreed with what had fallen from his honourable friend the last speaker, and he could not help thinking that the reason given by the House of Representatives was a childish and frivolous one. It seemed to him that the proper and constitutional course would be to bring this matter to a Conference. This reminded him very much of some dissertation he had read some time ago about the reason why a witness should not be allowed to be called against the Crown. The reason was that, by directing a witness to be brought to give evidence against the Crown, the Crown was insulted. It seemed to him that if every question like this was to be considered a question of the privileges of the other House the sooner the position of the Council was defined the better; and the sooner all these matters went to a Conference, upon which they would probably have some of their most experienced men, the better. No doubt they would meet some of the most experienced men in the House of Representatives; and the sooner the matter was threshed out the better. He thought, if the Council negatived this motion, his honourable friend could then move that the matter be referred to a Conference.

The Hon. Mr. MONTGOMERY entirely agreed with what had fallen from his honourable friend and colleague. When he formally made the motion, he expected that it would be rejected, and he would have been disappointed if it had not been. He thought the best way to decide the question would be for this Committee of very experienced men to meet with a similar Committee of also experienced men from the other Chamber at a Conference. That would probably settle this question of privilege. Therefore he hoped that his honourable friend would move that the Council adhere to the Bill, and disagree with the other Chamber, and that Managers would be appointed. He hoped no time would be lost.

The Hon. Mr. BONAR hoped the Council would negative the motion before it, and that every member of the Council would see that this was so important a matter that it should be dealt with at once. It simply amounted to this: that they had to ascertain now where they were, and whether the Council was a constituent part of the Government of the country or not.

The Hon. Mr. KELLY had no doubt that the proper way to settle the matter was by a Conference; but the larger question of the privileges of the Council with respect to amending money clauses opened a very much wider question, which a Conference would not settle. Such questions he thought could best be settled

Hon. Mr. MacGregor

by a Joint Committee of both Houses, to decide what were the privileges of the Council, and to make their own precedents, instead of having to look up the precedents of England and other places in these matters when the questions at issue were not exactly parallel. A Committee of that sort could fix the relative positions of both Chambers at the beginning of a session, when people were more inclined to view matters in a judicial spirit, and any agreement come to could then be embodied in a Bill, with the view of narrowing these privilege disputes with the House.

Motion, "That the Council do not insist on its amendments," negatived.

The Hon. Mr. BOWEN moved, *That the same members be appointed to draw up reasons for insisting on the amendments of the Council as were appointed in connection with the Advances to Settlers Bill.*

Agreed to.

On the motion of the Hon. Mr. BOWEN, the same five members were appointed Managers of a Conference on the Land for Settlements Bill.

Subsequently, the Hon. Mr. BOWEN brought up the following reasons assigned by the Legislative Council for insisting on its amendments in the Government Advances to Settlers Bill:—

"That the Council does not admit that the sections in which amendments have been made deal with supply, aid, or appropriation; and that therefore the Council has not exceeded the legitimate limits of its action."

Reasons agreed to.

The Hon. Mr. BOWEN also brought up the following reasons assigned by the Legislative Council for insisting on its amendments in the Harbours Bill:—

"Clause 2: That it is not advisable to allow an overdraft over one-half of the ordinary annual income.

"Clause 4: That the striking-out of this clause does not exceed the legitimate functions of the Council.

"Clause 8: That this clause is necessary in the interests of the Harbour Board.

"Clause 9: That this clause is not intended to increase the number of members of the Board.

"Clause 10: That the necessity for this clause is open for discussion."

Reasons agreed to.

Subsequently, a message was received from the House of Representatives requesting a Conference with the House of Representatives on the Harbours Bill and the Government Advances to Settlers Bill.

The Hon. Mr. BOWEN moved, *That the same honourable members be appointed Managers at the Conference on behalf of the Council as were appointed to draw up the reasons.*

Motion agreed to.

GOVERNMENT RAILWAYS BILL.

ADJOURNED DEBATE.

The Hon. Sir P. A. BUCKLEY.—I would ask the consent of my honourable and learned friend Mr. MacGregor, and the leave of the Council, to make an explanation with regard

to this matter which will probably settle the question. I stated yesterday that any hostile action on the part of this Council would tend to kill this Bill. I thought there was authority for that, but I could not lay my hands on it at the time. In 1892 some similar course to that suggested yesterday took place. I find, on reference to the Journals of the Council, that on the Mining Companies Bill the Council proceeded to the consideration of this amendment proposed by His Excellency the Governor:—

“Notwithstanding anything contained in the said Act, any company now or hereafter incorporated under the said Act may at any time sell all or any part of its property without winding up such company: Provided always that no such sale shall be valid which has not been previously sanctioned by resolution adopted by a majority in number and value of the shareholders of the company present at an extraordinary meeting of the company specially convened for the purpose of considering such resolution: Provided further that no such sale shall take place unless previously authorised by the Warden of the district after such notice to creditors has been given as he shall prescribe, and the objections, if any, to such sale, if any, have been considered by such Warden.”

This was ordered to be considered presently, and on the same date—the 8th October—the Council proceeded to the further consideration of the amendment, with regard to which the following record appears in the Journals:—

“And the question being put, That the said amendment be agreed to, it passed in the negative.”

Then, on the 11th of October, the question was again brought under the consideration of the Council; and on my own motion the Council agreed to an inspection of the Journals of the Council by a Committee appointed by the House of Representatives. The position is this: that, inasmuch as we disagreed with the amendment of the House of Representatives, the Bill was practically laid aside here, and the House sent a Search Committee to examine the Journals of the Council, which, I believe, is the proper course to take. Thereupon the House sent up the Bill in the manner in which it was amended by the Council, and that practically killed the first Bill. So that I was perfectly right in what I stated yesterday. By the amendment which is proposed now it is not intended—and I do not think any one who has read the Bill carefully can say otherwise—in any way to affect the rights of any person other than the rights which he had when he entered the service of the Commissioners. I believe that will be the opinion of every one who carefully reads the Bill. That is all that is asked for in the Bill as it is amended. When it came down first it would rather have tended to injure these people. I am afraid, if this amendment is insisted upon, at least, if it is not intended to agree to this amendment of the Government, that the Bill will practically be lost; and after all the trouble and labour which we have had in the matter it would be a pity to take such a course as that. I say that for this reason: that

the usual course would be in another place to send up this Bill by carrying it through all its stages in one day, but in the present state of the House, and the desire there is to get on with other business, I very much question whether this Bill would ever see this Chamber again during the present session. Then we should be probably in a state of great confusion. The notion has got into the minds of some honourable members that justice has not been done to two members of the Railway Commission, whose names have been mentioned from time to time. I have in my hand vouchers and receipts as follow: Mr. Hannay, £715; Mr. Maxwell, £1,246. These are vouchers showing payment in full of all claims against the railway service.

The Hon. Mr. OLIVER.—What is the date?

The Hon. Sir P. A. BUCKLEY.—The date of the vouchers is the 23rd January, 1894. The audit itself has settled this question, and there are the vouchers. With this explanation I hope the Council will agree to the amendments which the Governor has forwarded to the House of Representatives.

The Hon. Mr. MACGREGOR.—There seems good reason for thinking that the Attorney-General was correct in the statement which he made yesterday as to the effect that any amendment made by the Council in the Governor's message would have upon the Bill. Apparently the effect would be that the Bill would, as it were, fall between two stools, and that the whole process would have to be gone over again of introducing a new Bill into the House of Representatives with such amendments as might be supposed to meet the views of the Council. The position seems to be this: The Bill as it was passed by the Council was, no doubt, intended to place the servants of the Railway Commissioners in the same position as if they had all along been Civil servants—that is, during the period in which they have been servants of the Commissioners. As was pointed out yesterday by the Hon. Mr. Whyte, the words used are not sufficient to carry out that intention. And the position would be this: that if the Bill were allowed to remain as it now is these servants would be held to be in the same position that they were in before they entered the service of the Commissioners—not the position they are in now after they have served the Commissioners for five or six years. The amendment proposed in the Governor's message is undoubtedly calculated to do these Civil servants more justice than the words of subclause (3), clause 4, would do. But, on the other hand, it seems to me, and, I think, to many other members of the Council, that this amendment does not do such a measure of justice to these servants as should be done for them. Since, however, there seems very good reason for thinking that any amendments to the Governor's message would have the effect, as the Attorney-General says, of killing the Bill, perhaps the best course for the Council to adopt at this late stage of the session would be to accept the Governor's message as it stands. I am bound to say, however, that to my mind

the amendment of the Governor does not do justice to these servants, such as they have a right to expect, and, if there is a possibility of a new Bill being brought up from the other House and being passed this session, carrying out the views of the Council in this respect, then I am inclined to think that that would be the best course to adopt; but if that cannot be done there is no doubt that it would be better for the officers themselves that we should accept the amendments of the Governor than to allow the Bill to remain as it now stands.

The Hon. Mr. PHARAZYN.—I think the honourable gentleman might very fairly pledge himself on behalf of the Government that, in the event of its being found in the future that an injustice had been done to these persons, the matter would be rectified next session.

The Hon. Sir P. A. BUCKLEY.—Hear, hear.

The Hon. Mr. PHARAZYN.—I think that might set at rest the difficulty which there is in reference to the questions. I shall be perfectly satisfied myself if the honourable gentleman will agree to that.

The Hon. Mr. RICHARDSON.—I was just about to make the very suggestion which has been made by the Hon. Mr. Pharazyn. As far as I understood the course of debate yesterday, the reference to injustice to certain officers was not as to the claims of two of the Railway Commissioners, but as to some few of the junior officers of the department who were in the Public Works Department, and who were transferred to the Railway Department, and now are going back to the Government. If the honourable gentleman will give such a pledge as has been indicated I think the Council might accept the amendments.

The Hon. Mr. McLEAN.—There is a necessity for an alteration in the Governor's message, and not all on one side. I quite admit that it would be awkward to lay the Bill aside; but it seems to me there is an easy way out of the difficulty by getting a pledge from the Attorney-General that he will bring down another Governor's message amending this if we can decide on what we want, and then we can let the amendment go. The grievances complained of should, in the interests of the railway service, be adjusted. There was an Act passed here which gave compensation of a month's payment for every year's service; but up to the present time I have always been under the idea that this was only given up to twelve months. That was taken from a resolution passed by the Otago Provincial Council. I find, however, on further consideration, it does not stop at twelve months. It is another month's pay for every year's service, no matter how long the service may be.

The Hon. Sir P. A. BUCKLEY.—Is that in the Civil Service Act?

The Hon. Mr. McLEAN.—In the Act of 1887 I find that somehow it slipped through that a man can retire from the service when he pleases, and claim his compensation. I do not think that is a right thing to have in it, and it needs amendment. It would be a good thing

if we could come to an agreement as to how to amend the Governor's message, and the Attorney-General could say whether we could let this one pass. I believe, so far as the message is concerned, that it does as much harm as it does good, and it continues that very thing I spoke of, which is not desirable—namely, that every man can resign from the service and claim compensation. I do not think that is a right provision at all. One side desires that we should do justice, and put these men all on the same footing as they were on before the Commissioners were appointed. That is quite right. We are also anxious to get the other point agreed to. I would suggest that we should consider this in Committee, and try to come to a conclusion satisfactory to both sides. This message can only affect, I believe, some three men; and there is a way of getting out of that difficulty, by amending the Bill by striking out subsection (5). That would remove the difficulty with regard to those specially privileged by the Bill.

The Hon. Mr. KELLY.—There is no information before us of the effect of the proposal to amend the Governor's message. I do not think it desirable to delay the Bill. What does the Council know about this case? We do not know how many men are affected. The Government appear to be doing the best they possibly can for those officers who were formerly members of the Civil Service. We do not know who these men are, or the special nature of their alleged grievances. I think, in the meantime, if there are any cases of hardship involved in the change in the management of the railways, they should be remedied by a special measure next session. Justice should be done where required, but we should not give privileges to people not entitled to them.

The Hon. W. DOWNIE STEWART.—Those who were Civil servants before the Railways Act was passed in 1887 came under the Railway Commissioners, and it is now proposed to continue them, but there is no provision for those who entered the service after the railways went into the hands of the Commissioners. If we amended the amendments, and the House agreed to our amendments, the Bill would be carried through. There would be no difficulty about that; but if the Council's amendments are sent down again by the Governor we can have a Conference upon them. We can send down the message with our amendments. I should like to know whether I am right in my contention that we can send down to the House a message with amendments.

The Hon. the SPEAKER.—Certainly we can. There is a case in point in an Act passed in 1872, when amendments proposed in a Governor's message were amended in the House, and sent on here. Consequently it can be done, *vice versa*.

The Hon. Sir P. A. BUCKLEY.—It was not amended here. The position was that, after amendment was made, a search was made by the other Chamber to find out what became of the Bill. The Bill was practically laid aside here, and they sent up another Bill. That is

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an entirely different thing from the House amending a Governor's message. Supposing a message came here for the first time, I have no doubt it could be amended, but, it having been sent down to the House, the case was different. I have been asked to give a pledge to honourable members with regard to this matter. I can only say that the Government have every desire to be just, and no desire to do anything but justice, and this section has been framed specially for the purpose of placing these people in a fair position. If there is any expression of opinion to the effect that any injustice has been done to them, I shall urge upon my colleagues that justice should be done, and I am quite sure that it will be. I cannot make any other pledge than that. The Act does not come into operation until next year, and in the meantime things will go on as they are now, so that there is not likely to be any injustice done. If we have any expression to the contrary here, I should be one of the first to remedy the injustice as quickly as possible. I hope the Council will now allow the Bill to pass.

The Hon. W. DOWDIE STEWART.—We can send a message down to the House, and they can agree to the amendments.

The Hon. Sir P. A. BUCKLEY.—We cannot amend it.

The Hon. the SPEAKER.—The Council can amend the Governor's message, and the House can amend it again. Standing Order 319 leaves no doubt about the power of the Council.

The Hon. Sir P. A. BUCKLEY.—The point was this: After having amended the Bill here, after the assurance I have given to the Council that no injustice shall happen in the meantime, I think the Bill should be allowed to proceed.

The Hon. Mr. McLEAN.—I think it would be far better to get the Bill into such a condition as to do justice to those who think they may suffer injustice, and also to look at the other side of the matter. I suggest that we should let the amendment proposed in the message go to Committee. Evidently the amendment proposed in the message does not carry out the object the Government intend. Let it go to Committee, and let them agree, and then let another message be brought down.

The Hon. Mr. BOLT.—Before putting the question I should like to say this: I think we generally understand that the clause as it now stands does an injustice to a number of men, and that if it does pass it is with the understanding that legislation shall take place next year to remedy that. I have received telegrams from people affected who feel that it would be doing great injustice, and I think we should have a clear understanding that the Bill shall be amended at some future time.

The Hon. Mr. SWANSON.—It is provided that an amendment proposed by a Governor's message should be read a first time, and also a second time. If amended by the Council it is to be forwarded to the House for its concurrence.

The Hon. Mr. REYNOLDS.—I move, *That the debate be adjourned*, in order to enable honourable members to come to a decision. I have had telegrams from influential people complaining of the injustice done in the department, and I think we should adjourn the debate, and take it up again on Monday.

The Hon. Sir P. A. BUCKLEY.—I trust the adjournment will not take place. I shall not be a party to any such thing. I know there is no intention on the part of the Government to do any injustice. If there is anything required to be done by way of legislation for these people I will do all that I can to set it right.

The Hon. Mr. MANTELL.—I do not think we should adjourn the debate. We shall not get any clearer about it. I have sought information from those people best able to give it, and I think the best and fairest thing to do would be to pass the Governor's amendment as it comes to us. The Bill contains far more important matters than a few possible acts of injustice to some of these people, and we have the assurance of the Attorney-General that if any injustice is done the earliest opportunity will be taken to remedy it. I am sure we could not do better than accept the Governor's message.

Motion agreed to.

RATING ON UNIMPROVED VALUE BILL.

ADJOURNED DEBATE.

The Hon. Mr. McLEAN.—I am not going to detain the Council long. I say, theoretically, this Bill is a splendid Bill, but practically I do not think it is wanted in New Zealand. Without saying anything further, I will say I am inclined to vote against it.

The Hon. Mr. BONAR.—Without following the other arguments in connection with the theories propounded recently, I think from a practical point of view this Bill is not desirable. Let us take the figures given by both sides. There are something like a hundred and twenty-two millions' worth of property which now pays taxation. If this Bill is carried into effect it relieves forty-six and a half millions from paying taxation, and that taxation would be bound to fall on the seventy-six millions: that is looking at the thing from a pounds-shillings-and-pence point of view, which is a very just way to look at it—that is, from the point of view of the ratepayer. I do not think it is desirable that the rates from a hundred and twenty-two millions should fall on the reduced amount of seventy-six and a half millions, especially as the rates on forty-six and a half millions are passed on to those people who are least able to make improvements, and who receive less revenue from improvements. I say, if we are going to relieve these people from taxation, we are imposing a heavy burden upon those men who have not the money to make improvements. We are told that this is to affect unimproved sections. I reply that if these sections were worth the money to induce the people to improve them it would be different. Therefore I shall oppose the Bill.

The Hon. Mr. MONTGOMERY.—The object of this Bill was to impose what the Government thought fair and reasonable rating. In towns and suburbs the unimproved land has escaped without paying its due share of rates. Take an instance where a man has bought a section worth £100, and has put a building upon it, and another man has bought a section adjoining worth £100, but has spent nothing upon it—very probably is not living in the country, and has not paid anything to the general taxation. Under present circumstances the latter's property, through the improvements made by those who have occupied their sections beneficially for themselves and for the country, has risen to be worth perhaps £2,000. I myself have known instances of that. The question is, Should this land which has been held for speculative purposes escape necessary taxation? It is held that this man should either have occupied this land himself or sold it to others who would have improved it. It is very evident that men who bought land many years ago are now absentees, and have no right to escape fair taxation. It has been said that this Bill would force these men either to improve or to sell their land. That is not the object of the Bill, but if this result flows from it I think it would be a good one. If those people who own land unoccupied in towns and suburbs would either sell it or improve it they would be doing good. Honourable members will remember what action I took on a similar Bill to this last year. My honourable friend Mr. McLean said, I think, last year that the Bill then before the Council obliged the rates to be levied on unimproved lands, and he added, "Why not allow the people in the localities to decide themselves?" Well, this Bill exactly does that. It does not say that they must rate on the unimproved value and in no other way, but it says that the matter shall be left to the ratepayers. And I would draw the attention of the Council to the fact that it does not give power to a mere majority of the ratepayers in town districts to alone settle the question. I trust the Council will allow this Bill to go into Committee, and will not reject the second reading. With these remarks, I say again, I think the Bill is a good and necessary one, as it allows the people themselves to decide the matter of rating, and I think it is an injustice that they should not be allowed to do so.

The Council divided on the question, "That the word 'now,' proposed to be omitted, stand part of the question."

AYES, 12.

Barnicoat	Kelly	Montgomery
Bolt	Kerr	Rigg
Buckley	MacGregor	Stewart
Feldwick	McCullough	Whitmore.

NOES, 14.

Acland	Oliver	Stevens
Bonar	Ormond	Swanson
Bowen	Peacock	Walker, L.
Dignan	Pharazyn	Williams.
McLean	Richardson	

PAIRS.

For.	Against.
Jenkinson	Reynolds
Jennings.	Shrimski.

Majority against, 2.

Amendment, "That the Bill be read the second time this day six months," agreed to.

SHOPS AND SHOP-ASSISTANTS BILL.

The Hon. Mr. FELDWICK wished to explain that in *Hansard* of the 25th September he was represented as having paired with the Hon. Mr. McLean against the Shops and Shop-assistants Bill, whereas he had paired in favour of it.

The Council adjourned at ten minutes to five o'clock p.m.

HOUSE OF REPRESENTATIVES.

Friday, 12th October, 1894.

First Reading—Ballance Monument—San Francisco Mail-service—Railway Bridges—Harbours Bill—Government Advances to Settlers Bill—Unclaimed Lands Bill—Sea-fisheries Bill—Workmen's Wages Bill—Public Works Statement—Supply.

Mr. SPEAKER took the chair at half-past eleven o'clock a.m.

PRAYERS.

FIRST READING.

Post and Telegraph Department Bill.

BALLANCE MONUMENT.

Mr. SEDDON said a request had been made to the Government by the Ballance Memorial Committee that their monument to the memory of the late Hon. J. Ballance might be placed in the parliamentary grounds. While, personally, he was desirous of paying every honour that could be paid to the memory of his late chief—and he felt that in saying this he was also speaking for members of both branches of the Legislature, who desired to do his memory that honour which was its due—he could not take upon himself the responsibility of saying that the monument should be placed in the parliamentary grounds. It was a matter which should be decided by the House Committee, which was representative of both Chambers. That was the best Committee to deal with the matter, and he therefore moved the resolution.

Motion made, and question proposed, "That the request of the Ballance Memorial Committee, with reference to the erection of the Ballance monument in the Parliamentary grounds, be referred for consideration by the Joint House Committee."—(Mr. Seddon.)

Mr. REEVES had only one word to say on this matter, and he most sincerely trusted that the House Committee, when it considered the question, would take the advice of some competent artistic critic or critics as to the character of the monument that it was proposed

to erect, before deciding whether it should be placed in the parliamentary grounds. He was not prepared to give a description of the monument, but he might say it was not a statue. If a well-deserved honour was to be paid to any of our statesmen by a monument to their memory being placed in the grounds of the Parliament Buildings for ever, the Committee should, before granting permission, see that the work was one which would satisfy the artistic sense of all beholders. He did not think the matter was at all an unimportant one, and he sincerely trusted the House Committee would accept the suggestion he had made.

Captain RUSSELL cordially agreed with everything the Minister of Education had said upon this matter. It was one of very great importance, and they should see to it that only a statue or monument of a remarkable character should be placed in the parliamentary grounds; and unless they knew what the monument was to be they would be very unwise to give their consent to place it in any position in which it might not do credit to its surroundings.

Sir R. STOUT thought it would have been far better to have a resolution come to by the House, without referring it to the House Committee, as he did not know what qualification the Joint Committee had with regard to judging as to the artistic character of a monument. It also seemed to him that it was not likely the design, having been accepted, could now be altered. It seemed to him like an indication to the House Committee to throw the resolution out, and he therefore regretted that a motion had not been moved that the permission of this House should be given to the monument being erected, a similar motion to be made in the Legislative Council.

Mr. SEDDON said his only object in putting the motion was that both branches of the Legislature might have an opportunity of obtaining evidence on the matter, and when the report came down both Houses would have an opportunity of passing a resolution in accordance with the nature of the report. His desire was that they should obtain evidence as to the nature of the monument, and that they should see that it was such a one as would do honour to all concerned.

Motion agreed to.

SAN FRANCISCO MAIL-SERVICE.

12.0. The House went into Committee of the whole to consider resolutions relating to the San Francisco mail-service.

Mr. WARD moved the following resolutions:—

1. That this House empowers the Government to arrange for a renewal of the San Francisco mail-service for a period of three years.

2. That the basis of the payment for conveyance of mails from New Zealand shall be at a rate of 11s. per pound on the net weight of the letters conveyed.

3. That all payments or contributions from Great Britain or other countries shall be receivable by the contractors, the colony's direct

liability to be for payment of its outward letters only.

4. That at least one New Zealand steamer in three shall be employed.

5. That the time between San Francisco and New Zealand shall not exceed twenty days. The port of call in the colony to be Auckland or Wellington, at the option of the contractors. No bonus to be paid for early arrival, and penalties, at the rate of £4 an hour, to be enforced only when late delivery exceeds forty-eight hours.

6. That all the provisions of the existing agreement, where not at variance with the foregoing provisions, shall be applicable to any new contract made under this authority.

He would like to inform the House what the position of this matter was. The proposals now submitted were almost identical with the resolutions passed by the House in 1891. The only difference was that in the present case the contractors were not fixed. In the last case the resolutions were to the effect that arrangements should be entered into with the existing contractors for the renewal of the service on the terms named in the resolutions; but, as he had said, in the present case no contractors were named. He might say that negotiations would be opened up with the existing contractors, but it was thought desirable that no contractors should be named in the resolutions. He merely wished to point out to the House that of late the service had been conducted on entirely different lines from what it formerly obtained. Payments were now made upon the actual mail-matter carried. He might inform the House that the total net cost to the colony last year of the service between San Francisco and New Zealand was £7,929. The contribution by the United States amounted to £12,000, and that was the highest amount they were permitted by law to pay. The average time by the service from Auckland to London last year was 33-15 days, and from London 33-28 days. It was the fastest service, both ways, that the colony was able to obtain. The service was being conducted, so far as this colony was concerned, strictly on business lines. They paid only on what was carried. If the amount of matter carried happened to fall off, the amount of payment would be reduced accordingly. The Intercolonial Postal Conference, which recently met at Wellington, passed a resolution unanimously, stating that it was desirable to continue this service. In the ordinary course the other colonies would contribute to the service, as they had done formerly, for the mail-matter carried on their behalf—except New South Wales, which made a fixed payment of £4,000 a year. There was no bonus allowed for early delivery of mails, and it was provided that a fine of £4 per hour should be imposed in the case of the boats being forty-eight hours or more beyond contract time. He might state that the service could be materially hastened provided that a better class of steamers was put on between San Francisco and New Zealand. But, from information which he had obtained, he would further add that a factor

service could only be obtained by making a contract for a much longer period than that proposed in these resolutions, and increasing the amount now proposed to be paid. It was improbable, therefore, that a better class of steamers would be obtained for some time to come. If there was any point in regard to which the House required further information he would be very glad to furnish it. He begged to move the resolutions standing in his name.

Mr. DUTHIE said the proposals were fairly satisfactory, except in regard to one point, and that was as to the allowance of forty-eight hours before a fine could be imposed. It appeared to him that that was the weak point of this service. Our mails were despatched from here, and they occasionally reached San Francisco a day late, and thereby missed the fast steamers running across the Atlantic, and were transmitted from the United States to England by slower steamers, thus causing a delay of three or four days. He regarded it as important that the time allowed, of forty-eight hours, should be reduced to, say, twenty-four. Some set-off might probably be offered, but he felt sure that forty-eight hours was too long. He hoped the Postmaster-General would consider that, as it was important that our mails should reach England with regularity; and he did not think it would add to the cost of the service if his suggestion were adopted.

Dr. NEWMAN said that by this system of having a private contract with one particular firm all other firms were excluded from competing. In the past, from time to time, the old contract had been renewed on practically the same conditions. In regard to obtaining faster and better steamers, he might point out that all over the world new steamers and faster arrangements were being made. Faster services were being run between New York and England, and also the mails were now carried faster across the American continent. Was no effort to be made to improve the speed on this side? The ocean-going steamers were now travelling quicker and quicker, but here for some years to come they were to have just the same arrangements as to speed continued. That seemed to him to be an utterly stagnant position, and one which the House ought not to tolerate. If the honourable gentleman was sure that no contract for a faster time could be taken up on a three-years' contract, then they should lengthen the time to, say, five years, if necessary, in order to get a good service. Constant complaints were made that the run between here and San Francisco was slow, and that the boats were second-class. Surely, with the amount of subscription given by the different colonies, and the large amount of trade there was, they ought to be able to secure a better service. He might point out that, if the United States put wool on the free list, in all probability a larger amount of cargo would be taken from New Zealand, and therefore there would be a greater encouragement to put on new boats. There was a further point which he thought was very unsatisfactory. There were various ocean-going companies who were

Mr. Ward

willing to compete, but they could not compete under the conditions now proposed. It was practically making an arrangement with one firm, and one firm only, and renewing that arrangement from time to time. They should consider the rival companies running between New Zealand and England, and arrange for the cheapening of the fares and the quickening of the time. This had been produced by allowing the different companies to compete. Then, there had been a cheapening of the fares along the New Zealand coast, and from here to Australia, owing to the same reason. Why should not these other companies have a chance of competing for the Frisco service? The resolutions which had been brought down were old-fashioned and unbusinesslike, and the honourable gentleman ought to take them back and amend them. While this question was before the House—and he supposed this was the only chance he would have of asking the question—he would like to ask the Minister whether there was any chance of this colony sharing in any contract between here and Vancouver. It seemed to him to be very important that there should be some communication between here and Vancouver, and that an opening should be made for our produce in the Canadian market.

Captain RUSSELL said the last part of the honourable gentleman's speech seemed to him to be the really important part. He could not help asking himself why we should enter into a new contract for three years in face of the possibility of a great change in the mail-services between Great Britain and the colonies owing to the opening of the Vancouver route. Why should not we continue the old arrangement of renewing the present service from year to year? For his own part, he attached no importance to the trade of Canada or the United States by way of the Pacific route. They ought to have, it seemed to him, a faster mail-service than they had got. It was useless to suppose, notwithstanding a change in the American tariff, that there would be a considerable increase in the amount of wool and other articles sent by the Pacific route and carried across the continent to the Eastern States, where the manufacturers were. He would like to see this mail-service renewed for a year only, with the express object of trying to enter into an arrangement for a Vancouver service, and with the object of trying to materially quicken the service which we had at present. It appeared to him that to tie ourselves up for three years to the old arrangements was not so satisfactory as it ought to be.

Mr. PIRANI would like to ask the Treasurer whether he would accept an amendment to make Wellington the port of call.

Mr. WARD said he was in favour of adhering to the resolutions as they were framed, leaving the option to the contractors.

Mr. BUCHANAN thought the Government were not justified in entering into a three years' contract to carry on the service as it stood at present. He had travelled several times by the San Francisco route, and had a thorough know-

ledge of all the surrounding circumstances; and he said emphatically that, as to the comfort of the passengers, as to the speed of the service, and as to the class of boats, they were not what we had a right to expect for the money asked. He therefore thoroughly indorsed the opinion of the honourable member for Hawke's Bay, that the contract should not exceed one year. The colony was entitled to a much better return for its money than was made under the present contract. He had no hesitation in saying that just complaints had been made as to the accommodation provided for steerage passengers. He himself had been a witness to the lack of accommodation for and the treatment of steerage passengers on board these boats—a condition of affairs which would not be tolerated on any of our direct services. It was not at all a creditable condition of affairs, and the Government should look into this matter. He therefore thought they should curtail the period of the contract to one year, and in the meantime make arrangements under which they could get a much better passenger- and mail-service.

Mr. MILLAR would like to call the Minister's attention to two clauses which he thought ought to be introduced into the contract. The first was that we ought to make provision that the successful contractor should employ none but European labour on these vessels. At one time Chinese firemen were carried, and the same thing might occur again unless a clause was put in the contract compelling them to carry none but European labour.

An Hon. MEMBER.—They are not doing that now.

Mr. MILLAR said, Yes; there was a dispute over that, and a similar thing might occur again, unless provision was made against its occurring. There was another suggestion which he would make—namely, whether a clause should not be placed in the contract compelling the contractors to pay the ruling rate of wages existing in New Zealand. The system of placing such a condition in contracts had been adopted by the London County Council and other important public bodies, and he thought it would be well to put a similar clause in this contract. That ought to be specified, at least in the case of the New Zealand steamer employed in the trade. That steamer was the one of the three which paid the lowest rate of wages. The other two steamers were paying £2 per month more than the New Zealand company was paying their men; but, in justice to the New Zealand company, he would add that they kept on their men when the boat was at San Francisco, while the other boats discharged theirs. He thought the rate of wages—whatever that might be—existing in New Zealand ought to be the rate of wages paid by the contractors. He would ask the Colonial Treasurer whether he would not put clauses in the contract to meet the objections he had raised.

Mr. T. MACKENZIE said that if the service was going to be a success the accommodation would have to be very considerably improved,

as the accommodation on some of the boats was much inferior to that on the coastal service in this colony. As regarded the suggestion by the honourable member for Chalmers with reference to wages, he did not think that we could very well insist on the contractors for the service paying a similar rate of wages to that existing in this colony. He supposed the Spreckels Company must have a very large fleet of boats, and it was hardly likely that they could make an exception in regard to the two vessels engaged in the New Zealand trade. The honourable member who had just spoken appeared to think that the Union Company paid less than the American company, and, if that were the case, it would appear that his suggestion went in the direction of asking that the wages paid on the American boats should be reduced to the level of those paid in New Zealand. He did not think that they could very well insist on an arrangement of this kind.

Mr. WILSON asked the Postmaster-General if he could not improve the direct service considerably. At present mail-steamers came in sometimes two or three a week, and then there was no arrival for two or three weeks. It was a great pity that some other arrangement could not be made by which they could have a fortnightly service. In Melbourne they had a mail every week now.

Sir R. STOUT thought the resolution should be amended so as to give the Government a free hand in dealing with the mail-services, and he did not think San Francisco should be fixed as the terminus. He thought, if possible, they should arrange to have a service to Vancouver. They should encourage trade to Canada. There was no chance whatever of any trade with the United States, but we could export considerably to Canada, and receive considerable imports from there, and create some trade between the two countries. At all events, as far as creating a trade with America was concerned, there was no chance of that; but on the contrary, we were injuring our trade by this subsidised service, for we were thereby allowing San Francisco to take away a great deal of our island trade. The boats called at Samoa, and by doing so the Americans got a Samoan trade, through our subsidy. He suggested that the honourable member should strike out the words "a renewal of the San Francisco mail-service," and insert instead the words "a mail-service with North America." If this were attained the Government would have a free hand, and they could open up a connection with Canada. He understood, from what took place at the Intercolonial Postal Conference, that encouragement was to be given to the Canadian service; and he thought tenders should be invited, to see what could be arranged between Canada and New Zealand. He always had held that a mail-service should be maintained between Canada and New Zealand, and he still held that very strongly, as it would be the means of establishing a trade with Canada, which would be very much better than having a service by

the United States, which did nothing to encourage a trade with us. He had only one remark more, and that was with regard to the steamers at present employed. They might not be swift steamers, but he had made the passage part of the way by the "Mariposa," and everything that could be done for the passengers was done. He had also travelled in the "Monowai," which was also a good boat; and he did not think any person could wish for better accommodation than was offered in the present service. He might say that nine years ago he had been in communication with the Premier of Canada, the late Sir John Macdonald, in reference to encouraging trade with Canada. Nothing came of it then: and they had not yet had the official report of what had taken place in the recent Conference at Ottawa. The mere fact of this colony sending a delegate to that Conference showed that they were desirous of establishing some trade relations with Canada, and here there was a chance of showing their sincerity. If they really wished to open up such a trade, why not see if they could get steam-communication with Canada? It seemed a waste of money to send a representative to Ottawa, and now, when the opportunity arose, do nothing to foster and encourage trade relations. He believed, so far as Canada was concerned, there was a very strong and warm feeling towards the Australasian Colonies in Canada, and from letters he had received he knew there was a very strong feeling for a closer alliance between the Australasian Colonies and the North American Colonies of the Empire, and he did hope the House would do everything it could to encourage it. That was really the way to lead up to a federation between the various colonies of the Empire. He had no wish to discourage the employment of New Zealand steamers. He thought, if they had steamers owned in New Zealand able to take any part of the service, it was their duty to protect their own steamers and encourage their employment. The matter could easily be arranged, in all probability, between the owners of the Union Company and the directors of a Canadian service. He asked the honourable gentleman to agree to his amendment.

Mr. BUCHANAN said that the honourable the senior member for Wellington City had stated that he had travelled by the "Mariposa," and the accommodation and the treatment of the passengers apparently met with his approval. He would, however, recollect that the saloon cabins extended nearly to the stern of the vessel, and that the second- and third-class passengers were cooped up in a very small deck-area over the screw, with scant room or shelter. He agreed with the honourable gentleman that something should be done with regard to encouraging trade with Vancouver; but the honourable gentleman did not refer to the difficulty of getting that communication except by branch boat. He, for one, would be totally opposed to any contract which involved that.

Mr. WARD wished to point out to the
Sir R. Stout

House what was the position of this matter. Honourable members appeared to overlook the circumstances in which they were placed, and he wished the House to understand what the effect of their vote would be. If this colony were the only party to the contract, as far as the contract to San Francisco was concerned, the proposal of the senior member for Wellington City would be all right. But New Zealand only contributed about a quarter of the cost of the service—in fact, not a quarter—and that being so he would see they could not control the whole of the conditions of contract, nor say how the service was to be carried on, without having the assistance and assent of the other parties to the contract. New South Wales contributed £4,000, and Great Britain in round numbers £5,000, the United States £12,000, and New Zealand contributed last year £7,814. The position was this: Honourable members appeared to overlook the fact that New South Wales was a party to the San Francisco contract, as well as New Zealand. That colony had also entered into a contract for three years for a service between New South Wales and Vancouver. The Government had offered, on behalf of this colony, to give a contribution of £10,000 a year for a service *viâ* Vancouver, and the delegate who represented the colony at Ottawa was authorised to offer, if necessary, more than

12.30. that in order to obtain such a service. He wished to point out that they were not going to obtain the Vancouver service by knocking the San Francisco service on the head. The object of the colony ought to be, instead of having merely a monthly service *viâ* San Francisco, to have a fortnightly alternative service between New Zealand and Vancouver and San Francisco; and, instead of destroying the San Francisco service, the object ought rather to be to add another string to our bow and have a fortnightly service alternating with San Francisco and Vancouver. The amendment of the honourable member, he was sure, would not do what he wanted; it would not improve the matter at all. In the first place, it would be impossible to do what the honourable member suggested. There was now only eighteen days to run before the contract for the San Francisco service expired. They had to renew the contract for the service, and, if the amendment were carried, it would be impossible to obtain a service *viâ* Vancouver in one month or two months. Under these circumstances, the colony would not be justified in relinquishing the service with the United States of America, more especially when, owing to the remission of the duty on wool in that country, there never was a time when it was more essential to encourage this service than now. Formerly, when the high tariffs of the United States were against us, in his opinion the system that obtained of fixed payment of a very large subsidy for the maintenance of the San Francisco service was quite unnecessary; but the system of payment had now been entirely changed, and he thought the connection should, on the moderate payments now made,

be maintained. And, while honourable members were anxious to obtain a better service, he wished to point out to the honourable member for Otaki especially that there was now a weekly service between this colony and England by the Federal route.

Mr. WILSON said it was intermittent.

Mr. WARD admitted it was intermittent. And if they were to subsidise a service by the eastern route which was not to be intermittent, the colony would have to contribute £25,000 a year more at the very lowest estimate. They had an estimate of the full position. It would cost over £19,000 a year from Australia to London and from London to Australia, and the cost of the service between here and Australia would be about £8,000, making £27,000; so that it would, at the lowest, cost not less than £25,000 a year. Our difficulty was this: If we wanted to maintain this San Francisco service it would only cost us about £8,000 a year, but we must have the co-operation of the United States, with its contribution of £12,000 a year, and the co-operation of New South Wales and the other colonies. Well, if we now decided to abandon the service and afterwards wished to resume it, seeing that the other colonies had already got the Vancouver service, New Zealand would have to maintain the San Francisco service alone. He asked the House to remember that when considering the matter. There was another point raised by the honourable member for Chalmers, about European crews being carried on mail-steamers. He agreed with the honourable gentleman, but our difficulty was—the Union Company's steamers, of course, did not carry any but European crews—that by the terms of the contract such a condition as the honourable gentleman desired could not be imposed, as the other party carrying on the contract was outside the colony, and our contribution to the service was not large enough to justify more than the provision that at least one New Zealand steamer in three should be employed. Consequently, while the Government were anxious to put in such a desirable condition, we had to fully recognise the peculiar circumstances in which we were placed. He disagreed with the opinion of the honourable member for Wellington Suburbs. He (Mr. Ward) said that, if they were going to enter into the service for the first time, he himself would be very sorry to agree to any subsidy being paid except to steamers that were locally owned. If they were going to pay large sums of money, it was surely bad policy that outside liners should receive heavy subsidies from the colony. He would prefer to pay these moneys to steamers that were locally owned.

An Hon. MEMBER.—None of these steamers is locally owned.

Mr. WARD said he meant by "locally owned" those that were employing local people, and steamers that spent the bulk of their money in the colony, as was the case with the Union Company. He thought this was calculated to do more good than to allow the money to go out of the colony. He held that the service

should only be obtained by a reasonable contribution being paid, and having got a service for a subsidy which, calculated at the weight of the mail-matter carried, amounted to less than £8,000 a year, he considered it was a very cheap service. He was sorry that he could not meet the honourable member for Wellington City (Mr. Duthie) in his suggestion for the reduction of the limit of forty-eight hours after which the penalties for late delivery were to be enforced. The steamers were sometimes thirty-six hours over the time now, and, as the colony allowed nothing in the way of bonus for arriving before contract date, it would not be fair, when they were not giving this bonus, to mulct them for being a little over the time. Unavoidable accidents sometimes happened. One of the steamers recently broke down and was consequently late; but the risks of missing the steamers, to which the honourable gentleman referred, were very few. In the case of a breakdown it was unavoidable. The object of arriving at San Francisco on the fixed date was, of course, to enable connection to be made with the fast steamers between New York and Liverpool, and they generally were caught. Unless we were prepared to offer some inducement for the steamers to arrive before their due time we must allow them some latitude when they arrived late.

The Committee divided on the question, "That the words proposed to be struck out stand part of the resolution."

AYES, 47.

Buddo	Lang	Morrison
Buick	Larnach	O'Regan
Button	Lawry	O'Rorke
Cadman	Mackenzie, T.	Parata
Carnocross	Mackintosh	Reeves
Carnell	Maslin	Saunders
Carroll	Massey	Seddon
Collins	McGowan	Smith, E. M.
Crowther	McGuire	Stevens
Duncan	McKenzie, J.	Tanner
Duthie	McKenzie, R.	Thompson
Graham	McLachlan	Ward
Hall-Jones	McNab	Willis.
Harris	Meredith	<i>Tellers.</i>
Houston	Millar	Mills
Kelly, W.	Mitchelson	Pinkerton.

NOES, 16.

Allen	Hutchison, W.	Russell, W. R.
Bell	Joyce	Wilson.
Buchanan	Kelly, J. W.	
Flatman	Newman	<i>Tellers.</i>
Green	Pirani	Earnshaw
Hutchison, G.	Russell, G. W.	Stout.
Majority for 31.		

Words retained.

Captain RUSSELL moved, That the word "three," in the first resolution, be struck out, with the view of substituting "one." He did not do this in a spirit of factious opposition, but they knew perfectly well that the service would go on quite as well whether they entered into arrangements for one or for three years. There could be no doubt that the competition

between the San Francisco and Vancouver services would increase, and it stood to reason that the colony was likely to get better terms at the end of a year than it could get now, and the San Francisco service would go on in identically the same way whether the term was for one or for three years. Therefore he moved that the "three" be struck out.

Mr. G. HUTCHISON asked whether or not, seeing the present arrangement expired in eighteen days, the Postmaster-General had not virtually made this contract and was now asking the House to formally ratify it.

Mr. WARD, in reply to the honourable member for Hawke's Bay, said that honourable gentleman, when he spoke of better terms being arranged for at the end of a year, had overlooked the fact that the colony was not now paying a subsidy at all. It was simply paying 11s. a pound on the mail-matter carried. The colony could not enter into a contract for a year. Spreckels and the Union Company held that the contribution was too low now, and they asked for a contract extending over a greater number of years than was specified in the resolutions. If one year's contract was stipulated for, the probability was there would be no service at all.

Dr. NEWMAN said it was generally the case with contractors that if a contract was offered to them, and they were asked to take it or leave it, they generally took it, and he believed that would be the case if the contract were limited to one year.

Mr. WARD said, if the honourable member for Patea inferred that he had entered into an arrangement, and now wanted Parliament simply to ratify it, he might say that there was no such arrangement in existence, either implied or otherwise.

Mr. DUTHIE thought an arrangement for one year would be sufficient. The time-table arrangements of the San Francisco service were very bad indeed, and in the case of Wellington it took nearly three weeks before replies could be sent to letters received by that service. It was not advisable for the colony to tie itself up by a three years' engagement, and he hoped the amendment to reduce the term to one year would be carried.

Mr. G. HUTCHISON would point out how unbusinesslike the Postmaster-General had been in this matter in leaving it over until within eighteen days of the expiration of the contract. He could not suppose that even if they refused to give a three years' contract the steamers would cease running, but, so as not to bind the colony to a contract for three years if a lesser period could be arranged, he would suggest that the clause should read as giving the Government discretion to arrange for a period not exceeding three years. The service was highly unsatisfactory. It was the worst in the world. In fact, one might say it was not up to date in any one particular.

Mr. WARD said the honourable gentleman's ideas of business and his own were different. The House might depend upon it that the whole business would be carried out in a busi-

nesslike way, and next year, if it were found that he had not carried it out in a businesslike way, he of course would have to stand the consequences. The eighteen days were quite ample to settle this or many other important matters. It did not take a year to do these things, because nowadays they went on faster than formerly. He might say that the contractors absolutely refused before to enter into a three years' contract. They wanted a longer time, and they had asked for a longer term now. He was not quite sure that they would agree even for three years. As to the statement of the honourable member for Patea that the service was not quite up to date, the honourable gentleman overlooked the fact that this service was a very cheap one. The services to the Australian Colonies cost £170,000 a year, and in New Zealand they only paid £7,900 for last year's. Originally the colony paid by year a fixed subsidy of £57,000, when really there was no justification for it.

Mr. BUCHANAN pointed out that the Peninsular and Oriental service to Australia was a weekly one, and their steamers ran 370 miles a day, whilst the "Mariposa" ran only 313.

Mr. WARD said the honourable gentleman was incorrect. The Peninsula and Oriental service was a fortnightly one. If they liked to have a service such as that, and steamers running 370 miles a day, then the colony would have to pay at least £100,000 a year for it.

Sir R. STOUT said he would vote for the one year, in the hope that something would be done for the Canadian service. He strongly urged that this service ought to be encouraged. A branch service from Honolulu would be quite ample for those who wished to go from here to San Francisco. There were steamers running fortnightly between Honolulu and San Francisco, and he did not see why an effort should not be made to connect New Zealand with the Vancouver service. If the Vancouver steamers were timed to arrive at Honolulu at the same time as the San Francisco steamers, then those who chose to go *via* Canada instead of San Francisco could do so.

Mr. G. HUTCHISON was afraid the amendment of the honourable member for Hawke's Bay would not be carried, and he therefore begged to move, as an antecedent amendment, That the words "not exceeding" be inserted before "three years." Possibly the Postmaster-General would be able to make arrangements for a less extensive period than three years.

Mr. WARD said he would accept the honourable gentleman's amendment.

Words "not exceeding" inserted.

The Committee divided on the question, "That the words 'three years' stand part of the resolution."

AYES, 42.

Buddo	Carroll	Graham
Button	Collins	Harris
Cadman	Crowther	Hogg
Carncross	Duncan	Houston
Carnell	Earnshaw	Kelly, W.

Captain Russell

Lang	Meredith	Saunders
Larnach	Millar	Seddon
Lawry	Mitchelson	Tanner
Mackintosh	Montgomery	Thompson
Massey	Morrison	Ward
McGowan	O'Rorke	Willis.
McGuire	Pinkerton	<i>Tellers.</i>
McKenzie, J.	Pirani	Mills
McKenzie, R.	Reeves	Smith, E. M.
McLachlan		

NOES, 17.

Allen	Hutchison, G.	Russell, W. R.
Bell	Hutchison, W.	Stout
Buick	Kelly, J. W.	Wilson.
Duthie	McNab	<i>Tellers.</i>
Fraser	Newman	Buchanan
Green	Russell, G. W.	Mackenzie, T.

Majority for, 25.

Words retained, and resolution as amended agreed to.

2.80. Resolutions 2 and 3 agreed to.

On the question, That Resolution 4 be agreed to,

Captain RUSSELL said he should like to know why they should be compelled to effect an arrangement with a New Zealand steamer. He could not see any reason for it, and would move that Resolution 4 be struck out.

Mr. WARD said the American law was that a subsidy was not to be given unless it was to American vessels. Here the proposal was that one of the three vessels should be New-Zealand-owned. Unless the £12,000 a year paid by the United States was continued the service would drop.

Captain RUSSELL said he understood that quite clearly, but the assumption seemed to be, in reading this resolution, that there was going to be some benefit. Seeing that New Zealand was only a port of call, that the termini were in San Francisco and Australia, and that we had no New-Zealand-owned steamers in this business, he could not see any necessity for the clause at all. They would derive no real benefit from it, and were hampering themselves in a negotiation they wished to enter into.

The Committee divided on the question, "That Resolution 4 be agreed to."

AYES, 37.

Buddo	Larnach	Pinkerton
Carnell	Maslin	Pirani
Crowther	McGowan	Russell, G. W.
Duncan	McKenzie, J.	Stevens
Flatman	McLachlan	Steward
Graham	McNab	Tanner
Heke	Meredith	Thompson
Hogg	Mitchelson	Ward
Houston	Montgomery	Willis.
Joyce	Morrison	
Kelly, J. W.	O'Regan	<i>Tellers.</i>
Kelly, W.	O'Rorke	Lawry
Lang	Parata	Mills.

NOES, 10.

Bell	Hutchison, G.	<i>Tellers.</i>
Buchanan	Massey	Newman
Button	McGuire	Wilson.
Green	Russell, W. R.	

PAIRS.

For.	Against.
Hall	Te Ao
Seddon	Duthie
Smith, E. M.	Mackenzie, T.

Majority for, 27.

Resolution agreed to.

On the question, That Resolution 5 be agreed to,

Mr. PIRANI proposed to amend this by striking out the words "Auckland or" and the words "at the option of the contractor," with the view of having Wellington as the port of call.

Mr. G. HUTCHISON would like to refer to the undue length of time allowed for the passage between Auckland and San Francisco—eighteen days. It was monstrous that they should be bound to the same time as under the old contract made three years ago, seeing that every other service was advancing in speed. The last contract entered into by New South Wales with reference to the Pacific service, *via* Vancouver,—a much longer route,—was for twenty days from Sydney, including a day's detention at Honolulu. He was rather surprised at the moderation of this contract, in allowing an alternative between Auckland and Wellington as the port of call in the colony: he wondered that Dunedin was not insisted on, that being the head-quarters of the Union Company.

Mr. BUCHANAN asked if it was within the knowledge of the Treasurer that the so-called New Zealand steamer to be employed was one that was now being built for the Union Company, and that the "Monowai," being too slow, was to be put into the New Zealand trade. With the new steamer they could easily give the increased speed which was so much required, and the present slow time was therefore to be retained for the benefit of the American steamers.

Mr. WARD could assure the honourable gentleman that he had heard nothing of this. He understood that the "Monowai" was the steamer that was to continue running.

Captain RUSSELL did not suppose the Auckland members would feel aggrieved at the amendment. The matter was one for the consideration of the whole colony, and not a mere question of Auckland *versus* Wellington. The fact remained that, unfortunately, Auckland was cut off, so far as railway-communication was concerned, from the rest of the colony, and he was afraid would remain so for the next five years—at any rate, for the next three. The San Francisco mail arrived at Auckland on the previous day, and was due in Wellington at ten o'clock p.m. that day, but that was dependent entirely upon the winds and waves affecting the Manukau bar, and the difficulties of coastal navigation; whereas if the mail came to Wellington direct, which was not much further than Auckland, there could be steamers here which would deliver the mail in the South Island, on both east and west coasts, within a few hours of its arrival, and, by

means of railway-communication, the whole of the southern portion of the North Island would receive their mail about thirty-six hours before they received it after delivery of the mail at Auckland. It might be said that the company was very anxious to go to Auckland; but they need not consider that. What they ought to look at was, how they could most easily distribute the letters in the least possible time after their arrival in the North Island. For years and years they had suffered from the fact of the mail being delivered at Auckland, and the great bulk of the population of the colony had not received its mail in consequence for at least twenty-four or thirty-six hours later than it should have been after the arrival of the mail in the colony. It was not a question as between the two places, but what was best for the whole colony, and there could be no doubt that a central port, from which letters could be distributed north, south, east, and west, was the proper place for the mail to arrive at. That being the case, Wellington was the proper place for the first port of arrival.

Mr. LAWRY thought the honourable member for Hawke's Bay had made a most illogical speech, as he ignored the fact that time was the essence in a contract, and why had he not told the Committee that it would take nearly twenty-four hours longer for steamers to come to Wellington than to go to Auckland from Frisco?

An Hon. MEMBER.—No.

Mr. LAWRY.—Well, the honourable gentleman was illogical in the statement he made that the steamers might be detained by wind and weather on the voyage to Auckland, when that might apply to Wellington also. The centralisation of everything in Wellington had been, in his opinion, a curse to the whole colony, and ever since he had occupied a seat in the House he had opposed it; and he also considered that if the City of Wellington were disfranchised, as was the case with regard to Washington, United States, and if not a single Wellington member held a seat in the House, it would be very much better in the interests of the colony.

The CHAIRMAN said the honourable gentleman was travelling wide of the question.

Mr. LAWRY understood that there were a section of members of that House who were opposed to the Union Company, and he had heard it stated in the lobbies that every man who voted against the proposal of the Colonial Treasurer was voting against a gentleman who held a seat in another place. With regard to the question of mail-services, he was prepared to support any proposal that would give New Zealand the best mail-service available, and that could only be accomplished by making Auckland the port of call. He had on many occasions voted against the interests of his constituents, believing certain proposals were prejudicial to the interests of the whole colony, and he took the same view in connection with the mail-services. Every time this question of the mail-service cropped up there was a phalanx of Wellington members, sup-

ported by the leader of the Opposition, who were opposed to making Auckland the port of call; and he would like the whole country to know the position the leader of the Opposition had taken up in the matter, and, so far as Auckland was concerned, he would like it to remember the attitude taken up by the honourable gentleman who aspired to occupy the position of Premier of the colony. He did not think that Auckland was likely to overlook or to forget it.

Mr. T. MACKENZIE would like to ask if the honourable member for Parnell wished to make this a fight of Auckland *versus* the rest of the colony, because the honourable gentleman had made a speech calculated to do that, and calculated to cause his (Mr. Mackenzie's) side of the House to resent his remarks against the leader of the Opposition. He himself would not be a party to giving a block vote against Auckland in this matter. They had feelings of liberty and justice on this side of the House, and were not going to be cajoled by one man or browbeaten and intimidated by another. They intended to be very open on the matter, and would not allow the speech of the honourable gentleman to influence their votes.

Mr. BELL said he proposed to vote against the amendment of the honourable member for Palmerston, but he had been almost persuaded to vote for it by the speech of the honourable member for Parnell.

Sir R. STOUT thought the resolution should stand as it appeared on the Order Paper, and he considered it a great pity that this wretched feeling of Auckland *versus* Wellington should be introduced into the discussion. He did not think that any change should be made in the resolution, as the contractors, if they thought it best, could select Wellington as the port of call.

The Committee divided on the question, "That the words 'Auckland or' stand part of the resolution."

AYES, 51.

Allen	Hogg	Montgomery
Bell	Houston	Morrison
Buddo	Hutchison, G.	O'Regan
Buick	Joyce	O'Rorke
Button	Kelly, W.	Reeves
Cadman	Lang	Russell, G. W.
Carncross	Mackenzie, T.	Saunders
Carnell	Mackintosh	Seddon
Carroll	Maslin	Steward
Crowther	Massey	Stout
Duncan	McGowan	Tanner
Earnshaw	McGuire	Thompson
Flatman	McKenzie, J.	Ward
Fraser	McKenzie, R.	Willis.
Graham	McNab	<i>Tellers.</i>
Green	Meredith	Lawry
Harris	Mitchelson	Mills.
Heke		

NOES, 10.

Buchanan	McLachlan	<i>Tellers.</i>
Hutchison, W.	Newman	Pirani
Kelly, J. W.	Parata	Wilson.
Larnach	Russell, W. R.	

Captain Russell

PAIRS.	
For.	Against.
Hall	Duthie
Smith, E. M.	Te Ao.

Majority for, 41.

Words retained, and amendment negatived.

3.0. Captain RUSSELL moved to strike out "forty-eight hours," in paragraph 5, with a view of inserting "twenty-four hours." He thought the House should consent to that, because, if the steamers were allowed to arrive forty-eight hours late without a penalty, it would be a distinct inducement to them to come at a slower pace, and if there were no penalty there would be no incentive to a speedy delivery of the mails. As it was objected, quite rightly, that it took so long to distribute the mails throughout the colony, it was important that the steamers should arrive punctually, to enable people to answer their letters as quickly as possible. He would also, if that amendment were carried, propose to add at the end of the paragraph, "but hours for arrival prior to contract time on any voyage out, not exceeding twelve, may be allowed as a set-off at the same rate against penalties for late arrival."

Mr. WARD said the honourable gentleman for whom the leader of the Opposition had moved this amendment had spoken to him about it, and he had replied that he regretted he could not see his way to accept it, for this reason: that the conditions of the contract provided that no bonus for early arrival should be paid to the steamer. There had formerly been such a bonus, but this had been abolished, and the allowance of forty-eight hours in the case of late arrival was therefore only fair and reasonable. He had mentioned before that the average time for twelve months was 33-15 days from London to Auckland, and 33-38 days from Auckland to London. It was only in the case of accident or other unavoidable cause that the steamer was late. There was a very heavy penalty for arrival over the forty-eight hours. The whole service was based on a low scale; if it were on a higher scale, on which there was a larger margin, he might be prepared to agree to less time being allowed.

Mr. T. MACKENZIE said the time taken by the steamer was much too long. The service between Liverpool and New York, which was more than half the distance between San Francisco and the colony, was completed in six days, and it was surely unreasonable to allow twenty-two days for less than double the distance, and that was what was provided by the contract. His experience of the route was that the steamers took too much time. On one occasion when he had been on board they had slowed down to half- and quarter-speed for several days.

Mr. LAWRY said that when he had been addressing the Committee previously he had been most unfairly accused of trying to get up a fight between Auckland and Wellington. Nothing could be further from his thoughts; but he would like to point out to the country

that an insidious attack had been made upon the San Francisco service by the senior member for Wellington City, with the idea of killing it in order to have a direct service between Vancouver and Wellington. He had now made it appear to the Committee, and, he believed, to the country, what these honourable gentlemen were prepared to do if they had the power, and, having done that, he was perfectly satisfied.

Mr. G. HUTCHISON asked if he rightly understood the Postmaster-General to say that forty-eight hours was the overtime specified in the contract.

Mr. WARD said there was no contract. It was proposed that forty-eight hours should be inserted in the event of a contract being entered into.

Sir R. STOUT asked, what was the term in the contract now? Was it twenty-four hours? Mr. WARD.—Forty-eight hours.

Mr. G. HUTCHISON said, then the Postmaster-General was incorrect. The time allowed for the trip was eighteen days, and the margin was forty-eight hours.

Mr. WARD understood the honourable gentleman to refer to a contract not in existence.

Mr. DUTHIE would point out to the Committee that these steamers were occasionally, as was admitted by the Postmaster-General, late in arrival at San Francisco, and consequently missed the fast steamers that ran across the Atlantic. This was very awkward for those business people in the colony who expected to receive replies by cable to correspondence which was despatched in order to catch those fast steamers. The present San Francisco service was not a fast service, but the best ought to be made of it, and he thought, if twenty-four hours was stated as the margin for late arrival, that was a reasonable time considering the shortness of the voyage to San Francisco. Then they would have steamers in good repair, and not have these breakdowns taking place. The suggestion was a fair one, and he was sorry the Postmaster-General did not agree to it. He hoped the Committee would agree to it.

The Committee divided on the question, "That the word 'forty-eight' stand part of the question."

AYES, 46.

Buddo	Joyce	Pirani
Buick	Kelly, W.	Reeves
Button	Lang	Russell, G. W.
Cadman	Larnach	Saunders
Carnell	Macintosh	Seddon
Collins	Maslin	Smith, E. M.
Crowther	Massey	Stevens
Duncan	McGowan	Steward
Earnshaw	McGuire	Tanner
Flatman	McKenzie, J.	Thompson
Graham	McNab	Ward
Hall-Jones	Meredith	Willis.
Harris	Morrison	
Hogg	O'Regan	Tellers.
Houston	O'Rorke	Lawry
Hutchison, W.	Pinkerton	Mills.

NOES, 15.

Allen	Hutchison, G.	Stout
Bell	Kelly, J. W.	Wilson.
Carncross	Mackenzie, T.	Tellers.
Fraser	Newman	Buchanan
Green	Russell, W. R.	Duthie.
Heke		

PAIR.

For.	Against.
Hall.	Te Ao.

Majority for, 31.

Words retained, and resolution agreed to.

Resolution 6 agreed to.

Resolutions reported.

On the question, That the resolutions be agreed to by the House,

Mr. G. HUTCHISON desired to record his protest against this contract, which was, in literal terms, the contract that was authorised three years ago. In the interval every other service had been accelerated, but there was to be no change in respect of their communication with England *vid* San Francisco. Although the world was moving, and although the "all-red line" was the line for us, they were about to renew the Union Company-Spreckels contract for another three years at the same old rate of payment and the same old rate of time. He thought they had a right to expect that the Postmaster-General would have something better to propose to them this session than a repetition of the old terms. It suggested that this colony was in the grip of a monopoly, and was unable to shake itself free from it—under present conditions at any rate. He thought they ought to be able to emancipate themselves by this time. He had suggested in Committee that it was unbusinesslike to ask this Parliament eighteen days from the expiration of the present contract to submit terms to this monopoly for a new contract. The Treasurer asserted that there had been no arrangement made with the view of continuing this service, and quite seriously he (Mr. Hutchison) had proposed, in view of that fact, that it might be desirable to add a few words to the clause as to the rate of payment at 11s. the pound weight, providing for the payment of such other amount as the chairman of the Union Company might demand on behalf of himself and Spreckels. Although almost absurd, such a proposition indicated pretty correctly the position of the colony with regard to this mail-service. He (Mr. Hutchison) took it that the whole of this matter had practically been arranged. They had already, weeks ago, on passing the estimates for the year, voted an increase for this very service, and they did this to allow this service to remain stationary as to speed, and backward as to accommodation. It would follow in the ordinary course of events that there would be an increase in the cost of this service to the colony from the fact that some of the other colonies that formerly contributed were now sending their letters by another route—the Sydney and Vancouver route. The increase in the estimates alone for this year was over £2,000, and probably would be more

from the cause he had just mentioned. It was much to be deplored that this colony should be in the position of having to renew the existing contract under the conditions he had mentioned.

Mr. T. MACKENZIE indorsed the opinions expressed by the last speaker. This San Francisco service was the favourite child of the Colonial Treasurer at one time.

An Hon. MEMBER.—He tried to strangle it.

Mr. T. MACKENZIE said that was the explanation, because from the time he moved those important resolutions in the House until now there had been no improvement whatever in the service. From the time the honourable gentleman made that speech until this there had been a gradual increase of profit. At any rate, there was a lessened expenditure to the colony, owing to outside assistance, since the honourable gentleman came into office, but the improvements which they were justified in expecting from his previous statements had ended in thin air; and now they were to be committed for three years to a slow-going service which was long behind the times. If the service were to be subsidised, not more than fifteen or sixteen days should be allowed between San Francisco and Auckland. The San Francisco service ought to be a great agency towards bringing tourists to this colony; but if it were to be continued at no greater speed they could not expect any assistance to their tourist traffic from this source. It had not opened up trade with America, and there was very little chance of its doing anything in that direction. There was absolutely no reason to continue this expensive service at the present slow rate of speed.

Dr. NEWMAN would like to point out that three years ago the contract was renewed on existing lines, therefore the contract had been in existence for six years at the present slow rate of speed; and now it was renewed for three years longer. It might be said that the service would be going on for nine years altogether at the present slow rate; and, when one looked to the way in which the mails were expedited from Vancouver to New York it was extraordinary that the Postmaster-General could bring down proposals like these. Three years ago he drew attention to the fact that the contractors would do what they liked—that they would fix up all this contract beforehand, and the House would simply be asked to ratify it. It was simply a case of what the contractors wanted, and not what was in the interests of the colony. If the Postmaster-General had advertised the service, and made proper conditions other than those contained in these proposals, he would have got a service three or four days shorter than the time at present stipulated for. The worst thing about the whole matter was that this arrangement was made not by public tender or contract, but by private arrangement between the Government and a private company.

Mr. BUCHANAN thought nothing could be more significant than the fact that some of the steamers running on this mail-service were

little better than some of the local steamers running round the coasts of New Zealand and Australia.

An Hon. MEMBER.—Not so good.

Mr. BUCHANAN said the honourable gentleman could not deny that the accommodation on board these steamers for second-class passengers was not what it should be, and he could not deny that the accommodation generally was such as would not encourage the tourist traffic to which the honourable member for Clutha very rightly alluded. The question of monopoly had been raised. They had indications of the same disposition on the part of the Government in other directions as well as this, and he feared that before this session was brought to a close they would have to suffer still further from Government action in a similarly injurious direction. He was not permitted to allude more particularly to what he meant, but honourable members would very readily understand what he was referring to; and it was a very unfortunate thing indeed to have the interests of the colony committed to honourable gentlemen on those benches who took so little trouble to protect them. The honourable gentleman should have agreed to a twelve months' contract, and then he would have been in a position to conclude an improved one later on. He would, therefore, oppose what was now before the House.

Mr. WARD said the honourable member for Patea was very cool, he thought, in some respects in making assertions in the House, and the thinness of the notion he had of endeavouring to make out that the Government was bolstering up a monopoly in this matter was too transparent. If he imagined that by such insinuations he was going to prevent him (Mr. Ward) from doing what he considered was right the honourable gentleman was under a serious mistake. He would like to point out how far these strictures were justified by looking into the facts. The honourable gentleman, in his desire to politically injure the Government, had endeavoured to make statements of a damaging character which could be construed or misconstrued by those desiring to do the Government an injury into a charge of favouritism. If the honourable gentleman took the trouble to inquire into the matter he would find that he had made very unreliable statements, which he was not justified in making, as the facts did not bear out his assertions. Let him deal with the service on its merits. The honourable member said that the Government had practically arranged for the service. He stated so in Committee.

Mr. G. HUTCHISON.—No doubt about that.

Mr. WARD had only to repeat that there was no arrangement of any kind whatever. The honourable gentleman knew very little of the way this contract was fixed up or arranged, and he ought to have been more particular and guarded in the remarks he made. As a matter of fact, the honourable gentleman stated that the chairman of the Union Company and the Spreckels Company ought to be in-

cluded in this contract. It was a great pity the honourable gentleman did not suggest that the United States Government should be included, because, as a matter of fact, this colony contributed only a fourth of the amount. The United States Government contributed £12,000, and one of the conditions of their contribution to the subsidising of the service was that the mails were to be carried in American-owned bottoms. In his desire to injure the Government, and to say nasty things, the honourable gentleman said this was in the interests of the Union Company. The special concession which the United States Government gave was that one New Zealand steamer should be employed, and that that steamer should receive one-fourth less than the American-owned vessels. In his desire to do very disagreeable and unpleasant things, the honourable gentleman attempted to twist a legitimate business transaction into a charge of favouritism against the Government. It was very much to be regretted that the honourable gentleman's ideas suggested that he (Mr. Ward) was actuated by these improper motives. The honourable gentleman himself required very careful watching, in his opinion. He never knew people capable of suggesting improper motives who did not want careful watching, and the honourable gentleman would have to be placed in that category. He (Mr. Ward) was prepared to defend his own acts, and if the honourable gentleman thought these insinuations against him were going to do him (Mr. G. Hutchison) any good he was quite welcome to make them, and he (Mr. Ward) was prepared to meet him in any way. When they found the legitimate business of the colony thus referred to, these insinuations were very much to be deprecated. What did the honourable gentleman say about the increase of the cost of the service as shown by the estimates? He said there was an increase of £2,000. Why was the honourable gentleman not just to himself? Why did he twist and warp the position? Why did he not tell the House, in regard to the estimated recoveries in the very estimates to which he was speaking, that last year these recoveries were £9,350, and that this year they were £10,856? Why was the honourable gentleman not fair? Why did he put himself in the position of being bowled out—doing tricky little things to gain a temporary advantage? It was unworthy of the honourable gentleman, and he (Mr. Ward) was surprised at his attempting to do anything of the kind. The honourable gentleman did not like what he was now telling him. Of course he did not: he knew he did not. The honourable gentleman said nasty things, and then complained that he had not an opportunity of replying when it was shown that what he had said had no foundation. The honourable member, in referring to the increase in the estimates, entirely ignored the amount of credits. The net increase, as a matter of fact, was only £1,176. That was a material difference from £2,000. But what was the cause of the increase? The cause of the increase was the additional mail-matter

carried. If the steamers carried more mail-matter, of course a greater amount was paid; but, on the other hand, the colony obtained a greater amount in the way of postages. The honourable member found it inconvenient to quote the facts; he left out such parts of figures and statements as did not suit his argument. The honourable gentleman knew this was not a fixed subsidy. It was a payment on the basis of mail-matter carried at the rate of 11s. per pound, and the more there was carried the greater the cost; but the more mail-matter carried the more postages accrued to the colony. The honourable gentleman should be fair. He (Mr. Ward) said that compared with the former system of fixed subsidy the present arrangement was a very good one. The honourable member said there was an increase of £2,000 on this year's estimates, but the honourable member entirely ignored the recoveries, and in addition to them he knew perfectly well—and if he did not he ought to know—he knew perfectly well that the mails were carried upon the basis of so much per pound, and the greater the amount to be paid the greater the postages to be received by the colony. Then, again, the honourable member said this was practically a repetition of the terms of the contract of three years ago. Why was the honourable gentleman again not fair? He (Mr. Ward) had stated to the House, when introducing these proposals, that there was one alteration he had specially to remark upon, and that was that the words "present contractors" were omitted from the proposed agreement. Perhaps the honourable gentleman was not in the House at the time, and if he was he ought not to have made the uncalculated remarks he did. Now, in the former proposals, which the honourable gentleman said were almost identical with the present proposals, the present contractors were fixed as the people with whom the renewal should be made. In these proposals it was not stated that a contract was to be renewed with the existing contractors, and he again assured the honourable gentleman that the resolutions were not identical in this respect.

Mr. G. HUTCHISON.—The terms are practically identical: see Volume 74 of *Hansard*. You will there find they are the same.

Mr. WARD said the honourable member for Patea and the honourable member for Wellington City said this was the same as the contract of last year. The honourable members were incorrect, because they were not the same, and it was a great pity the honourable member for Patea was not more correct in the statements he made. He was continually making incorrect statements, and it appeared to be a matter of indifference to the honourable gentleman whether he made correct statements or not. In last year's contract there was the following stipulation: ". . . this House empowers the Government to arrange with the contractors for the renewal of the San Francisco service, . . ." That was not in the present resolutions, and he (Mr. Ward) could not see how the honourable member for Wel-

lington City could say it was in these proposals.

Sir R. STOUT.—It amounts to the same thing, because you know there is no other contractor.

Mr. WARD.—That is quibbling.

Sir R. STOUT.—I said they amounted to the same thing, because you know there is no other contractor to compete.

Mr. WARD.—The honourable member said the terms were the same.

Mr. BUCHANAN.—I rise to a point of order. Is the word "quibbling" in order?

Mr. SPEAKER said that personally he did not like such a term to be applied to honourable members. He was not prepared to say that it was absolutely unparliamentary.

Mr. WARD said if there was a more suitable term to apply he would use it, but he did not know of any other; because the honourable member for Patea said the terms of the contract were the same as last year, and the honourable member for Wellington City confirmed the statement.

Sir R. STOUT.—I said they amounted to the same thing.

Mr. WARD said they were not the same. As already stated, the resolutions of 1891 contained the following words: ". . . this House empowers the Government to arrange with the present contractors . . ." And, as he said, there was no such statement in the present resolutions, and in introducing the resolutions that day he said that the words "present contractors" were left out. And yet they had the honourable member for Patea getting up and making statements that were not correct. The honourable member was in the habit of making these indelicate and foolish insinuations in the House. He had, when a former Administration was in office, seen the honourable gentleman occupy such a position as he hoped no other honourable member would ever take up in the House. He thought the honourable member should be really more careful. Then, the honourable member for Wairarapa, who was so sensitive, and the honourable member for Clutha were doing—what? Every time the San Francisco service was brought up they told the House that they had travelled in the San Francisco steamers, as though they were the only people who had ever travelled in those steamers. They told the House the length of the steamer's poop, and talked about the accommodation provided on the steamers. They seemed very anxious to let the world know that they had actually travelled in the San Francisco steamers. He must say it was very gratifying to the House to know that those honourable gentlemen had travelled by them, and he thought it should be gratifying to the honourable gentlemen to know that they would be given an opportunity to travel by them again. The honourable gentlemen said everything they could against the service;—he was surprised they had travelled by it. Why did they not go *via* Melbourne and take a better steamer? There was no better available on the San Francisco route; and when people

Mr. Ward

got the best they could get they ought to be content. Now, the honourable member for Wairarapa, of course, must, under the circumstances, be accepted as an authority as to the accommodation provided by the steamers. He (Mr. Ward) had never travelled by the San Francisco steamers, and knew nothing about the accommodation; but, as against the statements of the honourable member, there was the assertion of the honourable the senior member for Wellington City, who said he had travelled in one of the steamers—the “Mariposa”—and had given his opinion as to the accommodation and attention.

Mr. BUCHANAN.—Will the honourable gentleman allow me to explain?

Mr. WARD said No, he would not give way. He had only a few minutes in which to speak, and the honourable gentleman had already made half a dozen speeches on the subject. Members had the statement of the senior member for Wellington City that the accommodation was good, and they were quite justified in accepting that opinion as against the opinion of the honourable member for Wairarapa. They found the honourable member for Clutha telling them that these steamers were in the habit of anchoring under an island in order to waste time. He had not told them why that was done. It was done when the honourable gentleman travelled by them. Probably it was because the passengers were enjoying themselves so much that they asked for delay. There must have been some reason for it. All he could say about the matter was that the present contractors for the mail-service had refused before to enter into a three years' contract—had refused absolutely, because the amount provided by the colony they held to be inadequate for the service. As a matter of fact this colony was only paying a small portion of the subsidy. The United States contributed £12,000, New South Wales £4,000, Great Britain £4,800, and this colony £7,800 towards the service. When honourable members talked about what they ought to do they should remember that when they entered into a contract where there were half a dozen other interests to be considered the colony could not do exactly as it would do if it entered into a contract entirely upon its own account. He said this advisedly. While honourable members were talking about a better contract, why did they not suggest a better one, and show how it could be carried out without increase of cost? That would be the legitimate line to take.

An Hon. MEMBER.—You would not take our suggestion.

Mr. WARD said that was because they never got a sound suggestion from the honourable gentleman. Any one could find fault, but to show how a thing could be better done was a different matter. It was the easiest thing in the world to say that things should be better done. It was very easy to say that, but it was a far more difficult thing to build up than to pull down, at which some honourable members showed such fitness. The honourable member for Patea made half a dozen incor-

rect statements, and looked very mild when bowled out. He could only say the honourable gentleman had his sincere sympathy under the circumstances, for he was to be consoled with. He could only hope the honourable gentleman, the next time he attacked the service, would not be met with majorities of forty to ten, forty to twelve, and forty to seven, as he had been upon this occasion. Surely the honourable gentleman could see that the House considered the proposals reasonable and fair, and his persistence seemed like a reflection upon the majority. He was surprised at the honourable gentleman, and could only compliment the majority on the judgment they had displayed, and the forbearance they had shown against the uncalled-for and improper attacks from the other side.

Mr. G. HUTCHISON did not usually claim to explain, but he had been so misrepresented by his honourable friend, who had boisterously refused to accept a correction during his speech, that he desired to repeat what he had said, that the terms were the same: and to that he adhered. As to the proposed contract not being with the same company, that was obviously a quibble, because the first paragraph of the resolutions now before the House expressed that the proposed arrangement was for the “renewal” of the San Francisco service.

Mr. BUCHANAN might explain that his reference to the accommodation on board the steamers was to that of the second- and third-class passengers. He had stated so, and the honourable the senior member for Wellington City had not in any way contradicted his assertions.

Resolutions agreed to.

RAILWAY BRIDGES.

Mr. G. W. RUSSELL brought up the following report of the Railways Committee:—

“The petitioners allege that ‘many of the railway-bridges on the Hurunui-Bluff Section of the New Zealand railways are in such a condition as to require immediate repair, and, in many instances, renewal.’ They pray that such steps may be taken as are required to insure the safety of the travelling public.

“1. The Committee have exhaustively inquired into the petition, and have taken all the evidence available.

“2. The only witnesses in support of the statements contained in the petition were E. Norton Taylor (the chief petitioner) and Thomas McGarva, Foreman of Works on the Dunedin Section, who was summoned at the request of E. Norton Taylor.

“3. The evidence showed that Thomas McGarva was, in February, 1893, transferred to the Dunedin Section from Christchurch, and felt aggrieved in consequence. It is also clear that from the date of taking up his duties on that section he adopted a hypercritical attitude towards the Railway Department, especially regarding the bridges.

“4. It was elicited during the inquiry that, when McGarva was transferred to the Dunedin

Section, some of the bridges were below that complete standard of efficiency which it is desirable should be maintained. The department, however, promptly entered upon the work of strengthening and improving the bridges, and the work has regularly and steadily progressed ever since, and is still being proceeded with. No evidence was offered to the Committee to prove that any request made by McGarva for either labour or material for raising the standard of the efficiency of the bridges under his control was ever refused by the department.

"5. McGarva denied having supplied information to the petitioner Taylor on which the statements in the petition were based; but Taylor categorically declared that McGarva had not only supplied him with information verbally, but had also placed at his disposal certain railway papers of an official character, copies of which he produced to the Committee. McGarva's evidence must therefore be considerably discredited by his having falsely informed the Committee that he had not supplied the information to Taylor on which the petitioner's statements were based.

"The Committee has therefore to report,—

"1. That no evidence has been laid before the Committee which would justify them in believing that the bridges on the Hurunui-Bluff Section either are now or ever were in a 'dangerous state,' as alleged by the petitioners.

"2. The Committee is, however, of opinion that the system of bridge-inspection on the Dunedin Section was not properly carried out, and that the whole system of bridge-inspection in the colony should be so arranged that each officer's work should be sufficiently checked by his superior."

He moved, That the report be laid on the table, and be referred to the Government for consideration. In doing this, it became his duty to make a few remarks as to the position of this inquiry. The subject, no doubt, was an extremely important one, because upon the confidence of the people in the security and safety of the bridges and structures in connection with the railways must depend, to a very large extent, the railway revenue, and that feeling of confidence which was absolutely necessary in the administration of the Railway Department. He was very glad to be able to congratulate the country and the House that, after a long and exhaustive inquiry, the Committee had arrived at the conclusion that there never had been, nor was there now, the slightest reason for questioning the safety and security of the bridges. This agitation had begun in the early part of last year. The man Thomas McGarva, who had been for some twenty-three years stationed in Canterbury as Foreman of Works, was, for certain reasons of the department which the Committee had not inquired into, transferred against his wish to Dunedin. The Dunedin Foreman of Works, J. G. Smith, was transferred to Christchurch. There was a great deal of evidence to show that McGarva, on starting as Foreman of Works in Dunedin, exercised what the Com-

mittee had described as a hypercritical spirit; and it was clear that, on account of having been removed against his will, he tried, as far as possible, to create a feeling of dissatisfaction, not to put it more strongly, in connection with the department. It was also clear that when these reports became circulated, and reached the ears of the higher officers of the department, they considered there was some ground for McGarva's statement. He would call the attention of the House to some remarks made by the Resident Engineer at Dunedin, in which he admitted in plain terms that many of the bridges were in a more backward state of repair than he himself had known. He blamed himself also for not having exercised a closer supervision in connection with the bridges of the district. The result was a departmental inquiry conducted by Mr. Grant, Traffic Manager, and the Chief Engineer, Mr. Lowe; and it was clear that the higher officers of the department were convinced that, so far as the supervision on the Dunedin Section was concerned, it had not been what it should have been, and that the bridges were in a backward state of repair. That was all that could be said. The facts were clear, as stated by the Committee. No sooner had these conclusions been arrived at than the officers of the department set about endeavouring to have the bridges strengthened and repaired. Although they were "below par," to use a colloquial term, they were immediately strengthened and brought up to a comparatively efficient condition, at which they stood at the present time. With regard to the position of McGarva, throughout the inquiry during his examination he gave the Committee the impression of being a man who was doing his duty; yet when they came to the question as to whether, being a railway officer, he had allowed the information to leak out, or had even placed it at the disposal of Taylor, he distinctly denied the accusation. Yet when the witness Taylor was brought before the Committee, and was told that he would have to answer the question, he then stated that the information upon which he had acted had been supplied by McGarva. He also declared that McGarva had placed at his disposal timber-lists and other private documents he (Taylor) had used in writing to the papers, and he produced copies of them to the Committee. That was why the Committee had so strongly characterized the action of McGarva in connection with the matter. He wished to say one word with regard to the finding of the Committee. The Committee found, in the first place, that there was no need nor any reason for saying that the bridges were ever in a dangerous state; but they also said, clearly and distinctly, that the system of bridge-inspection was not properly carried out, and that the system of bridge-inspection should be so arranged that each officer should be practically checked by his superior. It was perfectly clear throughout the inquiry that there had not been, in the inspection of the railway bridges of the colony, anything like a proper and careful system of supervision. He would point out to

Mr. G. W. Russell

the House how the matter stood. The system might be regarded as a chain, the bottom link of which was the Bridge Inspector. He reported direct to his superior, the Foreman of Works, the next officer was the Resident Engineer, next the Chief Engineer, and then the Commissioners. The Committee very closely tested every witness who came before them as to whether there was any system of supervision, and they found that there was no regular system of checking the subordinate officers. That was why the Committee, after careful consideration, said there was a necessity for better supervision in connection with the bridges, and he could only say that, from the observations he had made in connection with the matter, it appeared to him that ever since the Railway Commissioners took office there had been something narrowly approaching starvation of the bridges of the colony. There had been a desire on the part of the Commissioners to conserve revenue, and they had, in pursuing a policy of economy, allowed efficiency to be so nearly impaired as to run perilously close to a dangerous state. He would read the statements of Foreman of Works Smith.

Mr. SPEAKER desired to observe that it was unusual to bring up a report, and to raise a debate with regard to the evidence on which that report was based, before any other member had had the opportunity of perusing it. He had never known such an instance before. He had not been aware that the honourable member when he rose had intended to start this debate, and other honourable members were placed at a great disadvantage by the Chairman of the Committee discussing evidence which had not been laid on the table of the House.

Mr. G. W. RUSSELL would bow to the ruling of Mr. Speaker, and leave the motion as it stood, That the report do lie on the table, and be referred to the Government.

Mr. TANNER said that, as a member of the Committee, he wished to enter a protest, and to put on record an expression of dissent from the report that had been adopted by the Committee. As whatever he had to say must be based upon the evidence in the possession of the Committee, but which was not in the possession of the members of the House, he wished to know whether what he was about to say would come under the decision Mr. Speaker had just given. He would like to say that he dissented in a large measure from the finding of the Committee, but he would like to know his position in regard to referring to the evidence placed before the Committee, for he had no wish to take any advantage.

Mr. SPEAKER said that, under the circumstances, he thought the House, having heard so much from the Chairman of the Committee on the subject of its inquiry, would grant the honourable member indulgence to express his reasons for dissenting from the report.

Mr. SEDDON was about to say that there would be an opportunity of discussing this matter when they were discussing the railway

estimates, and honourable members would then be able to judge whether the honourable member's dissent was well founded.

Mr. TANNER said that his protest against the finding of the Committee was not in any way based on the railway estimates, or upon any question of material or expenditure. He disagreed entirely with the conduct of the Committee, and the finding that it had arrived at, and he could see no possible connection between what he had to say and the suggestion of the Premier. He would be brief; he never wished to unduly trespass on the time of the House; but, as a member of the Committee, and one of those virtually sentenced to three weeks' hard-labour by the decision of the House in sending this matter to the Committee for its consideration, he would like to say that, after the fullest, most patient, and comprehensive investigation, he was unable to coincide with the majority of the Committee in the decision they had arrived at, and which decision had been reported to the House. He took it that, when a Committee had a subject referred to it for consideration, no question of liking or disliking, and no preconceived opinions, should be allowed to weigh with it, but the Committee should enter upon its task entirely divested of everything of the kind, and its decision should be based solely upon the evidence tendered for its consideration. He did not say for one moment that this had not been the case with the Committee; but he considered the duty of the Committee, unless he was mistaken, involved something further. The Committee was bound to weigh every portion of the evidence submitted to it, giving due prominence to whatever might be found material to the question at issue; and he held that in this the Committee had grievously failed, when drawing up their report. In one very important particular the Committee had exercised a most mistaken generosity, to use no stronger term. When it was charged with the duty of inquiring into the question of the safety or otherwise of the southern bridges, it followed as a matter of course that it was bound to ascertain in whose charge those bridges had been placed, what the conduct of the officer had been as to safeguarding them, what steps he had taken to keep them in a proper state of repair or otherwise, and whether they had been attended to or neglected: in fact, he thought this was so obviously the duty of the Committee that it might be regarded as outside the limits of the discussion on this occasion. He was justified in stating, without quoting from the printed evidence which had been intrusted to the Committee as confidential, that the Committee had received an overwhelming amount of evidence on this head, and there had been nothing to rebut it. It reflected strongly upon one person who had had charge of the Dunedin Section of the railways, but whose conduct the Committee in its wisdom had thought proper to pass over in silence. It was in evidence that Mr. Smith, whose name the Chairman of the Committee had mentioned, and who was the Foreman of Works, had been lacking in

vigilance, lax in the discharge of his duties, and negligent in enforcing the regulations; that he had disregarded and ignored the reports from his subordinates, and that he was so heedless of responsibility as not to communicate with his superior officers; and that when timber had been sent to bridges for repairs he had ordered its removal while countermanding the work. He had rarely visited the bridges, even when it was reported that they were in need of attention, either to examine their condition or to inspect the alleged defects; whilst his subordinates had been in a state of trepidation and discouragement, and the proper authorities were allowed to remain in ignorance. He was not for a moment blaming the Railway Commissioners, but he was only indicating what appeared to be a defective link in the chain which the Chairman of the Committee had pointed out, upon which everything depended. It was impossible to foreshadow what consequences might have arisen if this state of things had continued; and, if such had arisen, there could have been no question that it would have been the result of the inattention—he was about to say the criminal neglect—of the officer in question. It was due to his conduct that alarmist reports had been circulated through the colony as to the state in which the work was left when he was transferred from the district, and which had given just ground for complaint, and had resulted in an expensive parliamentary inquiry. But that conduct, which had been vital to the question, was passed over in silence by the Committee in their report. There was no member of the Committee who denied the statement he had made, and which he had made deliberately to the Committee that morning before entering his protest against the report just presented. Every member of the Committee admitted it, and yet the majority of the Committee shrunk from what was their duty in expressing their disapprobation of what had been revealed.

Hon. MEMBERS.—No, no.

Mr. TANNER said that, in consequence of the final adoption of the report, he had deemed it his duty to protest in writing against the decision the Committee had arrived at. One witness, as stated by the Chairman, had paltered with the truth, and was justly stigmatized for his conduct; another witness stood condemned for negligence and inefficiency in the discharge of his duties, but the Committee had passed over his derelictions. He was speaking under what he considered a grave sense of duty, and he dissented from the report on the ground stated. He had entered his protest; and if anything arose in the future which could be attributed to the negligence, inefficiency, laxity, or idleness on the part of this particular officer in question it would not be because the House was not aware of the circumstances of the present case.

Mr. CROWTHER said, as a member of the Committee, he desired to say a word or two as to the report. It would be noticed by the House that the statement was made in the report that the bridges had always been in a

good state of repair, and safe. It was also stated in the report that the Commissioners at all times had invariably supplied men and material in connection with those bridges whenever it had been made known to them that repairs were required. That being so, he failed to see what foundation there was for the other statement made by the Chairman of the Committee that the action of the Commissioners had been one of cheeseparing. The report stated that they had never denied either men or material.

Mr. G. W. RUSSELL said that, in regard to the statement of the honourable member that there was no proof of the assertion contained in the report, he had not been allowed to refer to it, as the Speaker had ruled him out of order.

Mr. CROWTHER said that the statement had been made. They had had the evidence of the Bridge Inspector, and of all those concerned, to the effect that the railway bridges, like every other structure, needed occasionally to be repaired, but that as soon as it had been pointed out that any bridge was out of repair it had been repaired without let or hindrance; the men and materials had been supplied at once. That was the essence of the report. And, further than that, there was one bridge pointed out as being less secure than the rest—a bridge of several spans. It was part of the arrangement that this bridge was to be put on one side, and another put in its place; but it was to be allowed to remain as it was so long as it was safe. At the time when it was carried as far as it ought to be allowed to go the lowest point was a shrinkage of $\frac{1}{2}$ in., clearly indicating that all necessary precautions had been taken, and that the Commissioners, beyond all doubt, kept the railways in a fair state of repair. All that was contained in the report was that the railways might occasionally need mending and looking after, and it set out that that had been done.

Mr. MORRISON said, as a member of the Committee, he regretted very much having to refute some of the statements made by the Chairman. The evidence before them was of a confidential nature, and, without the Committee being consulted, the Chairman had taken it upon himself to make statements reflecting on some of the witnesses who had been examined, which he (Mr. Morrison) thought was very unfair and entirely uncalled for. He was supported by another member of the Committee, who had voted with the minority, and against the report submitted to the House. He did not think the Chairman of a confidential Committee of this description should come and make public statements on evidence which had not yet been considered by the Government.

Mr. G. W. RUSSELL.—The Government have nothing to do with it.

Mr. MORRISON said the duty of the Committee was to report to the Government, and it was the duty of the Government to consider whether the evidence should be printed and published broadcast. A great quantity of the

Mr. Tanner

evidence was of a confidential character, and the Chairman should not have made statements without asking the leave of the Committee before doing so. He regretted very much to have to make such remarks, and hoped it would be the last time, in a case of that sort, that such statements would be made public. As to the statements that had been made with regard to Mr. Smith, he did not know that he was there as an apologist for Mr. Smith or Mr. McGarva; he only wished to see fair-play. The department was in possession of all the necessary evidence. It was a departmental matter, and they would be judged by the departmental officers, and it was not desirable for the House to bring their names so prominently forward. The honourable member for Avon said that the duty of the Committee was to approach these questions unbiassed, which appeared to imply that some honourable members had approached it from a biassed or party point of view. So far as he was personally concerned, he could answer that he did not know any of the gentlemen concerned, and approached the question not at all biassed, and he was sure that three-fourths of the members had approached it in the same spirit.

Mr. EARNSHAW, as a member of the Committee, regretted that the report was brought down before the Committee had come to a determination with regard to the publication of the evidence. If the evidence had been kept back till that was done they would not have had the statements they had had that day. The finding of the Committee was practically unanimous.

Mr. WILSON moved the adjournment of the debate.

Debate adjourned.

HARBOURS BILL.

A message was received from the Legislative Council insisting on its amendments in this Bill, and submitting reasons.

On the motion of Mr. SEDDON, a Conference was requested, and Mr. J. McKenzie, Mr. Ward, Mr. Bell, Major Steward, and the mover were appointed Managers.

GOVERNMENT ADVANCES TO SETTLERS BILL.

A message was received from the Legislative Council insisting on its amendments in this Bill, and submitting reasons.

Mr. J. McKenzie, Mr. Ward, Mr. Bell, Major Steward, and Mr. Seddon were appointed Managers of the Conference on the matter.

UNCLAIMED LANDS BILL.

4.30. Mr. WARD, in moving the second reading of this Bill, said the present Act dealing with unclaimed lands was found to be in some respects unworkable. Under the law as it stood the Public Trustee could take unclaimed lands and lease them. First of all, however, he must advertise in the *Gazette* and in one or more of the local newspapers his intention to take the land, and if within a certain time the owner did not establish his

right the Public Trustee could take the steps prescribed by "The Unclaimed Lands Act, 1892," to be registered as the owner of the land under the Land Transfer Act of 1885. It was obvious that very little land unclaimed would be under the Land Transfer Act, and the land could not, consequently, be dealt with. In the great majority of cases the sections that would come under the operation of this law had to be leased, and power was taken to enable this to be done under more satisfactory conditions. Power was also taken in the Bill to enable the Public Trustee to sell the land, in order that the Act might be applied to unclaimed lands of so small a value that they would not pay to lease. If any other explanations were required they could be better made in Committee.

Mr. HEKE asked the Minister, Did this Bill refer to Native lands which were disputed by the Natives as not being Crown lands? He had had several petitions before the Native Affairs Committee in which Natives complained that their lands had been taken by the Crown and placed on the maps of the colony as Crown lands.

Mr. WARD said, No; it did not affect Native land. If the honourable member looked at subsection (2) of clause 2 he would find that it did not affect land owned by Natives according to their own customs or usages.

Mr. HEKE said that was not the point. He referred to certain lands which the Crown had taken as Crown land, but as to which the Natives disputed the claims of the Crown.

Mr. WARD said the Bill did not include them.

Sir R. STOUT asked if the Minister had any objection to refer the Bill to the Statutes Revision Committee.

Mr. WARD had no objection to do that, but there was very little time this session to do it.

Sir R. STOUT said it was a very important Bill, and it would really further the Bill to have it referred to that Committee. Some of the clauses he approved of, but there were some things that required consideration.

Mr. WARD said, very well, he would refer it to the Statutes Revision Committee.

Captain RUSSELL said the Minister, in introducing this Bill, had followed a course which seemed to him (Captain Russell) to have become customary with Ministers. They thought they had no need to explain their Bills, and they gave no reason for them. They simply brought them down as if honourable members were perfectly conscious of what was working in the minds of Ministers, and as if it were quite unreasonable to expect that any explanation should be given. As far as his (Captain Russell's) alleged old-fashioned Conservative opinions went, they should be very careful how they dispossessed a man of his property without every proper legal surrounding, and yet in this Bill they were asked to say that the Public Trustee was to be allowed practically to resume land without taking the trouble to inquire who was the owner, or anything about it. Under clause 4 of the Bill

power was taken to have an advertisement inserted in the *Gazette*, which, no doubt, was a very interesting periodical, but it was one that not one person in a hundred ever saw, and those few who looked into it were those whose duty it was simply to hunt up Government advertisements, and not matters connected with land. He might be told that, in addition, there was provision that the advertisement should be inserted in a local paper. One knew that any person approaching the character of an absentee owner was characterized as injurious to the State; but surely a man might be allowed to own property in more than one locality, and yet a man might own land in a particular district, and if the advertisement intimating the intention to take his property was published in a small local journal,—which, ten to one, he would not see,—then, if he did not see it, he was likely to have his land confiscated under this Bill. There were plenty of means of dealing fairly in such a question as this under the provisions of the local government Acts. There was power to take land for unpaid rates, but in this Bill they had a power far exceeding that. If the land happened to have passed under the Land Transfer Act, all the Public Trustee had to do was to request that the title which was vested in the name of somebody else should be transferred from the original grantee to himself, without any protection or inquiry whatever. Surely it was an extraordinary proceeding! And then after twelve years that land would pass absolutely from the possession of the owner,—who might have been so unfortunate as to have been temporarily away from New Zealand, and not to have seen the advertisement in the *Government Gazette*, or in the small local newspaper in which it was published; and without even knowing that his title was in dispute he might have had his land taken away from him and vested in the Public Trustee. All his rights in his own property would thus disappear. For what reason? The Minister had given them none. Surely there was no great hardship now from any piece of land in this position remaining undisturbed, even although the Public Trustee might not know who was the owner. He wished to say that, when they had Bills of so important a character as this brought before them, some reason for them should be alleged—that the House should be told why, for instance, it was necessary to thus confiscate private property. The fact that they were undermining, almost by every statute, the rights of private property was not beneficial to the colony. He hoped the House would agree to allow a Bill so important to stand over until next year. There could be no urgent necessity for passing it. At any rate, he entered his protest against the system of bringing down Bills at such hours that they were absolutely unable to master the details of them, when they were so overworked that there was no hope of understanding the measures laid before them. And yet, without one word of explanation from the Minister, they were asked to blindly accept a

Captain Russell

Bill, the honourable gentleman even objecting, as he at first did, to let it go before the Statutes Revision Committee—a Bill, too, which materially interfered with the rights of private property!

Mr. BELL said that with regard to a good deal of what his honourable friend had said he agreed, but he had forgotten one important matter—namely, that the confiscation was effected by the Act of 1892, and that this Bill was only an extension of the confiscatory principle which his honourable friend the Colonial Treasurer had already got well under weigh. Therefore he did not think that the honourable member for Hawke's Bay's objection applied to its full extent, and he was not at all sure that the Bill would do any great injustice. He thought it would be well to refer it to the Statutes Revision Committee to see whether any arrangement could be made under which the confiscation would not be so drastic. He believed there was a good deal of protection for private interests, and that was the intention of the framers of the measure. There seemed to him to be indications throughout it in the direction of enabling the State to seize private property, but, as far as he could judge, the original intention was not that at all. He thought they could arrange with the Colonial Treasurer that the provisions of the Act of 1892 which were objectionable might be so amended in this Bill as to make this a workable Bill for the protection, and not the confiscation, of private property; and therefore, for his part, he was prepared to see the Bill go on.

Major STEWARD said it was quite true, as stated by the last speaker, that the principle of confiscation was introduced in the Act of 1892, but he submitted that, when they had an amending Bill before them, they ought not to refuse to consider whether or not that principle should be carried out to the full extent. He was prepared to admit that it was contrary to public policy that any land in the colony should be allowed to lie unadministered by any person whatsoever. If they could not find the owner, then, from the point of view of the State, it was desirable that the State should step in and administer the land; but he did not see why the rights of the owner should be confiscated thereby. Let the revenue from the land come to the State in the meantime, and let the administration vest in the State. Surely it could not be said that the cost of the administration of the estate would eat up the whole value of the freehold. Clause 15 provided that if within twelve years proof of ownership were not established the land absolutely reverted to the State. If that clause were amended to the effect that all charges as against the land should be defrayed by the State, and that all the profits derived from the land should go to the State, it would suffice. He did not mean that the entire profits should accrue to the State, but that the land should be administered by the State, and all charges against it met out of the rental. He thought that justice would be satisfied by what he had indicated, and then, if so amended, the Act would secure the in-

terest of the owner; but to say that the land should be confiscated because twelve years had elapsed since the owner had been heard from was not right, just, or expedient. Although he would vote for the second reading, he would support any honourable member in Committee in endeavouring to do away with unnecessary confiscation of private interests.

Mr. PIRANI would like to say that he was very much surprised indeed at the attitude taken up by some honourable members in reference to this Bill. Any one would think it had just been circulated, and that no member had read it, whereas it had been in the pigeon-holes for months past, and every possible opportunity that could be desired had been given to study it. They knew as well as could be that the principle of the Bill was law at the present time; but, at the same time, although it was law, the law was defective: it was not worth the paper it was printed on; and unless some such measure as this was put on the statute-book they might as well do without the law which had been passed. They knew, also, that many sections of land were in such a position that it was impossible to administer them in any way except by selling them. They were a block to settlement, and a stumbling-block in the way of anything being done in the towns. The law at present provided that those persons obtaining possession of such land could confiscate it to their own use if they held it for a certain number of years. The honourable member for New Plymouth said that a private person could not get the land without getting permission from the authorities. If the honourable gentleman would study the law a little he would know that, if a private person had undisputed possession of land, before the principal Act this was amending was passed, for a certain number of years, he had a full title to it as against anybody else.

Hon. MEMBERS.—No.

Mr. PIRANI said that was so, except as against the original Crown grantees. He thought the State should be put in a better position even than a private individual; and those people who neglected their own property, who neglected to pay their rates upon it, should forfeit their right to that property if they failed to carry out their proper functions as owners of the land within a certain time.

Mr. WARD said the speech of the leader of the Opposition somewhat amused him. The honourable gentleman found fault with Ministers for not explaining their Bills. This Bill had been circulated for weeks. The honourable gentleman was not like Rip Van Winkle, because there was this very material difference between them—

Captain RUSSELL.—He was a very good character.

Mr. WARD said that Rip Van Winkle, after an interval of twenty-five years, remembered all that had taken place before the interval, but the honourable member did not recollect what had taken place only two years ago. The honourable gentleman had forgotten that the main proposals in this Bill were the law at the

present time. The honourable member had not before complained of the system proposed under this Bill. This was the present law.

Captain RUSSELL.—It is bad.

Mr. WARD said, if it was bad, why did not the honourable gentleman take exception to it when the Bill of 1892 was being passed?

Captain RUSSELL.—I have no doubt I did.

Mr. WARD said he explained the material alterations in this Bill in moving the second reading. The honourable member went on to say that the Government brought down Bills for the purpose of confiscating land.

An Hon. MEMBER.—It does.

Mr. WARD said this Bill did not alter the law of 1892 in this respect. The honourable gentleman had evidently overlooked the Act of 1892.

Mr. McGUIRE.—Who brought down the Bill of 1892?

Mr. WARD.—Mr. Ballance.

Mr. McGUIRE.—Who passed it?

Mr. WARD.—The House; and I think the honourable gentleman supported it upon that occasion;—he certainly was supporting Mr. Ballance at that time. He just wished to say that the Government had no desire in this matter to do anything in the shape of confiscating property. The honourable member for Hawke's Bay referred to that word so often that he apparently dreamed of it. Hardly a proposal could be made but the honourable gentleman suggested that it meant confiscation. As to the term of twelve years, he would be quite prepared in Committee to extend the term to twenty years. This Bill was wanted in order to make the existing law workable. There was no desire on the part of the Government or the Public Trustees to do anything in the way of confiscating people's property.

Bill read a second time.

SEA-FISHERIES BILL.

Mr. WARD, in moving the second reading of this Bill, said it was a consolidation measure. The new provisions were as follow: Clauses 18 to 20 provided that when a person discovered a new oyster-bed the Minister might grant him an exclusive license to use it, or a part of it, for a period not exceeding five years. Clauses 21 and 22 empowered the issue of licenses for the exclusive right of taking oysters from natural oyster-beds. No license was to include more than five acres below high-water mark, or a frontage to the sea of more than 110 yards. The Manukau beds had been kept closed pending this power being obtained. If the beds were leased under proper regulations it would prevent the indiscriminate taking of oysters and the depletion of the beds. Clause 28, subsection (2), and clause 29 would enable lessees to take oysters for the sake of replenishing beds, and to make and maintain beds. Clauses 40 to 43 provided for the granting of licenses to take and kill seals. The licenses were to be disposed of by public auction or tender, and were not to be for more than fourteen years, with provisions for renewal on valuation for a further period of seven years.

He might say that it had been found that the system of having a close season in connection with sealing had not worked to the advantage of the people who were carrying on this class of business. It had worked to the advantage of outsiders, who very often came to our sealeries and killed seals during the close season. It was believed that by establishing a system of leasing the fisheries by public competition the lessees would then live on the islands and conserve and guard the seals. Subsection (2) of clause 46 was another new provision, enacting that every person would be guilty of an offence who bought, sold, exposed for sale, or had in his possession any fish taken outside the limits of the colony which were not, as regarded size, *et cetera*, in accordance with the law. Last year a person was prosecuted and fined for possessing fish below the regulation size; but on appeal the conviction was quashed, on the ground that the part of Hawke's Bay in which the fish were caught was outside the limits of the colony. Unless the law was amended as proposed it would be difficult to secure a conviction for a breach of the law if the person charged stated that the fish were not taken in New Zealand waters.

An Hon. MEMBER.—What about the Natives?

Mr. WARD said clause 70 provided that the authority of the Native Minister was necessary to prosecute any Native for a breach of the Act. With the exception of the clauses he had mentioned, the Bill was a consolidating measure.

Mr. J. W. KELLY would draw the honourable gentleman's attention to an application made by one of his constituents who was exceedingly desirous of going in for oyster cultivation. He applied for a piece of the foreshore at Waituna lagoon, but the Government refused to grant his application.

Mr. WARD said he might inform the honourable gentleman that a different reply had been sent to the applicant that day.

Mr. J. W. KELLY said in that case he had nothing further to say.

Dr. NEWMAN said that he and the honourable member for Otaki recently introduced a deputation to the Minister in reference to the oyster-fishery.

Mr. WARD said he had attended to that matter.

Dr. NEWMAN said that was very satisfactory. He would like to ask the Minister if he did not think that five acres was far too small an area for an oyster-bed. It seemed to him that it would not be worth anybody's while to take up such a small area. He thought the area should be increased. Such areas in England were considerably more than five acres.

Mr. WARD said he was prepared to amend the clause so that the Governor in Council might fix the area.

Dr. NEWMAN said that, so far as seals were concerned, some of the varieties were becoming extinct, and the question was, whether

it would not be desirable to close up the season for a few years.

Mr. PARATA would like to ask the Colonial Treasurer how the Bill now before the House would affect the Natives and half-castes in Stewart Island. It seemed to him that it must be injurious to them, as it might prevent them from having the same privileges as they enjoyed in the past, for if the foreshore were let to other people they would be debarred from fishing. It seemed to him to be very much like a Bill that Mr. Hatch strongly advocated some years ago. If that were so, he should oppose the measure until the Minister assured him it would not take away any of the Native rights.

Sir R. STOUT asked if the honourable member said that clause 8 of this Bill was the existing law.

Mr. WARD.—Yes.

Sir R. STOUT was not aware there was such a law as this.

Mr. WARD said he did not think it was altered at all.

Sir R. STOUT was not aware there was a license-fee of £1 for fishermen's boats. Would the honourable gentleman tell him under what Act the license-fee was charged, and who collected it? He was never aware that fishing-boats had to pay a license-fee. He did not think it was right that fishermen should be asked to pay £1 a year. They were poor men, and should not be asked to pay anything whatever. As to larger craft, it was a very different thing, but small fishermen's boats should not be charged at all. The main parts of the Bill were those referring to oyster- and seal-fisheries. So far as the seal-fisheries were concerned, he thought this system might be tried in the case of the Auckland and Campbell Islands. If licenses were given for a sufficient number of years it might have the effect of providing that the seals should not be wantonly destroyed, as they knew had been the case. If this destruction were continued, the result would be that in a few years all fur-seals would be practically unknown. It would need very careful provision to be made with regard to that. As to promoting the propagation of oysters, he thought the leasing of foreshores should be encouraged. If that were done, there would be a very large increase of oyster-fisheries, and a great number of men would be employed. Another thing that ought to be encouraged still more was the canning of fish. A great number of the fish here were as good as, and even better than, those imported, and it was a pity greater encouragement was not given to the industry.

Mr. WARD said that in Committee he was prepared to consider any proposals to make this Bill more workable. He believed clause 8 was the law at the present time, but he would not say so definitely until he looked up the original law. In reply to the honourable member for Wellington Suburbs as to the area of oyster-beds, he would be prepared to consider that in Committee, with a view to having it improved. He thought it would be better to

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say that the Governor in Council could from time to time fix such areas as were considered desirable. In reply to the honourable member for the Southern Maori District, he might say the Bill provided that the areas should be put up to auction in the ordinary way. For some time past seals had been utterly destroyed by outsiders going to the islands and killing them. It was just as much in the interest of the Natives as of the Europeans to protect the seals. Of course, any one who obtained a lease of the islands for sealing purposes would doubtless recognise the skill of the Natives, and, in his own interest, would no doubt give them employment. This Bill was chiefly a consolidating Bill, but such amendments of the Fisheries Act were intended to remove anomalies existing in different parts of the colony.

Bill read a second time.

WORKMEN'S WAGES BILL.

Mr. REEVES, in moving the second reading of this Bill, said it was an exceedingly short one, containing only three clauses, one of which was the operative clause. It was introduced in consequence of a debate which took place in the House some weeks ago. There had been, and probably always would be, a difference of opinion in that House as to the policy of passing a measure designed to increase wages or to keep them from getting lower, but there never would be any difference of opinion as to making every effort to secure to a workman the wages he had actually earned by hard work. The whole intention of the Act last year was to do that. That Bill was brought in to prevent workmen, by fair means or foul, from being done out of the wages they earned; but, unfortunately, a loophole was left in it. Workmen could contract themselves out of the Bill. This Bill was to prevent contracting out of the Act. It was to prevent workmen from contracting with their employers in such a way that under certain circumstances their wages would be forfeited. This Bill was to prevent any contract involving forfeiture having force save to the extent of one-fifth of the wages: in other words, if a man had been working on a station nearly throughout the shearing, and then, owing to some dispute, struck, the whole of his wages up to date was not to be forfeited, but only one-fifth. He thought the justice of that would be apparent to the House, and he had much pleasure in moving the second reading of the Bill.

Sir R. STOUT might say he understood the object of this clause was to provide this: that, if a man had entered into a contract and had undertaken to come under a penalty for not doing something, the penalty was not to exceed one-fifth of the wages coming to him. Well, that would not carry out or meet the case the honourable gentleman referred to. He would suppose a man had agreed to shear ten thousand sheep, and he sheared nine thousand. If it was a condition that he was not to be paid until the ten thousand sheep were shorn, he would get no wages, although he had shorn nine thousand. According to the law laid

down in the case of *Cutter versus Powell*, supposing a man agreed to paint a man's portrait and left out the nose, he would get nothing, because he did not finish the portrait. His contract was to paint the portrait, and leaving out the nose he had not finished his contract. That was the principle of law that underlay this class of cases.

Mr. REEVES said this clause was so drawn that it would prevent that.

Sir R. STOUT said that, if a man agreed to do a certain work and did not perform it, he was to earn wages for the amount of work he had done, although he did not complete his contract. If the honourable gentleman did that, he would alter the whole law of contracts. He did not think the honourable gentleman wanted to do that. Supposing a man were a seaman, and undertook to go from Auckland to Wellington, and from Wellington to Dunedin, and from Dunedin back to Auckland: the law was that that man did not earn his wages until he got back to Auckland. He could not leave at Wellington, but had to perform his contract. That was not the meaning of this Bill, and he did not see what the honourable gentleman meant. He could understand a measure providing for this class of case: that, if a man was paid a weekly wage in a factory, his factory fines in a factory should not exceed a fifth of his wages. That one could understand.

Mr. REEVES.—That is not in this Bill.

Sir R. STOUT said that, if the honourable gentleman was going to get round the law of contract in the case of a man who undertook a job, the best test would be bushfelling. Suppose a man undertook to fell one hundred acres, and he did ninety acres, perhaps, of the easiest bush, and was paid at so much per acre, was he to leave the ten acres undone, and throw up his contract when he had done ninety acres?

Mr. REEVES.—No.

Sir R. STOUT said he could not understand the Bill, unless it was to allow the workman to recover in all cases. What was the meaning of this?—

"No condition or agreement whatsoever between a workman and his employer for the retention, forfeiture, or non-payment of any wages for any cause whatsoever is binding against such workman, save to the extent of one-fifth of the sum to which he would be entitled if no such condition or agreement existed."

Now, the wages were not earned until the contract was finished; and the illustration that the honourable gentleman gave about shearing would not help him, because the wages were not earned until the whole contract was finished, and until then he was not entitled to wages. Therefore the whole of the money was forfeited, for he had not done his work until he had finished it.

Mr. REEVES said he would have done a great deal.

Sir R. STOUT said, then the honourable member admitted what he had said about a portrait that was painted all but the nose.

Mr. REEVES said a man was not paid wages for painting a portrait.

Sir R. STOUT said he might be paid wages. What he wanted to know was, Did this Bill mean that, in every contract between an employer and a workman, the workman was entitled to claim, as they called it in law, on a *quantum meruit*, independently of the completion of the contract? That would not work. The honourable member, a little time ago, said that was not what was meant, and now he said it was what was meant.

Mr. REEVES.—It is something different.

Sir R. STOUT said he had given an illustration, and stated what was decided in *Cutter versus Powell*, and the honourable gentleman had said it did not apply.

Mr. REEVES.—Painting a portrait is quite a different thing from shearing sheep. You were talking about leaving out the nose, so that the portrait would be absolutely useless and ridiculous.

Sir R. STOUT said the honourable member was changing his ground. He had given an illustration, and quoted *Cutter versus Powell*; and the honourable gentleman had said that class of cases had nothing to do with it. He was now driven from that, and said that it came within the case of recovering on a *quantum meruit* whatever happened. He put it to the House, if they allowed that between a workman and an employer, they must allow it between a manufacturer and the purchaser of his manufactures. He would suppose a case. If they applied this doctrine, then they must apply it all round, and it was entirely altering the whole law of contract, which had not only been in existence since Britain was a civilised community, but was the law of contract according to the Roman Civil Law. He did not think it was workable in this way. He could understand the honourable member saying that if wages had accrued—that was, if a man was entitled to them—a penalty should not exceed so much; but if the wages had not accrued, and the contract was not completed, then to make this provision was to cast them adrift on a sea of litigation. If the honourable member wanted this to apply to shearing contracts only, then he ought to have the courage of his opinions, and come down and say that at the end of every hundred sheep a man was entitled to demand his wages and to leave. If he would say that, one could understand it, and it would be to say that there should be no contract for shearing more than one hundred sheep. That was perfectly understandable. If the honourable member introduced such a Bill to deal with shearers they should understand what it meant. Suppose a small farmer had five hundred sheep, and wanted men to shear them, and said he would give £1 a hundred to shear the five hundred sheep. At the end of the first hundred the man could say that he wanted his pound, and that he would not shear the balance; that his employer must get another shearer—that he had done a part of his work and wanted his pound. That was what might

happen. He submitted that if this Bill applied generally it would be unworkable. Shearing might require special legislation—he would not say it did or did not—and, if it did, let them consider it on its merits. If shearers had been unfairly treated, he, for one, did not want to defend the pastoralists at all; and if it could be shown that they were treating their men unfairly, and allowing things to be done which ought not to be done, by all means let a law be brought in to deal with them; but he would point out that this was altering the whole law, and where the thing was to end he did not know.

Mr. J. W. KELLY said that no doubt the Bill was brought in to prevent the pastoralists who engaged men to shear sheep during the shearing season from doing such things as had occurred in the Benmore case. These men lost the whole of their wages because of a dispute about wet sheep, and not because they refused to fulfil their part of the bargain. The sheep were unfit to shear; and, having refused to shear the sheep when ordered to do so by the manager of the station, the men were immediately discharged, and the manager refused to pay them any part of their wages earned up to the time of dismissal. This Bill was meant to protect the wages of shearers earned up to the time of any dispute occurring; that was, he understood, what was desired; but whether the Bill brought in would have that effect or not he could not say. He hoped it would, for there was no doubt that that was its intention, and there could be just as little doubt of the necessity for the measure. During the coming season there might happen what had happened in the past. The senior member for Wellington City, said it would not have that effect. Well, he hoped the honourable gentleman would assist them in putting the Bill in such a shape that it would have the desired effect. He had much pleasure in supporting the second reading of the Bill, in the hope of getting it improved in Committee.

Mr. MONTGOMERY said they were all desirous that some clause should be inserted that would meet cases like the Benmore one; but the question was, whether this clause would meet them or not. The point raised by the senior member for Wellington City was, he thought, a point that should commend itself to the attention of the Minister of Labour. The point was, Would it be possible for an employer to make a contract of this sort?—"I hereby agree that, if X shall shear at my shed until all the sheep on the station are cut out, I will pay 16s. per hundred." Was it possible to make that contract under this Bill? Because, if it was possible, then the Bill would have no effect whatever. He thought such a contract could be made, and that the clause would not prevent it, and therefore would not prevent an employer from contracting out. That was just the point he wished the Minister to consider.

Captain RUSSELL was as sincerely anxious as any one to protect any rightful wages earned; but surely it would be wrong to pass

a clause, without fairly considering it, which would destroy the system of contracting that now existed. It was not as if this Bill was only to apply to shearers. As he understood it, it would apply to work of every kind. To take an illustration: Supposing a farmer was anxious to have a job of fencing done, and employed men to do it, and it was arranged between the employer and the men that, say, two miles, of fencing should be done, at so much per mile for erecting the fence. For the first mile and a half the ground might be an alluvial plain where it was very easy to sink the post-holes, and where, the land being level, it would be easy to strain the fence; but the last half-mile of country might be stony and hilly, where sinking would be very hard, and there would have to be continually footed posts and all these varieties understood by the practical farmer. The last half-mile practically might cost as much in labour as the preceding mile. Would it be possible under the Bill—and it seemed to him it would—for the men who had taken the contract at a definite price per mile to say they had done the first mile and a half, and to tell the employer that he must pay them for that and they would not complete the contract? Surely that would not be right. And then, in the matter of shearing, they should not consider the question merely from one point of view. Let them take a large shed, where three-fourths of the sheep were shorn, and another shed somewhere else commencing shearing, whither the gang of men might wish to go, and leave their employer to finish his sheep as best he could. Surely no one would wish for that. He would be happy to support the Minister in providing that a shearer who carried out his part of the contract should receive his wages in full, without deduction of any kind whatsoever; but he believed the right of contract should be maintained, and should bear equally upon employer and employed. If they entered into a job to shear sheep, to make a drain, or to construct a fence it should be incumbent upon them to carry out fully the agreement entered into.

Mr. BUTTON wished to call attention to the fact that the Bill was to be read with the Workman's Wages Act of 1893, and the interpretation of the word "wages" in that Act included "any money or thing had or contracted to be paid, delivered, or given as recompense, reward, remuneration, or consideration for any service, work, or labour rendered or done, or to be rendered or done, whether within a certain time or to a certain amount, or for a time or an amount uncertain, and whether payable daily, weekly, or monthly." That included every contract in which workmen could be engaged. And now here they found a clause introduced, to be read in connection with that Act, that any condition or agreement whatsoever between a workman and an employer for the retention, or forfeiture, or non-payment of any charge, in any case whatsoever, was not to be binding, and so on. "Wages" having reference to the interpretation in the Act, the

effect, he thought, was much wider than the honourable member intended.

Mr. REEVES said he would explain if they would give him a chance.

Mr. THOMPSON said it was a matter of too much importance to be passed over in that way. He really did not think the honourable gentleman knew what the Bill meant.

Mr. REEVES.—You will not give me an opportunity to explain it.

Mr. THOMPSON said the point was this: If this Bill were passed it would be an end to contracting altogether. Was that what the honourable gentleman desired? It was quite evident he knew very little about the system of working carried on throughout the colony or he would not introduce such a Bill. How were all the roads made? How did the local bodies all get their works done? Was it not by contract? Then, if a person took a contract, and terminated it at any moment, he could claim to be paid for less than the contract. He could not understand what the honourable gentleman meant by this. If he wished to introduce a Bill to deal specially with shearers, then let it be confined to them—make a provision in the Bill so that a shearer could demand payment for every hundred sheep as he sheared them, in the event of a dispute. There would be no objection to that whatever; but this did not stop at that at all. It struck at the foundation of the whole system of carrying on work throughout the colony. He might tell the honourable gentleman if he looked seriously at it he would see that it would not work well at all.

Mr. GUINNESS said the honourable member must not think that he was at all annoyed with him for introducing this Bill.

Mr. REEVES said he could remove the opposition if given an opportunity to explain. He was quite prepared to meet the House on the matter if given the opportunity.

Mr. GUINNESS said he must enter his protest against this Bill. It was one of the class of Bills brought in by the Minister of Labour he had always objected to. It interfered in the most improper way with the liberty of the subject. This Bill, as stated by the honourable member for Auckland City (Mr. Button), had a most wide application. Of course these might be only Committee objections, and the Bill might be modified in Committee; but the principle was wrong, and the Bill ought not to be allowed to pass. He

thought this was a most objectionable measure, because it attempted to legislate in the direction of authorising any contract entered into between private individuals to be broken. Where such a contract was entered into, the State, by this legislation, would authorise a breach of that contract, and honourable members would see that the Bill was legislating in the direction of violating a fundamental principle of the common-law of the country. It was a Bill which ought not to be passed by the House, as its effect would be that, instead of attempting to encourage the investment of capital, and thereby give em-

ployment to the workmen of the country, it would have the opposite effect entirely, and would tighten the purse-strings of capitalists and the employers of labour, and make it uncertain for holders of property and capital to invest in any undertaking where it was necessary to employ labour. They would not enter into any of those contracts, simply because this Bill would render any contract they might enter into with their workmen liable to be broken, and no sufficient remedy would be given for the breach of that contract. He understood that the honourable member for Wellington City (Sir R. Stout) had dealt exhaustively with the provisions of this Bill, and its general effects upon employers and workmen. Unfortunately he did not hear the honourable member's speech, but, as he had dealt with that part of the question, he would not refer to it. But he did say, as a strong supporter of the Government, that the Government had acted hastily in allowing a measure of this sort to be brought up at this period of the session, especially when they had been told that it was simply legislation to meet a particular case—that was, a dispute that had occurred between a shearer and the owner of a sheep-station. It was wrong to legislate in the direction of trying to remedy a particular grievance that might have occurred in one or two isolated cases. When they legislated in the direction of allowing contracts entered into for the employment of labour to be broken they should legislate so that that legislation would fall evenly—not only upon employers, but upon employed. This legislation was entirely one-sided, and should not be allowed to pass. In order to test the feeling of the House, he would move, That the Bill be read a second time that day six months.

Debate adjourned.

PUBLIC WORKS STATEMENT.

On the question, That the House go into Committee of Supply to consider the public-works estimates,

Mr. MITCHELSON said,—Sir, when we, on this side of the House, last night, after the Premier had laid the Public Works Statement upon the table, agreed to take the debate upon it this evening we did not contemplate that we were going to be kept here until two o'clock this morning, neither did we think that we should be called upon to attend Committees at ten o'clock, and also to be in our places here in the House at half-past eleven o'clock this morning. The honourable member for Hawke's Bay, on behalf of those on this side of the House, this morning asked the Premier whether he would be willing to postpone this debate in order to take it on Monday night, but he declined to do so, and said that the sooner it was out of the way the better it would be.

Mr. SEDDON.—The sooner you will get home.

Mr. MITCHELSON. — Well, honourable members will see that the Public Works Statement was laid on the table about nine o'clock last night, that it is a very important docu-

Mr. Guinness

ment, and that it would take honourable members a very considerable time to make themselves acquainted with the details contained in it. There are a large number of paragraphs in it which should result in a considerable amount of debate, if only we debated them as they ought to be discussed by this House. Therefore I consider it would be impossible to deal with the proposals contained in this Statement as it ought to be dealt with in the very short time we have at our disposal this evening. At the same time, on account of the time-limit it is necessary to be brief, and in making the few remarks that I intend to make upon the proposals of the Minister for Public Works I shall, in leading off the debate, endeavour to be as short as I possibly can. I myself think that it would be almost useless to attempt to discuss this question at very great length, seeing the whole thing is really a foregone conclusion, and that honourable members have made up their minds how they are going to vote upon every one of the items. I believe the Government have such a large majority at their back, and the team they lead has been so well nobbled by the votes that appear on the public-works estimates being so fairly well distributed throughout their constituencies, that there is very little chance of our succeeding in reducing any vote upon it. At the same time, we on this side of the House have a duty to perform to those who sent us here, and it will be necessary for us to sound a note of warning against the scattering and squandering policy that has again been initiated by the Government of this country. The Government have determined upon asking the House to vote a very large sum of money for appropriation during this year, and that in the face of the command from the country to cease borrowing, and to reduce our public-works expenditure to reasonable limits, such as will not necessitate the imposing of heavy burdens upon the shoulders of the people. The pace at which we are now travelling will, I feel convinced, unless the country rises to the occasion, soon lead the colony into very serious difficulties, inasmuch as the rapid rate at which our public debt is now increasing must necessitate either the country being prepared to face heavy deficits or being prepared to face a very large increase of taxation, in order that we may be enabled to pay the interest upon our increased indebtedness. Before proceeding to criticize the proposals of the Minister for Public Works I desire to enter my most emphatic protest against the delay which ensued before the House was placed in possession of the Public Works Statement. We have now been in session a hundred and thirteen days, and the Premier has adopted his usual policy of delaying the publication of the Public Works Statement to almost the last day of the session, in order that he might not only succeed in ending the debate upon the one evening, but also in forcing the whole of the estimates, amounting to £940,000, through the House the same night upon which the debate is taken, as he did last year, without giving members

an opportunity of fairly considering the proposals set forth in the public-works estimates. On page 4 of the Public Works Statement honourable members will see by the table prepared by the Minister that he has at his disposal for the carrying-out of public works throughout the colony the sum of £1,147,616, out of which he proposes to ask the House to appropriate for expenditure during the present financial year no less a sum than £946,169. This, of course, must, I think, be considered alarming in the face of the fact that the country has been led by the present Government to believe that they are a self-reliant and non-borrowing one, and that it has been their practice to carry on the public works of the colony out of revenue and not out of loan. The amount asked for, to be appropriated during the present year, is far in excess of what the country can at the present time afford; and if the whole amount that is asked to be appropriated during the present year is expended during the financial year there will be to the credit of Part I. on the 31st March next only £7,458 available for carrying on the public works of the colony. It is true that there will be £100,000 under the Lands Improvement Bill, and also £100,000 for the purchase of Native lands, but neither of these two sums can be considered moneys out of which the ordinary public works can be carried on. Then, if such is the case, honourable members may well ask, Where is the money to come from next year to carry on the public works of the colony? It certainly cannot come out of revenue, as we are told by the Government that the revenue is falling, and, if the present policy initiated by the Government in the proposals now under discussion is to be continued during the current financial year and the following year, it certainly must mean that the Government will come down and ask the House to authorise the raising of a loan in order that the public works may be continued at the rate the House is being asked to continue them during the present year. Coming to Part II.—that is, the fund out of which the North Island Main Trunk Railway line is to be constructed—we find that on the 31st March last there was to credit of this fund the sum of £79,000, and the Minister proposes this year to expend upon the north end of the line upon construction-works a sum of £25,000, and upon the south end £25,278. He also proposes to expend out of this railway loan a sum of £20,005 on the construction of certain roads mentioned in another portion of the Statement, £2,500 for surveys, and £600 upon payment of “thirds” to local bodies, making a total of £78,868; leaving a balance of somewhere about £5,000 to the credit of this fund on the 31st March next. Now, the manner in which this railway loan has been treated is most unfair. It is very unfair that moneys should be continually taken from it for the purpose of constructing roads and bridges, and for surveys and other works which are of no real benefit to the railway itself; while the railway works are making little or no progress. And what is

more surprising to me is the fact that, notwithstanding our having passed a Bill authorising the Government to raise a sum of £250,000 for the purpose of roading Crown lands, and after having given them power to expend a further £250,000 for Native-land purchases and also for roading, they are still taking from the North Island Railway Loan large sums of money for the purpose of roading those lands. This does seem to me exceedingly strange, in face of the fact that the Government have this year taken from the North Island Main Trunk Railway Loan £20,005 for the construction of roads in the North Island, which ought to have been provided for out of the loan authorised the other day; and when this House, in 1886, passed an Act authorising the Government to appropriate moneys from this loan for the acquisition of Native lands it never was contemplated that the land-laws of the colony would be so changed that the proceeds from such lands would be as small as they are now, or that “thirds” and “fourths” would be paid to local bodies. The lease-in-perpetuity system coming into force prevented the railway fund from receiving the amount of money that it ought to have received annually from the sale of lands that were purchased out of the railway fund. Now, returning to the item on page 4 of the Public Works Statement, this shows that upon the construction of this railway, although £1,000,000 has been raised for the purpose of constructing it, only £548,911 has been expended, and that £348,000 out of the loan has been expended upon other works—namely, upon roads, upon the acquisition of Native lands, for surveys, snagging the Wanganui River, *et cetera*. I think it is unfair, both to this end of the North Island and to the other end, that the Government have continued to deprive this fund of so large a sum annually in order to carry on road-works, one or two of which are practically of no use, or of no real benefit to the settlement of the land along the line of railway. Now, I wish to draw honourable members' attention to the item sinking fund, which is shown on page 4, and which I have already alluded to, where it is shown that moneys of various amounts which total £1,007,580 are available for Parts I. and II. this year. It will be found that since the 31st of March last the Government have seized from the sinking fund a sum of £54,681, and if honourable members will turn to the Financial Statement and look up the public-debt table there they will find that the very first item, “New Zealand Loan Act, 1856,” shows that the balance outstanding of that loan of £50,000 had an accrued sinking fund attached to it of no less a sum than £55,000, or £5,000 more than the amount of the debt. The debt was due in July last, and, although the Government had an opportunity of paying off that debt and still having £5,000, which they could pass to the credit of the Public Works Fund, they, instead of adopting that course, which was the honest and open course to have adopted, seized the whole of the sinking fund attached to it, and issued debentures renewing

the debt. It will not be renewed for £50,000, judging from the price at which our 3½-percents are sold, as indicated in the Financial Statement. We cannot hope that these debentures will realise more than 97, and if that is the case this renewed debt will now amount to £51,500, and be added to the permanent debt of the colony. Now, I do not at all agree with the pernicious practice adopted by the present Government of seizing the sinking funds in the manner they have done. There is no doubt the law permits them to do so, but I, myself, think that the proper course would have been to pay all the debts for which these sinking funds were created when they became due. And I do not think the system of seizing the sinking funds in the way I have described can be called anything more or less than sly borrowing, for it must be understood that as these amounts are taken from the sinking fund so is our net debt increased by the amount so taken. Now, the Premier, in his statement, takes a good deal of credit for Parliament having agreed that the State should resume the control of our railways, and he goes on, in paragraph 2, to state that a great deal of good has already resulted from the change; but he carefully proceeds to sound a note of warning to honourable members, showing clearly that he has some conception of the troubles which are already surrounding him, and which will be considerably intensified before many months are over. He says,—

“The lesson taught in the past must be borne in mind, and those who have worked to restore to the people the control of the railways should not forget what led to the Railways Act of 1887 being passed, and under which for six years the Parliament and the people have been subordinated to these irresponsible Commissioners.

“Firmness in resisting unreasonable demands for reductions in the tariff will be essential, and fairness and tact in dealing with the employees imperative. It has been urged that concessions can be made in respect to promoting local industries and in the carriage of lime and manures, so as to increase the natural products, and that the reduction made will be more than compensated for by the increased freights.

“It has been further urged that by a reduction in excursion-rates and passenger-fares the increased number travelling will enlarge the revenue, and that without entailing any material augmentation in the working-expenses. Great responsibility will devolve upon the Minister for Railways, and the greatest caution will require to be exercised, for, whilst it is necessary to bear in mind that the railways have been constructed for the convenience of the travelling public and the promotion of settlement, yet at the same time the question of revenue must not be overlooked, for a serious reduction in the railway revenue would mean additional burdens on the people generally.”

I am glad that the honourable gentleman has come to that conclusion, and I feel certain that, as he proceeds with the working of the

railways of the colony, unless he is prepared to ask the people of this colony to augment the revenue by a large increase of taxation he will not be able to make large reductions in railway rates and freights; and, Sir, I regret to see that the honourable gentleman, in his Public Works Statement, is holding out hopes to various parts of the colony for the further extension of existing railways and branch lines. He has practically promised that during the recess the Government will consider the question of extending the Riversdale-Switzers line, the Wai-pahi-Heriot, and the Gore-Kelso Railway. He must know that the extension of these lines cannot possibly be undertaken unless the country is prepared to raise further loans. He also proposes, in the Statement, to acquire the Mokihinui Company's railway, at a cost of £18,000, which he does not ask the colony to contribute. He proposes to take it from the funds of the Westport Harbour Board. As regards the proposal for the extension of the Helsenville Northwards line, here I think the Minister has behaved most unfairly to that part of the colony. Last year he proposed to ask the House for £12,000 for the extension of this line. Out of that sum, only £300 was expended during the year, and the contractors have made little or no progress during last year owing to serious difficulties met with in piercing the tunnel; but this year the Minister only asks the House to vote a sum of £7,000, and it is shown in the Statement that the liabilities already existing amount to £8,995. Why he has not asked for an amount to cover the liabilities I do not know. During this year he has filched another £5,000 from the amount originally set apart for the extension of this line, making a total of £15,000 taken from this line since the Government came into office in 1891. As I have already remarked, it is of no use going into details, either as regards railways or roads, as honourable members have practically made up their minds to vote for the estimates as they stand, and they will therefore be carried accordingly. It is not my intention to move to strike out a single item, or to attempt to make any reduction in any of them; but before concluding I should like to state that I consider the large amount of money the Government has put down for expenditure upon the development of goldfields is far in excess of what it should be in any one year. The amount asked for is £90,000, and I think the colony cannot afford so large a sum for that purpose. There is another item of £3,500 under the heading of “Harbours.” This item will require a considerable amount of explanation as to the causes which have induced the Government to place this amount on the estimates. When speaking upon the second reading of the Lands Improvement and Native Lands Acquisition Bill, I stated that I feared one of the causes why the Minister for Public Works did not bring down the Public Works Statement at an earlier date was that he might use a portion of the money named in the Bill for other purposes than that for which it was

Mr. Mitchellson

proposed—namely, for roads to open up Crown lands and to give access to such—and I regret to see there are several items under the heading of "Lands Improvement" which cannot be in any way considered to be for roads either to open up Crown or Native lands or to give access to such; but I dare say those honourable members in whose districts the money is to be expended will agree to them all, whether right or wrong. They will, however, find that some of the roads to be constructed in the Auckland District are not such as should have been charged to the land-improvement accounts, and in other districts no doubt the same will be found. I do not, Sir, intend to move to alter any of these items, nor shall I debate the question any further, because my past experience has been sufficient to warn me not to do so, for every time I have attempted to reduce any item in the public-works estimates, or have moved to reject them, I have always been defeated by a large majority.

8.0. Dr. NEWMAN.—Sir, I think it is only right that everybody at this time of the session should talk as far as possible in shorthand. This is a very important subject, and I should like to say a few words on it. The House is very much in the condition, from the Premier's constant driving, of the horses broken in by the Sydney horse-trainers. They yard up a number of wild horses called "brumbies," get on their backs, and ride them from day to day until they cannot crawl, and then turn them out as tamed. I take it, that is very much the condition of the House at the present time. Members have been driven so hard day and night that they are utterly exhausted,—are too tired to rebel. But there are so many new things connected with this Statement that it shows a complete change of front on the part of the honourable gentlemen on those benches. The Premier, when Public Works Minister, two or three years ago said the policy of the Government was one of tapering off, and he brought down a statement which showed that he was tapering off in many directions, and that the public-works policy was to be one of tapering off. I think on this occasion he has thrown all this to the winds, and he has gone in for a policy which is largely bulging out. In no Statement has he flung about so much money in all directions as in this one, and the way in which it is distributed all over the colony is the way in which snow falls on the ground. There is hardly any place that is not covered more or less by the honourable gentleman's votes. In glancing at what the honourable gentleman said at the end of his last Statement, one cannot help thinking that he must have felt his former policy was entirely wrong. He said, at the end of that Statement,—

"The outlook, on the whole, is cheering. The producing-power of the colony is increasing. Our colonists are in good heart and confident. But in our prosperity we must not fail to remember that careful administration, prudence, and the strictest economy are absolutely necessary if the hardy-won recovery of the last

few years is to be maintained and improved upon."

The first thing the honourable gentleman does in his next Statement is to say that he will vote £940,000 for expenditure—almost a million. The honourable gentleman has adopted a policy that is, no doubt, very pleasing at first to constituencies, but which palls after a little time. He takes very large votes every year, but he spends very little of the money. The result is, when he delivers his Statement all the representatives in this House are highly delighted at getting so much for their districts; but, when they tot it up at the end of the financial year, they find that uncommonly little has been spent in those districts. The honourable gentleman votes £940,000, and will spend about £450,000. This pleases every one, and at the same time leaves him £450,000 to go on with next year. The result of this is extremely gratifying to a number until they find it out. This has been the way with the Otago Central. Enough money has been voted year after year to have completely finished it years ago; but through not letting a single contract till the end of December this line drags along as other lines have done. Take the most important gap—the most important line in a small way to be finished in this colony—the gap between Eketahuna and Woodville. There are twenty-seven miles of it over practically level country. The honourable gentleman began it three and a half years ago, and has allocated money for it year after year, but has spent very little, and at the present time it is some two or three years from completion. He has had nothing to do beyond making the line over a dead-level country. There are no tunnels, and no cuttings. The Awapurua Bridge over the Manawatu was made about seventeen years ago, and a notice put up, "Look out for the train," and trains will not go over it for at least another couple of years. This is characteristic of a great deal of our public-works policy. That was the only large work in the whole of the twenty-seven miles, and it was done seventeen years ago. I am glad to see one thing: that is, a pet work I have been urging upon the Government—the Makohine Gorge Viaduct, on the North Island Main Trunk Railway—is at last to be gone on with. This one item redeems, to my mind, the whole of the rest of the Statement. It is not much, but it is my one ewe-lamb. It is very much what the £1,500 is to the honourable member for Franklin: and his neighbour the honourable member for Ellesmere has got his little picking too. In fact, they are all round the House, and in this way most of the members are fairly comfortable. But I want to draw the attention of the House to another fact. Curiously enough, twenty-four years ago it was said in this House that roads and bridges were no more to be heard of in the House, and that nothing but railways would exist. In the honourable gentleman's Statement this year we see that he has almost ignored railway-making, and that our policy is now nothing but roads—roads from start to finish. They are scattered all over the esti-

mates, and railways are not to be made. But I should like the Premier to explain this: If he has spent several hundreds of thousands of pounds on roads, which do not return a penny interest, how is he going to pay the interest next year without very considerable taxation? If the honourable gentleman spent more in railway-construction the railways would have been reproductive—at all events, would pay 3 per cent. Then, I think it is a very remarkable thing that, although we have had all through the Financial Statement no end of allegations that we are not borrowing, and not doing this, that, and the other, one of the first items shown on page 3 is that the honourable gentleman borrows £150,000 for roads, and £150,000 for the Native Land Purchase Fund, in all making £300,000. The honourable gentleman will have a little money to go on with next year, because, of all the £940,000, he will take care to spend only £400,000 or £500,000. But, like the honourable member who last spoke, I am amazed that the honourable gentleman should have dealt with the New Zealand loan of 1856 as he has done. This loan was paid off by the accumulated sinking funds, some £55,000: these are taken, and the loan is reissued. This is a kind of policy we have never had in this colony. I suppose that during the recess we shall see the honourable gentleman converting all these loans with sinking funds, and then he will be happy. There is one omission from the Statement, and had this been filled all parties in Wellington would have been satisfied—that is, the extension of the railway from Thorndon to Newtown and the adjacent suburbs. That no effort has been made in this direction seems to me unwise. Here is a railway going through the centre of a town, which would have paid if it had gone on a bit further, and I may say the compensation for land that will have to be taken will be very much higher every year. I am glad to find by the Statement that the surveys in connection with the North Island Main Trunk line tell against the Stratford and in favour of the central route. I do not intend to detain the House longer. I only wish to express a hope that the Minister will not delay the letting of contracts for these works.

Sir R. STOUT.—Sir, I deeply regret, with the honourable member for Eden, that this Statement has been so long delayed in being brought before the House. Last year, when the time was not nearly so long, I made the same complaint. I do not think it is anything but playing with Parliament to ask us to discuss the expenditure of public money when the Statement is not brought down earlier, and no opportunity is given for consideration or discussion of the important questions in the Statement. There has never been in the history of the colony such a long delay in bringing the Statement before the House. The longest time previously was in 1888, when the tariff was being considered, and that was ninety-nine days. This has been delayed up to 112 days, and there is no excuse whatever for it. There were no policy Bills to keep the Statement back.

Dr. Newman

Only one Bill has any reference to it—one loan Bill of half a million—and that was settled more than a fortnight ago. And, besides, it is not usual in other Parliaments to wait to see the fate of a loan Bill before bringing down estimates for expenditure. The opposite course has always been followed. The policy Bills of the Government were long delayed in being brought down; and the reason is obvious: none of the Government policy measures were ready when the House met. They had to be thought out; they had not been prepared or discussed; and this delayed the business of the House, and prevented anything like legislative control of public expenditure. I wish to say one or two words on this Statement, and I do not intend to deal with it in detail, but from what may be called a broad point of view. The first thing that must strike every one on looking at it is that the policy inaugurated when Mr. Ballance took office, and which was continued by him during the time he was Premier, has been entirely abandoned. If one took the trouble to read a paragraph in the Statement of 1892, it would be seen the Minister for Public Works was indulging in some little self-laudation that he was able not only to avoid the evil, as he called it, of a borrowing policy, but to show that a new policy had been inaugurated. I will cite one or two sentences. On page 14 of that Statement it says,—

“For the purpose of showing how the ‘tapering-off’ policy, succeeded by the self-reliant, non-borrowing policy, has affected our public-works expenditure during the last few years, I give the following figures, . . . which bear eloquent testimony to the self-sacrificing spirit exhibited by our colonists in accepting with thorough good-will the decreased expenditure which that policy has entailed, and which also afford the fullest evidence of the resources and capabilities of the colony, seeing that, notwithstanding this enormous diminution in our loan-expenditure, the country is becoming year by year more prosperous and its financial position steadily improving.”

The figures given for 1885–86 are £1,475,386; 1886–87, £1,833,484; 1887–88, £966,159; 1888–89, £613,939; 1889–90, £482,464; 1890–91, £334,756; 1891–92, £392,501. That was the policy which the colony understood that the present Ministry were determined to carry out. It was to be a self-reliant, non-borrowing, tapering-off policy. So far as this Statement is concerned, every statement made in the public-works speech of 1892 has been abandoned. It is not tapering off, it is not non-borrowing, it is not self-reliant, it is not self-sacrificing. Do honourable members see what is involved in this Statement? Honourable members have said that there is an increase, and the total asked for amounts to £940,000. As a fact, it amounts to £990,000. They have omitted £50,000, which honourable members will see is borrowed under a distinct Act; so that what we are asked now to vote is, in round numbers, a million of borrowed money for public-works expenditure. I say the colony cannot stand that, and I say if we are going

on like this there are nothing but difficulties before us. And it is not only that; but when we expended money before for railways we always got some interest from them in return, but, so far as the road expenditure is concerned, there is no direct interest received at all except in the case of votes for roads that are charged on blocks, which are returning to the Government under that system only a very small amount of the vote. Do honourable members know exactly the amount we are asked to vote for roads? It is no less a sum for next year than £366,060.

Mr. HOGG.—Too little.

Sir R. STOUT.—The honourable member says it is too little. I suppose the honourable member would like to have a million, and even then would ask for more.

Mr. HOGG.—Yes.

Sir R. STOUT.—I thought so. The honourable member is insatiable. That shows the danger of only looking at the immediate future, instead of far ahead. I say no colony in the world can stand such an enormous expenditure for roads as £366,000 a year of borrowed money. Of this amount, as I have said, very little will come back to the colonial chest—in fact, only what is practically charged on blocks—and then it will take years before these amounts are returned to the public Exchequer. How can the colony stand that public-works expenditure? If we spent the money on railways we should get, at all events, some amount of interest, varying from 2 to 3 per cent., and that would go a good way towards helping to pay the interest if we borrowed the money at $3\frac{1}{2}$ per cent. But, so far as road expenditure is concerned, you only get what might be termed an indirect benefit; and I say again, the colony cannot stand the expenditure of this enormous amount of money on roads. For railways the amounts we are asked to vote are £313,000; and then we have, outside the roads and railways, about, in round numbers, £351,000 for other expenditure. I say the expenditure is entirely too large. No colony could stand this enormous expenditure; because I ask honourable members to see what it means. It means our having to raise—after deducting perhaps the amount the railways will return—£25,000 or £30,000 for additional interest, which will have to be found by the taxpayers. How can they do it? What is happening now? There is a falling revenue as compared with that of last year. Next year we shall be called upon to face increased taxation. How will it affect the farmers and the producers? How can they stand it? We have already been warned by the Colonial Treasurer that increased taxation is before us. We have been told that we shall have to alter the tariff—that you must increase the Customs revenue. What will happen then? If you increase the Customs revenue you are injuring every producer in the colony, because he will have less money to expend upon improvements and less to expend upon labour, and you have got to send money back all this time to the London money-lender in the way of interest.

Were members sent here to approve of a principle opposite to that which was laid down in the Public Works Statements and the policy Statements from 1890 to 1893? Can it be said for one moment that this was the policy which was announced to the country at the general elections? It is not tapering-off, it is not self-reliant, it is not non-borrowing. If it had been known that we were going wildly into borrowing,—even so far as some honourable members advocate of voting a million for roads,—I ask, would the electors of the colony have sent the present House to represent them here? I venture to say, if honourable members had stood up on the public platforms and told the people that they were prepared to vote for the policy disclosed in this Statement, they would not have been elected, except by very few of the constituencies. I am not going into the details of the Statement to point out how this particular district will be benefited, or how that other particular district will be injured. I can only say that I notice in what is termed the "Lands Improvement Account" various roads are put down here which will no more improve the land in the proper sense of the term than making any main road anywhere. A road of that kind cannot possibly be termed a lands-improvement road. As I understand a lands-improvement road it is a road specially made to open up land, or specially made through a block of land prior to its disposal by sale or lease.

Mr. SEDDON.—Leading up to a block?

Sir R. STOUT.—Yes; leading up to a block. And that term might be applied even if you make a road at Island Bay and say it leads to Pahiatua. That is as near the character of some of the roads in this list as you can have it. Take the Hokitika South Road. Does the honourable gentleman mean to say that that is a road leading to a block? It is a main road for Westland.

Mr. SEDDON.—There are sixteen million acres of Crown land there.

Sir R. STOUT.—Well, this land in many parts, except for the purposes of bush, is of no value, and could not maintain a rabbit. It is utterly absurd to say that it is a road leading to a block.

Mr. GUINNESS.—It is the best land in New Zealand.

Sir R. STOUT.—"The best land in New Zealand"! Nothing could be more utterly absurd. It has been open for sale and settlement for years and years. Since the Midland Railway Proclamation was put over it, of course, it has not been open for settlement; but it is absurd to call a main road going through Westland a land-improvement road. Since the honourable gentleman wishes to refer to the roads, he will find that in the roads and railway expenditure Westland certainly stands pre-eminent. For these purposes it gets more than any other electoral district in the colony: and I do not say it is not entitled to more consideration. I admit at once that the West Coast counties are entitled to more consideration, because it is a country covered with bush, and where, practi-

cally, there is no rateable area to tax or rate, because it is not an agricultural country. It is a mining country, and the poorest of country, and you cannot expect the small number of ratepayers there to be able to furnish the rates to make or maintain the county roads. But if honourable members will take Westland and the west side of Nelson together they will see that, compared with population, they get about double the amount of money for roads than any other district in the colony gets—over £50,000. However, I am not going into that question at all. I should not have referred to it if the honourable gentleman had not interrupted me. Now, Sir, I wish, however, to point out that we cannot afford, in the present state of the colony, to expend this large sum on roads. I can hardly think the honourable member for Eden can be correct in his statement that the Minister intends us to go into Committee of Supply and vote these sums to-night—I do not think the honourable gentleman can have been properly informed on that point. If it be so it will make a burlesque of parliamentary government. We got this Statement down last night. We got the estimates down last night too. I suppose most of the honourable members did not see them until ten or eleven o'clock to-day; and it can hardly be possible that we should be asked to vote a million of money without any consideration or any chance of dealing with the question, for we should have to vote the whole amount without consideration or debate. I hope the honourable member is inaccurate in that statement, and that it is not proposed to deal with the votes this evening. Now, I wish to say one or two words about railway construction. I believe the railways that are incomplete—some of them, at all events—should be completed. I have always said that the Eketahuna-Woodville line ought to have been completed long ago. It is a necessary connecting-link, passing through a fertile, richly-grassed, and limestone district, and it ought to have been pushed on by the Government in order to connect the Napier and Wanganui Sections with the line leading up to the capital. I think the honourable gentleman might have pushed it on, and have had it sooner completed. It would at once have given, I believe, interest on the money expended. It is not like a road on which no interest is obtained. We are simply allowing thousands and thousands of pounds to lie waste without any return whatever, whereas if we completed this link we should not only get interest on the money we spend in aiding its completion, but interest upon the money which is now lying waste, and not returning interest to the colony at all. As to the North Island Trunk loan, I can only say that I agree with what the honourable member for Eden has said: that it is entirely unfair that the Government should seek to take £20,000 out of that loan for roads, seeing that there has been such a large sum voted for making roads—namely, £150,000—and for opening up Native lands. Honourable members will see from the estimates that there is to be appropriated for

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roads for Native lands acquired £24,100, and for roads for lands partially acquired £10,550, and for new purchases £5,850: altogether, £40,000 voted for roads leading to Native lands, and for Native lands that have been acquired or will be acquired. That money should have been used for the purposes for which moneys are taken for roads from Part II. of the Public Works Fund, and nothing should have been taken for that purpose from Part I. of the Public Works Fund. To show, however, how misleading is the Statement, I would refer honourable members to that part of the Statement dealing with the Otago Central Railway, and I may say that I certainly was amused at the table to be found on page 11 of the Statement. That is entirely inaccurate, and I will point out where it is inaccurate. This is what is said:—

“As a great deal of misconception seems to exist in some quarters on the subject of the amounts specifically borrowed for and allocated to this railway, I have thought it desirable to have the following statement prepared, showing the amounts specially borrowed for the Otago Central Railway, and the amount expended thereon up to the 31st March last.”

Then it goes on to show that, of the amount specifically borrowed, £605,000 has been expended upon construction and rolling-stock. Would honourable members believe that statement is entirely inaccurate? I will show how. The honourable member has forgotten, or the gentleman who prepared the table has forgotten, that before the first loan in 1882 there had been expended £125,312 7s. 1d. So large a sum as that was expended out of the loan previously borrowed, and which was voted for the Otago Central. He has not taken credit for that on the credit side of the account, but he has charged the amount of the expenditure that took place before the Loan Act of 1882, leading the House to believe that all this expenditure which came out of loan had been specifically appropriated, and showing a deficit. That is not fair or correct, and it is not at all creditable to the Minister that he should mislead the public by such an inaccurate table. Leaving out the expenditure on rolling-stock, and assuming the table to be correct in other respects, there is standing now to the credit of the Otago Central no less a sum than £93,039, which has been specifically appropriated to that line, and which had not been expended up to the 31st of March last.

Mr. FRASER.—How about the £700,000 allocated to railways out of the Loan Act of 1884? There is no reference to that allocation in the Statement.

Sir R. STOUT.—I am assuming the other figures in the table are correct, and have left out of the question the £11,000 of liabilities. I did not mention the amount referred to by the honourable member for Wakatipu, because it was not specifically appropriated; but if it is taken into account it makes, of course, the disparity even worse—£165,000. But, without stretching the thing at all, there is without doubt £93,039 to credit; and, if the amount

voted in 1886 be added, there is to credit £258,089. And yet the Statement says it is to debit! I am not going to say more on the Public Works Statement. I am not going to deal with the details of the roads. There are many of them, I know, that we ought not to take a vote for at all. Many of them can only be called little political jobs. Many of them are roads in counties that are well able to maintain the county roads. Some of them

890. are practically main county roads, which have no more right to have money voted for them than any main roads or streets in a borough. If the colony is to have road-money for expenditure, and is to have it allocated on some system, you must have local-government control of that expenditure. This House is unable to do that work. I venture to say that unless a road is in a particular member's district, or perhaps in an adjoining district, or in a district which he has visited, no member will be able to say whether the votes on the estimates are correct or not. It was quite a different thing in the old provincial days. When estimates were before the Council almost every member knew something of the various works. But we do not know whether a vote is a right or a wrong vote. The only way I know, if we want economy and fair-play in connection with our road-votes, is to set up a special Committee to deal entirely with these estimates,—to get evidence, and to say whether the votes are proper votes. But we are asked to vote this enormous sum of £360,000 without control, without criticism, and without discussion. As I have said, that is making a burlesque and a farce of our parliamentary institutions. I have said all along that it was a huge mistake that the provinces were abolished. I have said all along that if you deal with this road system in this House you make it a huge board of works, and there is not efficient control over the Public Works Fund. I am not accusing the Minister of having put any vote on the estimates which he does not think a proper vote; but what I say is this: There is not a member here who would not like to see more votes on the estimates for his district. That means that the Minister may make a selection, and political bias is apt to come in. The only way, I again repeat, is to have some system such as I have indicated. We should not expect that this House can deal with these vast sums of money. I again warn the House, also, that this colony cannot afford to go on as it has been doing, spending such enormous sums on public works. No colony, with our population, can hope to expend a million a year on such purposes. If a proposal was brought down in the House of Commons—because we may take it that our population is about a fifty-fourth that of the United Kingdom—to spend fifty-four millions a year on public works, any Chancellor of the Exchequer proposing such a thing would be deemed a lunatic in England. When England borrowed twenty millions to spend on the navy she spread it over five years. Is it expected that the colony can stand such

an enormous strain? And what will necessarily follow? Increased taxation. Increased taxation, I repeat, is near to us. I venture to say that we shall not possibly be able to set aside another £250,000 out of the Consolidated Fund next year for public works unless our Customs revenue is increased. We see by the revenue returns up to the present that there has been a decrease this year as compared with last year and the year before. And during the next three or four months the decrease will be very much more, because I hear from commercial men all over the colony that their orders will not be so large as they have been. So far as the grain farmers are concerned, they have been severely pinched, and so also have cattle- and sheep-breeders; and honourable members will have regretted to see that even the butter-makers cannot expect the same prices which they got a year ago. In the old provincial days, even if a vote of £50,000 was proposed for roads and other works, the Council spent three or four nights over the votes. Every vote was discussed and talked about. I venture to say that in the case of the expenditure of this million of money there will not be half a dozen members who will be able to say whether the votes are right or wrong.

Mr. HOGG.—The honourable member reminds me very much of the story told by a celebrated historian about an individual who, previous to a great catastrophe in history, travelled round the walls of an ancient city exclaiming, "Woe, woe to Jerusalem!" The honourable member, since the commencement of the present session, has been howling, "Woe, woe" to the Liberal party and the present Ministry. And now he is howling, "Woe, woe" to the colony, and is predicting all sorts of disasters. I do not believe in people who are continually predicting disaster. I do not think they do any good to the country, or to those people who are helping to build up the country. I am sorry the honourable gentleman has gone away, because I intended to give him a little of my mind. I intended to refer to his political antecedents in this House, but they are known to honourable members. You have only to look at his past career as a leader and you will find that as a leader he has been a failure. And if New Zealand owes to any one statesman more than another her present position of indebtedness it is to the honourable gentleman who has just been declaiming against borrowing. His virtues are very much like some infantile diseases—measles, for instance—which when contracted late in life are most virulent. The honourable gentleman has been very virulent. Not many years ago he was associated in office as Premier of this colony with a gentleman who, I believe, possesses far greater ability than he possesses with regard to finance—the champion borrower of the age; and to make such a speech as he has made to-night is simply discarding his past associations. He kept his Ministry in office by a policy of borrowing. He rails against roads; he talks about jobbery. But what sort of policy did he bring down? To

whom is due that monstrous job the Midland Railway, if not to the honourable gentleman and those with whom he was connected? It is perfectly true what the honourable member says as to railways returning a certain percentage. But they do not return anything like a fair and reasonable amount of interest on the money expended on their construction and maintenance. Let us take another class of expenditure which his Government indulged in very heavily. I refer to expensive public buildings which were erected in various parts of the colony. Was not something like a quarter of a million lavished, chiefly through the advocacy of the honourable gentleman, on a lunatic asylum near Dunedin? The honourable gentleman believes in universities and lunatic asylums, but he does not believe in roads and bridges. He does not believe in roads and bridges because he knows they are going to help settlement. I admit that in one respect he is consistent. He prefers the city to the country, and he does not believe in helping settlers. The honourable gentleman believes in usury, but he does not believe in the people of New Zealand having cheap money whereby they may improve their homesteads. He does not believe in Consols, because he does not believe in capital which is at present lying idle being employed in useful and reproductive works. The honourable member said that the railways return a certain amount of interest but that the roads do not. I say the honourable member does not know what he is talking about. We know positively that a large amount of this money which it is proposed to spend on roads will return not 3 per cent., but 4 per cent. and 5 per cent. on the expenditure. The money which is borrowed under the Loans to Local Bodies Act for roads and bridges—which are absolutely necessary if settlement is to go on—gives a return of 5 per cent. That money is used for the purpose of enabling our settlers to get upon their sections, and to have access to markets for their produce. I ask if that is not a fair return, compared with the returns received from our railways. If you want the country to prosper you must assist the country settlers. They are building up and making the country. Do those settlers not help the labour-market? Is not every settler an employer? I maintain that even the settler who does not pay anything in wages is an employer of the very best description, because, if he employs nobody else, he employs himself and his family. They are maintaining themselves honestly, and helping to maintain the country. But, Sir, it is impossible to do anything to please the honourable member. As I have often said, his mind is taken up with universities, high schools, lunatic asylums, insurance buildings, and “fads” of that character. He wants to build cities, and to go in for all kinds of unproductive works, and the kind of works he would construct if he had the power would be works that would not return a single penny, but would be a source of continual expenditure to the colony. I am very much pleased to see that the

Government are able to afford something like a million of money for not only public works such as roads and bridges, but for railways, public buildings, purchase of Native lands, and a variety of things which the honourable gentleman has not referred to. With regard to our railways, we know very well that some of these railways only require a reasonable amount of additional expenditure to make them more reproductive than they are at the present time. These remarks apply to the North Island Trunk Railway. Every mile of that railway that is constructed will assist the settlers in that part of the colony. I do not begrudge the amount of money that is going to be expended upon that line, because it is necessary it should be prosecuted, and the same remarks in a modified sense may possibly be applied to the Otago Central. But when I come to refer to the line which more particularly concerns me, the Eketahuna-Woodville line, no money could be better expended than the amount voted to assist in the completion of that railway. Every inch of that line is going to pay, and if any part of New Zealand is going to be assisted by that line more than another it is the place represented by the honourable gentleman, the senior member for Wellington City. It will bring down to this city the whole of the rich agricultural and pastoral wealth of the Forty-mile Bush; it will tap the splendid lands in Hawke's Bay; it will bring the produce of the beautiful lands there to the Port of Wellington; and if there is anything that will tend more than another to build up the city, and make it far more prosperous than it is at the present time, it is the construction and completion of that line. And yet we hear the honourable gentleman declaiming against the proposed expenditure because the present Government are recognising the demands of the country and the wants of the settlers, by spending an amount of money upon roads similar to the amount they are spending on railways. He says, because the Government is doing this, it is entering on a borrowing policy, and bringing the country to ruin. If any man can bring the country to ruin it is the honourable gentleman, who has been declaiming against the policy of progress. What has that honourable gentleman done since he has been in this House? He has set his face against the Liberal party and everything of a Liberal character. I remember some years ago, when he was one of the leading politicians in Otago, he held different views; but he has jumped a Jim-Crow somersault, and has become a different man from what he was in those days. He has performed the feat of climbing to a lofty position, and then he has kicked from under his feet the ladder by which he was elevated. Now, Sir, dealing with this question of roads, I say this: that, if New Zealand is to prosper at all, the Government must continue the policy they have entered upon, and from year to year, instead of diminishing, we must increase that expenditure. A large amount of the bush-country is still in its original condition. It is still a wilderness, and many of

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the settlers who are endeavouring to make homes for themselves in portions of the country at the present time are simply in this position: that they are unable to pay their way, and will be unable to make homes on their sections unless they have the assistance the Government proposes. To illustrate what I am saying I may point out the fact that only to-day I accompanied one of the settlers in my district to the Under-Secretary for Lands, in order that he might represent his position. That young man hailed from Canterbury. Three or four years ago he settled on a portion of the Mount Baker Block. Up to the present time there is not even a good pack-track to that section. For 37 chains every bag of flour, every bag of sugar—in fact, everything he requires—he has to hump upon his back in order to bring them to his little cottage. Quite recently he told me he introduced his father and mother to his bush home. The other day his mother was taken ill; and in what position did he find himself? She might have died, but it was impossible to find medical aid for her. In order to get her out of that position he would have had to carry her on his back for a distance of half a mile over fallen logs and timber. All he wanted was a pack-track—a work that would cost about £100. Yet he was unable to get it. Sir, the Government of the day, and especially the Minister of Lands, deserve every credit for spending all the money they possibly can to assist settlers of that character. Wherever I go—speaking for my own district, the Forty-mile Bush—wherever I go, the cry of the settler is, “Roads! roads! The grain on our sections is rotting; there is no chance of getting in any stock, or of finding our way to market, because we have not got roads to our sections.” They may make improvements, they may fell the bush, they may get their lands under grass, but of what use is that land to them if they have no roads? The first essentials in order to make sections reproductive are roads and bridges. These men may make a living; but how are they to pay their way? They are required by the Government to pay rent; they are required by the local bodies to pay taxes; they are required by their neighbours to erect fences. They need money for fencing-wire, and various other things; but it is impossible for them to make money unless they have means of access to their sections, and are able to feed their sheep and cattle, and to drive them out to market. Roads are absolutely essential to successful settlement. These roads and bridges are the highways of civilisation; they are avenues for profitable employment; they will give employment to the settlers themselves, as well as to the unemployed; they will save such gentlemen as the honourable member for Wairarapa from having to cry out in this House about the poor swaggers travelling about from station to station. If anything will relieve the present state of the labour-market it is the introduction of a policy of this kind. Because what has our railway policy done in the past? No doubt, with the

money borrowed for railways, we have been able to introduce locomotives, and a great deal of iron from other parts of the world, and that is where the principal portion of our money has gone. A comparatively small portion of it has gone in labour, and what has been spent has not been spent in a proper direction, because it has failed to settle people on the land. But the policy of the Government is providing work for the unemployed, and providing them with money during the time they are bringing their lands into cultivation. I am astonished that any member in this House should be heard declaiming against a policy of this character, because I maintain that if a new country like this is to be made prosperous, if our large centres are to be made prosperous, we must have something else besides higher education. We must have education of a very different kind. We must have physical education; and, more than that, we do not want merely to stuff their brains. We want something to clothe and feed them; and it is the settlers who will produce the material for food and clothing. But the honourable gentleman has the inflated notions which, I am sorry to say, too many who reckon they possess a very superior amount of learning seem to enjoy. The honourable gentleman is carried away with the idea that the perfect man or woman must be somebody who is turned out of a university. The son of the settler enjoys what I may call the best of technical instruction. He is taught how to fell bush, how to cultivate the land, how to manage stock. Those men or women who are producers are the best friends a new country can possibly have. They are feeding our exports; they are assisting the colony to pay its way; and if the colony is to thrive at all, if we are to get out of debt, if we are to make our great national swag rest easily upon our shoulders, it is by prosecuting a policy of this character and enabling the settlers to make money from the lands of the colony. That is the only way it can be done. Universities will not enable the country to pay its way. We cannot make the country pay its way by turning out briefless barristers who find great difficulty in making their way through life. We have had recent illustrations of that in Wellington, where barristers have been brought up and threatened to be struck off the rolls because they cannot pay their fees to the Law Society. You do not see the settlers trotted up before the Courts because they cannot pay their way. It is very rare in New Zealand to see a settler dragged up for old debts. The backbone of the country are the men and women who in the wildest part of the country are endeavouring to make homes for themselves. These are the men and women in whom the hope of the country lies. The hope of the country's future does not lie in barristers, or in men who come into this House to take away hope from the breasts of the people by declaiming against the policy of the present Government and against progress. I say this: that the present Public Works Statement is, I believe, one of the most gratifying State-

ments ever issued from a Parliament in this country. I believe it will be hailed with almost universal delight throughout New Zealand, because it specifies for the first time since the borrowing policy and the public-works policy commenced,—for the first time in many years,—that the amount to be expended on roads is more than equal to the amount to be expended on railways. It is what the settlers in my district have been clamouring for for years. They have been continually bringing this matter under my attention: that too much money has been thrown away on railways, and far too little spent on roads. And roads are superior to railways in a young country. Railways may benefit a few; they may be used for heavy traffic; but if you have a road you have something that everybody can use—men, women and children—a means by which every child can get to school, and every farmer can reach the nearest market; and if our railways are going to be reproductive it must be by extending our system of roads—by making main roads to every part of the country. And now, with regard to main roads, are they not necessary? They are just as necessary as by-roads. One must be dovetailed into the other. You must also have pack-tracks, and whatever you do you must give settlers—and especially young settlers—access to their sections. I say at once that we ought to support the Government, and, if we support the Government with regard to anything at all, it ought to be in the line of policy they are now adopting, because through that line of policy New Zealand will be able to come to the front as a country in which public works are thoroughly reproductive. I believe, by prosecuting this policy of roads and bridges, we shall not only help on the good work of civilisation, but we shall help forward the work of settlement; we shall add to our exports; and if we are not able to gradually extinguish the indebtedness of the country we shall make the indebtedness that New Zealand is now labouring under sit very lightly indeed on the shoulders of a thriving population.

Captain RUSSELL.—I do not intend following the honourable gentleman through the whole course of his speech, but I was surprised to find he felt it a public duty, in criticising the Public Works Statement, to vent his private spleen on the member for Wellington City (Sir R. Stout). The arguments of the honourable member for Masterton upon the Statement itself were, to a certain extent, right. At any rate, I join with him in believing that the construction of roads is more desirable than the further construction of railways. But I was unable to agree with some of the other arguments he used. He told us that year by year, instead of diminishing, the Government

90. must increase, expenditure. "Hear,

hear," says the honourable gentleman; and shortly afterwards he says, "If we are to get out of debt it is only by pursuing a policy of this kind." Well, Sir, if the honourable gentleman were an Irishman I might perhaps

appreciate the joke, but, seeing that he is a Scotchman, I do not see how it is possible for any system of logic to explain how going further into debt, and year by year increasing the expenditure, is to reduce the public debt of the colony.

Mr. J. McKENZIE.—Increase the population.

Captain RUSSELL.—Yes, Sir, it is perfectly true we must increase the population; but how are we to increase the population? By the provisions of the Undesirable Immigrants Bill possibly?

Mr. J. McKENZIE.—By putting the young boys and girls of New Zealand on the land.

Captain RUSSELL.—I cannot see that. The young boys and girls of New Zealand will not increase the population, I should imagine. I have no cause to laugh over the statement at all. I am also one of the Jeremiahs—I forget the name of the prophet who marched round Jerusalem; it was not Jeremiah, but I have often been classed as a Jeremiah, though most undeservedly. I endeavour to look the facts fairly in the face, and, having looked them fairly in the face, to state what one sees there, and what is likely to arise from the policy proposed. It is an axiom, or hitherto has been termed an axiom, that the first duty of the House of Representatives is to take care of the purse. Unfortunately that axiom has ceased to have any effect whatsoever in New Zealand.

Mr. SEDDON.—We have got a pretty tight hold.

Captain RUSSELL.—Yes, the Premier and the Colonial Treasurer have a pretty tight hold, but of the bottom of the purse, which they have turned upside down, and they are scattering sovereigns in every direction. But we, the representatives of the people of the country, the members of the House of Representatives, whose principal duty should be to guard the public interest, are allowed no voice whatsoever in the expenditure of that money. Why, what is our position? Last night this Public Works Statement was brought down—I forget exactly at what hour; but the estimates were not placed in my hands till half-past ten. The House sat till two o'clock in the morning. Some of us reassembled on Committees at ten o'clock a.m.; and, speaking for myself, except during such time as the House adjourned, I have not been outside the House to-day, and have had my attention carefully fixed upon the business brought before us, and though I rise to say a few words, and unfortunately only a few words, on the Public Works Statement, I confess frankly to the House I have had no opportunity of studying that document. It has been perfectly impossible that one should read the whole of the Public Works Statement and compare it with the other Statements and tables bearing on the public expenditure in an intelligible manner since it was placed in our hands; and yet to-night we are being forced, whether we like it or not, to discuss the expenditure of one million of money, when it is no exaggeration to say that no

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member in the House, excepting the Premier, and possibly some of his colleagues, have had an opportunity of studying or at all understanding the Public Works Statement put before us, and so of discharging the duty which our position imposes upon us. Sir, it is a most unfortunate and extraordinary circumstance that the House of Representatives should be forced to do this. And not only that, but we know full well that the Premier does not intend, if he can help it, to allow us to leave this Chamber until we have voted the expenditure of one million of money, of which the great bulk of us have no knowledge whatsoever.

Mr. SEDDON.—I have not said anything of the kind.

Captain RUSSELL.—The Hon. the Premier has not said anything of the kind, I know, but my experience of him has lasted under fairly happy circumstances for nearly twenty years, and the Ethiopian does not change his skin nor the leopard his spots. There is one short paragraph in the speech of the honourable member for Wellington City (Sir R. Stout) that I should like to take exception to, though the honourable gentleman is not here; but I do not think he will object. He spoke of the tapering-off policy as a policy inaugurated by the late Mr. Ballance. Now, I give the late Mr. Ballance all credit for having had a strong and sincere desire to continue the tapering-off policy inaugurated by Sir Harry Atkinson in 1887, but it was he who commenced the good work: and this is no assertion, but the facts prove it to be the case. I am speaking now only from memory, but I think the amount of the public-works expenditure when Sir Harry Atkinson took office was—my honourable friend on my left (Mr. Mitchelson), who is able to give reliable information, says it was over a million—I was going to say it was £967,000; it was some such sum, and the year the Atkinson Government was turned out of office the expenditure was reduced to £334,251.

Mr. SEDDON.—Last year it was £320,000.

Captain RUSSELL.—No; the honourable gentleman is wrong. I will give him the exact figures presently of his own expenditure last year. I give all credit to the late Mr. Ballance for having carried on the policy which was inaugurated by the late Sir Harry Atkinson, and I only mention the matter now, because honour should be given where honour is due. The fact remains that Sir Harry Atkinson was the first public man who had the courage to bring about a systematic reduction in the public-works expenditure of the colony. Now, it has been said that there is to be an increase of taxation next year. I think it is possible the Government may be compelled to endeavour to impose fresh taxation on the colony next year, but, unless I am very much mistaken indeed, they will find it impossible to raise further revenue. I do not by that mean to lead the House to suppose it is my belief this Parliament will not consent to the imposition of further taxation. I am sorry to say the axiom that it is the duty of members of the House of Representatives to

guard the people's purse has no effect here, and therefore honourable members will be prepared, in all probability, to impose fresh taxation; but, unless I am much mistaken, the Government will find it impossible to raise further revenue, however much they may propose it. I believe so for this reason: that with a falling revenue you may increase taxation through the Customs, but the inevitable result will be that, as the people have come to the extreme limit of their spending-power, they will diminish their expenditure to pay the increased taxation, but that will not increase the revenue; and so, though a further taxation may be imposed upon land, I believe the same effect will take place, seeing that the land is already taxed to the utmost limit it can stand.

Hon. MEMBERS.—No.

Captain RUSSELL.—Honourable members know nothing about the difficulties of land-owners when they say "No." The effect of imposing additional taxation on the land will be this: There will be a very serious fall in the value of land, proportionate to the increased charges imposed upon it, and, consequently, the amount levied in excess of the amount that is already raised by taxation on land must in reality be taken from the moneys now paid as wages, and therefore the expenditure of the people will be further diminished, with the result that further taxation will not give increased revenue, but will intensify the distress and prevent the ordinary amount of Customs duties from being paid which otherwise might be levied. There are two or three points I wish to touch upon in connection with the Statement, but I repeat again that I have been unable to study it. What we have to bear in mind is this: that it is impossible to go on borrowing money without paying interest; that, if we spend money, in some way or other we have to pay the interest for the money we get. Though the Premier told us just now that the expenditure of his Government last year was less by £14,000 than the Atkinson expenditure for 1890-91, I chanced to have the exact figures for both years in my possession, and I shall quote them. They show that the expenditure of this Government last year was considerably in excess of the expenditure of the Atkinson Government in 1890-91. Their expenditure in 1890-91 was £334,251; while last year—and there is no use in talking about Part I. and Part II., because Part I. and Part II. were all one in the days of Sir Harry Atkinson—the expenditure last year was £409,474. These are the exact figures, which I give believing them to be absolutely correct. I have taken them out to the best of my ability, and they are open to any honourable gentleman who thinks he can prove that I am wrong. Now, I wish to draw a comparison between this self-reliant, non-borrowing, tapering-off Government and the Government of Sir Harry Atkinson, which they have been continually taunting with not having done its best to make reductions. I quote again the figures: £334,251 was the gross expenditure of the Atkinson Government during the last

year of office; £940,168 is to be expended this year, unless we are to be told—which I hope the Premier will not tell us—that these public-works estimates are all humbug. Assuming they are correct, he is to expend £940,168 and the additional £50,000 which was pointed out by the honourable member for Wellington City (Sir R. Stout) just now, making in round numbers one million of money, as against one-third of a million of money spent by the Atkinson Government. It is all very well for honourable members to say it is desirable to spend the money. I agree that it is desirable, so far as our means allow, to go on with roading the country; but to tell me it is possible to sanction additional expenditure to the extent of a million of money in this unfortunate colony year after year, as a means of lifting it out of its difficulties, is to ask me to believe something that is contrary to all experience and to the dictates of common-sense. I cannot believe such a thing will come about. Now, I do not by any means wish to find fault with the amount of the votes put upon the estimates for my particular electoral district. It is quite out of my power to find any fault with them whatsoever. There are none to find fault with. No road or bridge, nothing of the sort, is allowed to the district I have the honour to represent, and therefore it is impossible to find fault with anything that is being done in my district. Oh! you may look, but you will not find it, because there is not one single penny.

Mr. SEDDON.—“Hawke's Bay, £9,293.”

Captain RUSSELL.—Oh! Hawke's Bay is not my electorate. Do not try to draw a red-herring across the scent. The Hawke's Bay Land District includes a portion, I believe, of the Province of Auckland. At any rate, it has no more to do with my part of the country than the Province of Wellington. I have some cause to find fault with that; and I have serious fault to find with the utter neglect of the east coast of the North Island. There is a district which should be made a highly reproductive district. It is a district we have heard to-night about—namely, the East Coast—and it deserves to be well considered, on account of the configuration of the country there. Probably in few portions of New Zealand is the country more broken than on the East Coast. Well, we have, I think, the sum of £1,000, which is to be expended on the Wairoa Road. The Premier, after his notable passage across Lake Waikaremoana, interviewed the settlers at the Township of Clyde, in the district of Wairoa, and there, after he had, no doubt, dined well, after the fasting of the few days previous, in the most generous way he promised that he would expend £5,000 or £6,000 in making and repairing their roads; and here we have the lamentable result. It seems to me most hard—and I am not speaking of my own district or in my own interests, but I know well that there is a district, extending from a few miles north of the Town of Napier right up to Tauranga, which has not received any appreciable benefit from public-works expenditure.

Captain Russell

The whole of the roads in that district have been made out of the settlers' own rates by the people themselves, and there has been scarcely any expenditure there of any kind; and yet, when we get the large expenditure of a million of money again, that district is absolutely neglected. I may be told that there is not much Crown land and not much Native land in that district; but the Government again is mistaken, as there is a considerable area of Crown land and a considerable area of Native land which the Government are negotiating for. I notice, in looking over the estimates, that under the Lands Improvement Account there is money being expended in every possible locality, and that money is to be voted for expenditure on roads upon the most flimsy pretexts, nominally in order to open up country for settlement, and I say it is a hardship that the whole of the East Coast district should be completely debarr'd from settlement, and be left without a chance of any better development, simply because the Minister does not choose to do anything for it. I notice one interesting little passage in the Public Works Statement—that referring to the men employed on the co-operative system; and I would draw the attention of the House to this fact: that the number of men under the co-operative system swelled considerably during the month of the election, and remained so till the month afterwards; in October, just before, they numbered 1,889, and in December, just after, they had risen to 2,122; but as soon as the excitement of the election was over again they dwindled down. I will not mention anything further in regard to it, but I would simply ask honourable members to draw their own conclusions. It is no doubt a proper thing to give the co-operative men an opportunity of employment at election-time, because unless men are profitably employed during such times they are apt to get a little rowdy, and to crowd into places where it is not desirable that they should be; but it is desirable that they should be in places where support is required.

An Hon. MEMBER.—How can they get on the roads to vote?

Captain RUSSELL.—Oh! that is very easily managed: polling-places were opened adjacent to the works; and if the honourable gentleman who asked the question had fought as many elections as the Hon. the Premier he would know how that could be done. Then, there is another point I should like to draw the attention of the House to. The honourable member for Masterton commented on the desirableness of expending money on roads rather than on railways, and he took a wise course. I agree with him in such a proposition; but no other one thing can better be adduced to intensify the want of roads than what has been done on the North Island Trunk Railway. There is to be a sum of £25,000 expended in the completion of the line of railway to the Poro-o-tarao Tunnel. Well, some honourable members say that there will be 2 per cent., 2½ per cent., or even up to 3 per cent. earned by the extension of the railway; but I have travelled through

that country myself, and can assure the House that there is no possibility of the proverbial grease for the wheels being earned by the extension of the railway to the Poro-o-tarao Tunnel. It is land almost as poor as any part of New Zealand, absolutely unpopulated and unfit for small settlement, and it will remain unoccupied by small settlers for fifty or a hundred years hence. The Poro-o-tarao Tunnel stands a monument of folly, and yet the Government have made a railway to convey people to it, and that monument of folly is a greater piece of folly than the tunnel itself. How long are we to continue to hold this mad theory that pushing railways into the wilderness is going to improve the position of the colony? How long are we going to delude ourselves with the idea that railways are going to be pushed forward to a paying-point, wherever that may be? Who is to say what is the paying-point? The honourable gentleman may go on for ever pushing railways into the wilderness, but he must go on for ever and ever if he does not stop until they come to the paying-point. There are just two passages in the Statement bearing upon this which we have to notice, inasmuch as they go to prove exactly the opposite of what is put in the Statement. One paragraph says,—

“The policy of the Government since its advent to office has been to complete the unfinished lines so as to turn unproductive expenditure to profitable account. In pursuance of this policy, no less than 135 miles of railway have been completed and opened for traffic during the three and three-quarter years that the Government has been in office. Of this total length, 61 miles 7 chains were opened during the late financial year.”

Is this the paying-point?—that is to say, by opening 135 miles of railway are we progressing to this paying-point? And, having turned the point, what do we find from the next paragraph? These words: that we have at last come to the paying-point, or have got 61 miles nearer to it? No; the result is a diminution of earnings, and an actual increase in the cost of working the railways. The next paragraph says, “The total receipts during 1892–93 amounted to £1,181,521, against £1,172,792 for 1893–94.” So that the truth is that the opening of that 61 miles of railway has not brought any increase, but really, as honourable members will see, it has brought about a proportionate increase in the management-cost, and actually had further diminished the net earnings of the railways. The paragraph states,—

“... and the net profit, after deducting working-expenses, amounted to £437,434 in the latter year [that is, 1893–94], against £449,380 in the former [1892–93], a deficiency of £11,946. This, in the face of an increased capital expenditure of over £400,000, and an increase of 61 miles in the length of line worked, cannot be regarded as a very satisfactory result.”

In the face of such a statement, how can the honourable member say that it is desirable to go on pushing railways on in the country, when we know we are so far taxing the people, and

heaping new burdens on them which they can scarcely carry? Is this the way by which prosperity can be brought back to the country? And we have now come to such a pass in the history of this colony that the further making of railways through unproductive country can only result in further taxation upon the people. Although it may be said that that taxation will be borne by the rich, and not by the poor, I hold it to be axiomatic that you cannot impose a burden upon any class of the community without further affecting the poorer classes of the community. You may impose the taxation apparently on the richer classes of the community, but the inevitable result is that the poor must suffer; and I repeat now what I have said for ten years, that the day of prosperity will never dawn in New Zealand until we are not able to borrow any money to spend in the way we are doing, and until we are really self-reliant. Then we shall develop new industries, and the country will progress, and every kind of business will be established on a sound basis, because the people themselves will be self-reliant. But if you continue as proposed here, spending about a million of borrowed money every year, the result will be to cause the people to lean upon the Government, which must be prejudicial not only to their material welfare, but to every moral consideration.

Mr. REEVES.—Sir, either the speeches to which we have listened this evening have not been of a very rousing character, or else I cannot help thinking that the overpowering eagerness for the Public Works Statement of which we have heard so much to-night, and the indignation at the delay in bringing it down, have been a little exaggerated. Because, if we were to take as absolutely correct the statements made in speeches, one would, I think, have expected to see an intensely exciting debate, an exceedingly full House, and members eager to attack the Government for not having brought down the Statement before. Instead of that, looking around us, what do we see? A House fully one-third of the members of which are not here, and of the remainder a number of gentlemen employed in reading and writing, certain others engaged in a subdued but agreeable conversation, and several who appear so perfectly satisfied with and trustful of the Government that they have abandoned themselves to the sweets of slumber. However, although the speeches seem scarcely to have had any very exciting effect, they have, at any rate, been of a most agreeable and gentlemanly character. So in what I shall say in reply I shall try to refer to the speeches and not to the speakers, and to meet their fair arguments with as fair arguments as I can bring forward. We have to apologize to the other side for not having followed their first speaker with a Minister. I believe that it is usual in the public-works debate that some leading speaker of the Government side should reply to the first speaker on the Opposition side; but the fact is that we hardly know where we are when dealing with the leaders of the Opposi-

tion. We look at that bench and see daily two gentlemen sitting there. But we do not know whether either of them is leader, or whether neither of them is leader, or whether both are leaders. We never are quite able to understand whether, like the Consuls of old Rome,

each commands on alternate days, or whether they share the leadership, and we are to look upon that bench as upon the title of a well-known brilliant novel and see before us a pair of "Heavenly Twins." But, as a Government in the habit of pursuing a prudent policy, we wish to be on the safe side, and we waited until both those honourable gentlemen had spoken. Now we are quite safe in lumping them into one, and replying to the collective leader of the Opposition. I myself am obstinate enough to insist on taking the honourable member for Hawke's Bay as the leader of the Opposition, and I shall go on doing so until I am prevented. He did not, however, speak first to-night, but the debate was opened by my honourable friend the member for Eden. I presume he was chosen to lead in this debate on the principle of "an old horse for a hard road," and I am bound to say that he seemed to have found the road an exceedingly hard and thankless one to travel. I listened, Sir, very carefully to his speech, and, upon my word, thinking it over, I cannot find one argument which I think would call for reply. The honourable gentleman complained, of course, of our reckless and extravagant proposals, and stated that we were exceedingly lavish in scattering money all over the country in one way or another. But when he came to his own district we were not spending too much money there—we were not spending enough; we had treated the unfortunate Helensville Railway in a most outrageous manner. Then, my honourable friend the senior member for Wellington City also complained of our extravagance; but at the same time he complained that we had not been liberal enough towards the Otago Central Railway, and we had not put down enough for the Eketahuna line. Again, my honourable friend the member for Hawke's Bay denounced the reckless, plunging, borrowing policy of the Government; but when he came to his own district we heard the bitter cry of poor Hawke's Bay, which was to get nothing at all. It is the old story—these honourable gentlemen preach economy for somewhere else. They are prepared to shed the last drop of their brother's blood, but when they come to their own districts they never get enough. One and all of the Opposition speakers to-night joined in complaining of the shameful delay of the Government in bringing down the public-works policy. "Never, never," said the honourable member for Wellington City, "had a Government treated the House so shamefully in the matter of delaying the public-works policy." "Why," said the honourable gentleman, "were not the Bills of the Government ready?" We had nothing ready, said he. We kept the House waiting week after week: the House had to wait three months and a half before it could learn what

the public-works policy of the Government was. But, so far from not having any policy Bills ready, and not having anything for the House to do, why, there never was a Government that came down with such a shoal of Bills all ready, and called upon the House to plunge into such a sea of work at so short a notice. The great complaint then was not that we had not work for honourable members to do, but that we had such an enormous quantity of work prepared for them that they got no peace and no rest. It was said that we were giving them three years' work to do in one session. What are the facts and figures? In the first fortnight of the session forty-four Government Bills were introduced, twenty-two passed their second reading, nine passed into law. I ask honourable members to look back at the records of past sessions and say what session they can find that can show such figures as that. You may complain that we are asking you to do too much, or that we have brought down too many Bills, or that we are trying to rush the work through, and that we are prepared to overwork the House; but you cannot complain that our measures were not ready, and that no work was placed before the House when the session began. Our policy Bills, Sir, were ready. More than that, the earlier part of the session was taken up by a necessary reform of the Standing Orders. Then came the invasion of the Bank of New Zealand trouble, which brought with it a host of work and a certain amount of unavoidable delay. Our labour Bills were ready, and passed at once; our Railways Bill was ready directly the House was ready to discuss it. The Land for Settlements Bill was ready, and was put through without the slightest delay; and our financial policy was not delayed. Nor were we responsible for the debates on that policy occupying long weeks. Quite the contrary. Honourable gentlemen exercised their liberty in debating our financial policy, and certain honourable gentlemen, I think, stretched that liberty into license. But it was not our fault that those honourable gentlemen consumed an inordinate amount of time in discussing our policy Bills; and I am bound to say that the very men whom we heard night after night, and hour after hour, and day after day, dragging out to an interminable length the discussion of our policy Bills are the very men who get up and denounce us because that delay has prevented the Public Works Statement from coming down until a late period of the session. Then, we are told that we ought to have brought down the Public Works Statement with the estimates appended before our financial Bills passed into law. Could anything be more ridiculous or humiliating than for a Government to place itself in such a position? What would be the result if we were to be called upon to bring down the estimates of expenditure, and to put forward arguments to sustain that scheme, before we knew whether we were to have the money to carry that scheme out? It simply means that if we did not get the money we should have to withdraw

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the Public Works Statement, and withdraw all the arguments put forward—to withdraw our scheme and policy, to withdraw the whole of the estimates and recast them. Sir, it is a mere matter of business that before we can put forward a public-works policy we must know that we are to have sufficient money provided to enable us to carry it out. Last week the half-million loan Bill passed into law. Since then one measure delayed the bringing-down of this Statement for a few days. That was the Licensing Bill, and I can hardly sympathize with certain honourable gentlemen who are blaming us now for wrongly postponing the Public Works Statement for four days in order to bring down the Licensing Bill. I say, whoever ought to reproach us, it is not some of the honourable gentlemen who have to-night criticized our policy. I think I need not dwell upon my honourable friend the member for Wellington Suburbs, who, having had his say, has betaken himself from the Chamber. The honourable member was, of course, most impressive in condemning our rash borrowing policy; but, when one remembers what his borrowing policy was,—which he was incautious enough to put into print only three months ago,—I think the honourable member's opinions on our policy can be taken with a considerable amount of discount. I think an honourable gentleman who wanted to borrow two millions in a lump to be spent on railways can hardly blame us for a proposal to expend £900,000, the greater part of that to be spent on roads and in land-purchase. However, passing from that honourable gentleman to the more serious criticism of the evening, great stress was laid on the fact that we were asking for too much money to be spent on roads. Very well; let me endeavour to deal with that. First of all, I think that is rather inconsistent on the Opposition's part. You have only to look up *Hansard* to see that only two years ago, and, in fact, less than that, the cry of the Opposition and their then leader, the Hon. Mr. Rolleston, was that the expenditure of money on railways ought to cease, and that the money ought to be expended on roads for settlement. They pointed out that the railways of the colony were, on the whole, rather ahead of settlement than behind it, and they pointed out that, as we lengthened out our railways, inevitably the paying-power would diminish, and the returns of the lines decrease. Therefore they said, "Stop that railway expenditure for the present, and spend your money on roads." "You cannot spend too much money on roads" was the cry we heard again and again. "The roads are the arteries, the veins which carry the lifeblood of the country; and unless you make roads and bridges, unless you open up the waste lands of New Zealand, unless you put people on the land and give them communication to it by road, you never will stimulate the productive powers of the colony, and you will never enable New Zealand to carry lightly the burden of her public and private debt." Sir, that is what we are doing at the present time,

because what we heard from nearly all those honourable gentlemen then was true. We ask, is it not absolutely necessary to carry on the settlement of New Zealand? That is the question honourable members should put to themselves. It is all very well to pick holes in this policy. It is all very well to say, "Here is a road and there is a bridge which we might possibly have done without." It is all very well to say borrowing means interest, and that we have a large public debt, which is growing larger. But the question for honourable members to ask themselves is, whether the progress of the colony shall stop, whether the work of settlement shall cease, whether we shall enable our population to find homes for themselves on the soil, or whether we shall drive our young people out of the colony to find homes for themselves across the sea. You cannot carry on the work of settlement in this country without money. It is a terrible fact, and a hard fact, but you cannot get away from it. There are now waste lands which must lie useless until they are opened up, surveyed, and roaded, and until people are placed upon them. Very well: can you do that without money? I say you cannot; and, no matter what financial means you may employ, it all comes down to this: that you must spend money on this land, and in order to spend money you have got to raise it. We take the responsibility for that, for we must carry on the work of settlement in New Zealand. We must get money for that purpose, and spend it prudently. That is our policy; and, so far from that policy being inconsistent with anything that we said at the general election, it is the policy upon which we went to the country and the policy upon which we were returned.

Hon. MEMBERS.—Oh!

Mr. REEVES.—Will honourable members dare to say that we were not carrying on the very same policy during the last Parliament? I say that we were buying large areas of land, that we were roading and bridging them, and that we were raising money by debentures, and by other means, in order to carry that work on; also, that we were adding to the public debt, and that we never denied that we were adding to the public debt for those purposes. We could not buy lands, and make roads and bridges to those lands, out of consolidated revenue. Therefore a great deal of that money had to be raised by means of debentures and other means, which must add to the debt. And, Sir, our people, instead of condemning us for that, cried "Bravo!" and instead of telling us to cease that policy they insisted that we should go on as we had been doing before. Did they condemn the purchase of the Cheviot Estate, or the roading and bridging of it? Did they condemn the purchase of the Pomahaka, and other purchases in the South Island? Did they condemn the purchase of Native lands during the last two or three years in the North Island, or the sums spent in roading and bridging them? Did they condemn the sums raised under the Loans to Local Bodies Act—raised under that very scheme condemned now *in toto*

by the honourable member for Wellington City (Sir R. Stout)? That was the policy which the people of the colony indorsed at the last general election. If you do not raise money to put people on the land, if you do not raise money to make roads and bridges and to carry on the work of settlement, if you do not raise it by means of debentures, how are you going to get it? One of the plans in the past was to sell large areas of land for cash, and to sacrifice it in that way for revenue. Not much roading had to be done for the owners of large areas. They did not require money for roads; some of them were satisfied to have a road merely to their woolshed. They did not want the land cut up into small blocks, and they did not want to see people there at all. They would rather keep the people out of the country if they could. But will honourable members say that that was a satisfactory system? I say, Sir, the good sense of the people revolted against it, and caused us to sweep it away. Instead of that sale of land in large areas for cash, which they put a stop to, they have demanded that land shall be cut up into small areas and opened by roads, and, as we cannot now get cash by the sale of land, we have to raise money by other means to carry on the work of land-settlement. Now, if my honourable friend the senior member for Wellington City were a man who, like the honourable member for Hawke's Bay, was in favour of selling land for cash—parting with it to anybody who would buy, and thus raising revenue for roads and bridges—I should say his criticisms of our policy might have some reason. But he absolutely condemns the selling of land for cash; he is willing to go even further than the Government in restricting the sale of land. Very well; if we are not to sell land for cash, and if we are not to stop the public works of the country, if we are to carry on the Eketahuna-Woodville line, if we are to treat the Otago Central fairly, if we are to push on the North Island Main Trunk line, and if we are to open up areas of land everywhere by roads and bridges, we must have money. If we are not to sell land for cash, so as to get money, and if we are not to borrow money either in London or in the colony, how, in Heaven's name, are we to get the money at all? I leave the honourable gentleman and his friends to untie that Gordian knot as best they can. It is all very well to indulge in theoretical condemnation of the practice of borrowing. If the world could get on without borrowing it would perhaps be a very magnificent thing, but, unfortunately, practical politicians who are discharging the functions of government, and who are returned by the country to carry on the work of settlement for its good, are obliged to borrow money in order to carry on this work. But there is a plain distinction between borrowing money in the way we are doing and the old-fashioned public-works policy. I shall proceed to draw this distinction, and show what it is. In the first place, we are told that this Statement has disclosed enormous and extravagant expenditure—enormous expenditure by

comparison with that of Mr. Ballance, and extravagant by comparison with that of the late Sir Harry Atkinson. We are particularly told that it compares very badly indeed with the tapering-off policy of the Atkinson Government, of which the leader of the Opposition was a member for a time. What are the facts? Our public-works expenditure this year is £640,000: that is, the appropriations are to that amount. What the expenditure will be, of course, you will see next year. It will certainly not be more than the appropriations, and, judging from the experience of the past, it will be very considerably less. So that we must not compare our appropriations with the expenditure of the Atkinson Government in any one year; we must compare them fairly with the appropriations of the Atkinson Government. So also with those of the Ballance Government. Now, this is the first year of a new Parliament, when we are sketching out a policy for three years; and if honourable members will look at the records of previous Parliaments they will see that the amount of appropriations is always largest in the first year of a new Parliament, because in its first year the policy of that Parliament is indicated. Therefore I will take the first year of the Parliament of 1891-92. What were the appropriations then? £744,000. This year they are £640,000; so that instead of there being an enormous increase there is a substantial decrease. It is quite true that there is another £800,000, but that does not come fairly at all under the head of public-works expenditure. It may fairly be called lands expenditure, and, inasmuch as the selling of lands for cash has been stopped, and therefore we can no longer raise revenue in that way—as the country has, with its eyes open, stopped that bad old system—we are obliged to raise money to carry on this policy of the opening-up of land for settlement. And we are therefore raising the sum of £300,000, and appropriating it for this year to buy land and open it up. Need I try to justify the policy of the purchase of Native lands or private lands? Were honourable members prepared to resist that? If they had said that buying Native lands was wrong, and had done their best to block it, I should have said they were consistent. But they did not. The North Island Opposition members did not dare to say that the policy of purchasing and opening up Native lands was wrong. On the contrary, the only fault found by a number of them was that we did not spend enough in this way, and they would have liked us to spend more. And the Opposition members from the South Island—did they dare to oppose the policy of the repurchase and opening-up of private lands? On the contrary, they said it was a good thing, although they said that that terrible fellow the Minister of Lands must be carefully watched to see that he did not purchase any more Pomahaka Blocks. But as for the theory of the thing, they said they were the real persons who originated it; that their old leader, the member for Halswell, believed in that sort of thing; that

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we were thieves and robbers who had stolen their bathing-clothes and used them to attire ourselves. Very well; if they agree with our principles, and if the getting of money to carry these principles into practice is absolutely necessary, on what grounds do these honourable gentlemen accuse us of wasteful extravagance? Who ever heard of such illogical inconsistency? If the honourable member for Inangahua stood up and condemned this policy to-night I should say he had a right to do so, because from the first he has set his face against the buying of lands for cash.

Mr. O'REGAN.—And I shall do so again.

Mr. REEVES.—I say, let the honourable gentleman do so. He has a right to do so, because he has consistently done it. But those honourable gentlemen who do nothing of the kind have no right to condemn our policy as one of borrowing and extravagance, and to taunt us with being improvident and with dragging the colony into the gulf of bankruptcy. Now let us discuss the question of roads *versus* railways. The senior member for Wellington City tells us that railways pay and that roads do not. Well, of course, there are two ways of paying: there is the paying of direct interest, and there are the indirect returns to the country. We have to look at both, and we are of opinion that, for the present at any rate, the making of roads to open up Crown and Native lands is more likely to pay in the truest sense than the spending of double the amount in pushing on railways into the wilderness, because, if you push on railways ahead of settlement, they will not pay. There is nothing clearer than that. You can easily push on railways until they get to a non-paying point, whereas you cannot waste the money you spend in opening up Crown and Native lands for settlement. In fact, the senior member for Wellington City fairly admitted this; he fairly admitted that the opening-up of good lands was a legitimate thing; but he ventured to say that only a small portion of the £367,000 we are spending on roads was to be laid out in *bonâ fide* development and improvement of lands for settlement. Those were his words—that only a small portion of this money was to be laid out in the improvement of our estate. Now, I will follow him figure by figure. £367,000: Will honourable gentlemen believe that, with the exception of the £60,000 for main and miscellaneous roads—which is not borrowed at all, but which comes out of consolidated revenue—and with the exception of a portion of the £47,000 for goldfields, the whole of the money goes in the development of our estate? £20,000 is for roads in the North Island Trunk area to open up our estate there; £150,000 for opening up, surveying, roading, and bridging Crown lands; £50,000 under the Loans to Local Bodies Act, every item of which is ear-marked for a specific block of land; £40,000 to road and open up Native lands. So that out of the whole £367,000 there are only two sums—of £60,000, and part of £47,000, for main and miscellaneous roads and roads on goldfields—which are not directly expended in improving and opening the public estate. And

let me remind honourable gentlemen that this £60,000 is not borrowed, but comes out of consolidated revenue. I have not time, unfortunately, to follow the honourable gentleman figure by figure, but I think, in taking this one charge, which was the greatest and most weighty hurled against us, and in demonstrating to the House that it was so monstrously incorrect that one wonders how honourable gentlemen of experience—because it was not one, but several that made it—could stand up and deliberately make it,—I say I think I have shown what value the House can attach to the arguments of the Opposition generally to-night. To sum up my argument, I say the development of the country, the opening-up of its estate, the placing of people on the soil and establishing and increasing of its producing-power, the developing of its power of bearing the burden of taxation, is the great work of colonisation, which no Government dare allow to stand still. We were returned to carry on that work. We have no other means as business men of carrying it on except the means we have adopted. I feel confident that time will show that the money is not being wasted, but will lead to direct return in rent, and to indirect returns more valuable still. I believe the people expected us to carry out this policy, and that the people, when we have carried it out, will indorse it in the most emphatic way during the currency of this Parliament and at the next general elections.

Mr. G. HUTCHISON.—Sir, my honourable friend the Minister of Education commenced his speech with his usual modesty by admitting that it was not worth his while to follow one gentleman on the front bench of the Opposition, but that he had to wait for two before he found material enough to justify his replying to the criticisms on the Public Works Statement. He followed that remark by proceeding to justify, as I understood, the course of business during the present session, with the view of explaining why it was that the Public Works Statement had been delayed so long this session, and why it was now being pushed through. If the argument of the honourable gentleman is right, that it is necessary to wait for the policy Bills to be affirmed before coming down with the proposals as to public works, then I reply that the same reason exists for not bringing down any Statement at all, because none of the policy Bills has yet become law. The Land for Settlements Bill and the Lands Improvement and Native Lands Purchase Bill are measures yet unfinished. They are all stuck up, if I may use the term, in another place. We may anticipate that they will probably pass into law in some shape, so as to admit of moneys being raised under them during the present financial year; but this might have been said a month ago just as well as to-night, and this long-delayed Statement might, for all that appears to the contrary, have been down in time to have been properly discussed and considered. It is mere nonsense to suggest that any due consideration can be given, or any proper criticism ad-

dressed, to a Public Works Statement brought down with voluminous estimates and laid on the table one evening, to be put through on the succeeding night. That is, as some one said, a mere burlesque of legislation. The honourable gentleman, the Minister of Education, referring to the conduct of business during the session, attempted to justify the conduct of the Government in conducting the business of the House by pointing to the number of measures the Government had ready for the consideration of Parliament at the beginning of the session. I do not know how many of these measures should have taken up our time. He indicated that forty had been introduced, of which nine had passed.

Mr. REEVES.—In the first fortnight.

Mr. G. HUTCHISON.—I do not know that more than nine are passed yet. Certainly some of the measures introduced at one time or another during this session were of a character such as should not have been introduced at all. I am going to remind my honourable friend that he forgot to refer to two or three Bills which have certainly been brought down, but the future progress of which is a little in doubt. I would remind him of the Hawkers and Pedlars Bill, the Masters and Apprentices Bill—in two editions—the Undesirable Immigrants Bill, and the Smashing of Contracts Bill. All these were introduced by the honourable gentleman himself, the last only a few hours ago. These are such as I think most people will probably consider would have been better left undrawn, and such as should not have occupied the time

of Parliament. The honourable gentleman, as his wont is, has various introductions to his statements. A favourite one is such a phrase as this: "There never was such a Government" for such-and-such a thing. The phrase is a very useful one, but may aptly be applied in a direction quite opposite to that in which the honourable gentleman is in the habit of using it. There never was such a Government, I submit, for mismanaging the finances of the country, for occupying uselessly and grievously the time of Parliament, for misusing the energies of its members, and for deluding the country. The last description, I think, is the truest and saddest of all. The deception that has been practised on the people of the colony is not likely to be forgotten. My honourable friend asseverated over and over again that the policy introduced this session was the policy they submitted to the country and upon which they were returned. Will any one inside the House venture to make such a statement in the presence of a public meeting? He dare not do so. What my honourable friend has said to-night is certainly candid enough. It is a complete surrender of all he and his colleagues contended for last year and this year up to the meeting of Parliament. We have now the admission that they have been borrowing all the time, and that they are borrowing now. That is the very fact that they have never admitted before. I have just looked up one observation of my honourable friend the Colonial Treasurer when he was

speaking at Oamaru shortly before the session, when he sought to justify the conversion operations, which it is quite clear were a new species of borrowing. He did not seek to justify the conversion operations as being instituted for the purpose of providing loan-money for carrying on public works. Oh, no! That was entirely out of the question. The conversion operations, he said, were undertaken with the object of reducing the amount of interest which the colony should pay! That is very pretty indeed: as if it were the object and the aim of the various conversion operations to reduce interest, instead of collaring the principal. We have had one conversion just lately—on the 1st of July—of a loan which then fell due. The sinking funds accumulated for its payment have been absorbed for the works mentioned in the present Public Works Statement. The loan will be found in the table of the public debt annexed to the Budget. That is a very handy reference—in fact, an index to the operations going on in connection with the conversion operations. Honourable members will see the amount on the top of page 18 of the Budget. In the first line of that table it will be seen that £50,000 under the New Zealand Loan Act of 1856 matured on the 1st of July of this year; that the sinking funds which had accrued were £55,000—an amount in excess of the loan itself. The accumulated sinking funds had, indeed, been in excess of the actual loan for some time, so that interest had not for some time back been payable at all. When that loan became due on the 1st of July last the Treasurer issued some Inscribed Stock—how much we are not yet told. Perhaps the honourable gentleman will tell the House in his reply how much it cost him to take up these bonds for £50,000. He has issued sufficient Inscribed Stock to raise the money on the market to pay the bonds on the 1st of July, and he then collared the sinking funds. The net amount obtained in this way for public works this year appears to have been exactly £54,681. While on this subject of the Public Works Statement to-night, I would point out the hurry—the indecent haste, if I may say so—which is evidenced by the estimates that accompany the Statement itself. These estimates, Sir, are incorrect in various figures. Possibly they will be corrected in due course. I sent for a copy not very long ago to see if there had been a second edition published, with the corrections, for it happened on one occasion before that corrections had been made and nothing said about them. I would point out to the Colonial Treasurer, and to the Premier in his capacity of Minister for Public Works if he cares to notice such things, that there are three errors on page 8, and the same on page 14, and three more on page 22. The sums are, I believe, correctly given in the summary on the 3rd page; but where the summaries of the various classes are given on the pages I have mentioned, it will be found that the figures in the first, third, and fourth columns are erroneous. That may be a trivial matter, but it shows how carelessly—almost inevitably so—these things are done

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under the stress and strain that has been brought to bear upon the conduct of public business this session. With reference to this Public Works Statement, for my part I do not object to the objects for which the greater part of the money is to be applied. The objects are meritorious—the opening-up and settlement of the land are objects very few will hesitate to support; but the methods for raising the money are certainly open to considerable question, and the mode of expending it is open to more than mere censure. For my part, speaking for the district which I have the honour to represent, I see no reason to cavil at the amounts proposed for roads and bridges; but that is a settlement district in which every penny that may be spent will be spent with advantage. Other districts, however, farther up the coast, are not so well treated, and I can only compare the meagre encouragement that the work of settlement of the land on the west coast of this Island receives with the profligate expenditure proposed for the west coast of the Middle Island, particularly in the matter of goldfields. These are under the control of the Minister of Mines. I do not doubt that the Premier dominates the Department of Mines as he dominates every other department.

Mr. REEVES.—Does the honourable member say the Minister of Mines is a profligate?

Mr. G. HUTCHISON.—I was speaking of the profligate expenditure in connection with the west coast of the Middle Island, and observing that the Minister of Mines was probably under the dominion of the Premier, who previously held that portfolio, as other departments are under his dominion; and that he proposes by these estimates for his own district an expenditure of something over £40,000. I think that contrasts very badly with the neglect which has been visited upon the settlement districts of the North Island. I would point out, in connection with the proposed public-works expenditure, the curious fact that on the 31st March, after allowing for liabilities, there was exactly £99,327 in the Public Works chest; and that, at the rate the expenditure has been going on, the whole must have been exhausted by the 1st July last. Since then we must suppose that the needs of the country in the matter of public works have been met by some species of financing, such as was indicated by the provisions in the Lands Improvement and Native Lands Acquisition Bill, which, by one of its clauses, it will be remembered, provided that unspecified expenditure during the period from the 1st April onwards should be retrospectively ratified. That indicates a very curious and exceptional conduct of public business; but probably, under the circumstances, it was necessary. However, my point is this: On the 1st July, by all accounts, there was not any money left in the Public Works chest; but, nevertheless, public works have been going on. The sources from which moneys have probably been drawn for the purpose of paying for these works going on during the period since the 1st July, and presumably for the remainder of the financial year, are unknown. They have probably been

drawn against the sinking funds which have recently been collared, £54,681; and the amount to be transferred from the Consolidated Fund, £250,000. Two sums of £150,000 each, to be raised for lands-improvement and for the purchase of Native lands—making altogether £300,000—were for the most part yet to be raised. These sums, aggregating £604,681, represented the moneys coming in this year for public works. If we include the balance which was in the chest on the 31st March—namely, £342,935, subject to a liability of £243,608—we have the whole amount which is the subject of appropriation for this year, namely, £940,163, or close upon a million of money. I have already dealt with the sinking funds, £54,681, and will now come for a minute to dwell upon the £250,000 to be taken from the Consolidated Fund during the present year for the purpose of public works. I have before taken exception to the transference of such a sum for such purposes. I say it is not dealing fairly with the people of the colony to take from the taxation of the people a quarter of a million annually for the purpose of making railways: for this is what it comes to. It is particularly wrong to do this in the face of a falling revenue, with the almost certain prospect of increased taxation being necessary to make good the void being thus created in our ordinary revenue account. I hope my honourable friend the Colonial Treasurer will not take umbrage if I point out that his estimate is not being realised with respect to the revenue of the current year. It is well the colony should know exactly how it stands. There is no advantage, surely, in suppressing facts. Over on the other side—in New South Wales—the practice now is to publish a weekly statement of revenue, and not only a weekly statement, but a statement for the year up to and inclusive of the week so separately dealt with is made the subject of such returns. And such information is given although the returns show, as does this one I have in my hand for the period ending with the 15th September, a decrease for the year up to that date, of a considerable amount.

Mr. WARD.—What is the amount?

Mr. G. HUTCHISON.—The decrease according to this revenue return for the year to the 15th September is £81,551. The same return shows that for the week ended the 15th September there was a net increase, as compared with the corresponding week in the previous year, of £11,107. If my honourable friend would be a little more open in the matter of returns he would not suffer, nor would the Government in the long-run or the colony suffer, by giving the fullest information. The facts as to our revenue, so far as they are disclosed by the information we have received, show this: that the Customs revenue for the June quarter was less than for the corresponding quarter of the previous year by £25,463, and that for the September quarter the Customs revenue was less than for the corresponding quarter of the previous year by £10,799; making a total deficiency of £36,262 for the six months ended the 30th

September, as compared with the corresponding period of the previous year.

Mr. SEDDON.—Not less than the estimate.

Mr. G. HUTCHISON.—Yes; it is less than the estimate in this way: The estimate of Customs revenue for the whole year is less than that of the previous year by £55,500, and, as half of the current financial year has gone, £36,232 indicates a decrease over the whole period.

Mr. SEDDON.—The worse half of the year.

Mr. G. HUTCHISON.—I hope so; but it would be a little more comforting if I thought that not more than half of the estimate was the limit of the decrease; but it will be seen that we are already £8,482 below the ratio for the six months. The estimated decrease in the railway revenue was £5,548; but already in the June quarter there had been a fall of over £16,000 as compared with the corresponding quarter of 1893. The two four-weekly returns published since June showed a further decline of over £30,000 as compared with the corresponding periods twelve months before. It is important, also, to note that with a falling revenue there was an increasing expenditure in the Railway Department, amounting, during the eight weeks up to the 18th August, to over £20,000 as compared with the corresponding period last year. These are matters which no one should or can take any pleasure in; but they are matters for the public to know, and to weigh, and for the members of this House to bear in mind in view of the proposals which are before them, which are undoubtedly in the direction of very considerably increasing the indebtedness, and consequently increasing the annual charge for interest. There is only one other subject which I would particularly refer to in connection with this Public Works Statement, and that is the subject of the co-operative system. This was a system which, in its inception, was undoubtedly good. It was one which intended to go hand in hand with settlement. It was one by which the hand of assistance was to be extended to those who were old and decrepit, or unfitted in other respects to compete with the stronger members of the community. That the system has not been applied to or has failed in such cases is quite evident. The system was not allowed to go hand in hand with settlement, and experience of the past has shown what any one might have predicted who thought over the matter—that competition cannot be prevented from exercising sway. The system has not carried out the expectation that the old and decrepit would have their share in the work that was going on. I should like, on this subject, to read an extract from the report of one of the Road Surveyors, which appears in the Crown Lands Report for the year. It is the Road Surveyor for Auckland who says this:—

“There is a process of ‘natural selection’ going on, by which those who, owing to inexperience, physical weakness, or lack of energy, leave the work, and their places are taken by the more robust, experienced, and energetic. I do not think there is now a single second-class man on this work, after the process has been

going on for nine months, and many good men have left for more work.”

And that must be the experience everywhere. We also find testimony on the other point as to the system not being applied, as first intended, in giving employment to settlers who were in the habit of getting work about their own homes. Instead of assisting them, it has increased competition. On that subject the Wellington Road Surveyor says:—

“As recommended in my report last year, I think that in a district like this, where the majority of the settlers depend on getting employment so as to obtain the necessary means of doing the improvements on their holdings, and many of whom are tenants of the Crown, employment on the co-operative works should be given to them as much as possible rather than to people outside the district.”

The experience of resident labourers in the North Island has been that unemployed have been sent from other parts, chiefly from the South, to compete, and, in many cases, to compete on terms made more favourable by the State, against the resident labourers. There is another matter connected with this co-operative system which I should like to point out to the Minister in charge, now that he seems inclined to have the matter made as widely known as possible. He indicates in his Statement that a treatise is being prepared on this subject for insertion in the Official Year-book of next year, which is intended to be circulated in America and Great Britain. The point is this: that the indications given by the returns to Parliament last session, and quoted by Ministers during the recess—amongst others, by the Colonial Treasurer at Oamaru—give no true index whatever as to the rate of payment per day received by these men. The system is not based on day-work but piece-work. The instructions under which the work is carried on—and these instructions, according to an answer the Minister of Lands gave early this session, are still in force—make it clear that the system is one of small contracts. In an official paper on the subject it is admitted that—

“For some of the data—as, for example, the number of hours and days worked each man—the Government overseers have to depend mainly upon information furnished by the head men of the parties, which they (the overseers) check as best they can.”

A number of these co-operative workmen were located in the Patea district about the time of the general election. The returns made for that work, as to the amounts earned per diem, were entirely fallacious. The men made up their own returns, and, of course, they indicated that they did not make a very large sum per diem, or, at any rate, not more than the ordinary rate earned in the district; but, as a matter of fact, they earned a great deal more. They represented that they worked long hours, and not only from daylight to dark, but from dark to daylight; and in one instance, which I had an opportunity of investigating, the amount of work alleged to have been done by moonlight meant that the moon there shone through-

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out the whole four weeks of one month. With reference to this co-operative system, I trust that it may be brought to be more in conformity with the objects which were set out in the first instance — namely, that it should go hand in hand with settlement, and that it should not be made the medium of political influence. That it has so been used, I think experience in the past would show. For my part, I know that the number of these “unemployed” sent, about the time of the general election, to the district which I had to canvass was something phenomenal. There were some five hundred or six hundred in that little district; and, although I believe the Minister of Lands was quite unaware of the fact, about two hundred of them were brought down on polling-day to be paid at a township where there was a polling-booth—a proceeding that had never occurred before or since. And with respect to another batch, a polling-booth was appointed at their camp. I trust that the experience of the past will teach Ministers to avoid such errors in the future. The system itself, as a matter of theory, is good; and I hope, as a matter of practice, it will be administered better than it has been in the past.

Mr. WARD.—The speech which the honourable gentleman has made is a very fair criticism of the Public Works Statement. There are some points in his remarks which I should like to refer to. In the first place, the honourable gentleman criticized the observations of the Minister of Labour with reference to the legislation that has been passed this session; but he scarcely placed the position fairly. The honourable member facetiously commented upon several Bills which have been proposed during this session, and which have not been passed. I wish to say that if he looks at the record of what has taken place he will find that this session compares more than favourably with any record of the previous Parliament. The number of Bills which have received the Royal assent up to date this session is sixty-five, and they do not include the Advances to Settlers Bill, the Consols Bill, the Factories Bill, nor the Shop-hours Bill, nor those other Bills to which the honourable member alluded. I think the honourable gentleman ought to be proud of that, notwithstanding the fact that honourable members opposite have done their best this session to prevent any legislation from being passed at all.

Hon. MEMBERS.—Oh, oh!

Mr. WARD.—The honourable member, I think, has opposed every reasonable suggestion which has emanated from the Treasury benches this session. There appears to have been a deep-laid scheme amongst some honourable members, my honourable friend amongst the number, to see that the Government did not have anything like the ordinary record at the end of the session. I believe that has been let out by accident from the other side of the House. At any rate, there has been an impression that efforts have been made to prevent legitimate legislation from being passed this session.

Mr. BELL.—By your side—the honourable

member for Parnell and the honourable member for the Buller.

Mr. WARD.—I think the opposition has come chiefly from the other side. I do not wonder that honourable members on this side at last are not able to restrain themselves, in view of the continued and persistent way in which the Opposition have attacked the Government benches. I think it is a proper thing for members on our side of the House to resent, and resent in very strong terms, the way in which the Opposition have acted in this matter. The honourable member states that the Government has mismanaged affairs, and he says that we are deluding the people, and that deception has been practised. If this is so, let me ask honourable members, in what part of the country has there been any evidence on the part of the people to show that they think the Government has mismanaged the affairs of the colony? What did the general election show? A larger majority were returned to support the Government than has been returned to support any Government in this colony in the past. There has been no Government in office in this country whose actions and speeches have been given greater publicity, and who have been more misrepresented throughout the length and breadth of the country than the present Government. It is well known by honourable members on both sides that there has never been a Government more misrepresented in the Press of the colony than the present Government. But, notwithstanding that, the people believe the Government are doing what they believe to be best in the interests of the country. We may make mistakes, but the people know we are in earnest, and are trying to do the best we can for the good of the country. The honourable member says that the Minister of Education, in his remarks, made a complete surrender of all that was said by the Government last year. The honourable member referred to the question of borrowing and non-borrowing, and to conversions and non-conversions. The keynote was given by the honourable member for Eden—it was that of sly borrowing. People are getting tired of such statements. Let me point out that the honourable gentleman did not fail the other evening to vote for the £500,000 when it came to a division. He went into the lobby with the Government. He is prepared now to make some reasonable excuse for having voted for that loan of £500,000.

Mr. G. HUTCHISON.—I never disguised my approval of necessary expenditure for roads and bridges.

Mr. WARD.—The honourable gentleman “never disguised it!” Why, the honourable gentleman said the Government are raising £250,000 for land for settlements, £250,000 for the purchase of Native land, and £250,000 for roads and bridges, and he holds up his hands in holy horror at what we are doing; but, as I have said, on the proposal to devote £500,000 to the purposes mentioned he was one of the first to walk into the lobby in support of the Government Bill. I can only suppose that the honourable gentleman thinks

that other members of the House, and the bulk of the people of the colony, are not able to see his actual position in this matter. The honourable member for Eden also condemns the proposals of the Government; yet he also supported the Government proposal. Nearly every honourable gentleman upon that side of the House supported the Government. The honourable member for Eden and the honourable member for Patea condemn the Government, and the intelligent honourable member for Wairarapa now makes it quite clear that he not only voted with the Government but spoke that way too.

Mr. BUCHANAN.—I will tell you presently.

Mr. WARD.—The honourable member will endeavour to show why he supported the Government upon that occasion. Those honourable members opposite should not be afraid of their own utterances, and of votes when they give them in support of the Government, because we all know that under all circumstances they are anxious to oppose the Government. Our policy in this respect appears to be so good that even those honourable members who are opposed to us have supported those proposals in the interests of their constituencies and the country. I think it is the highest compliment which could possibly be paid to the Government, because we know that those honourable members opposite would not support us if they could possibly avoid it. Now let me deal with this question of the £50,000 loan. The honourable member referred to this loan, and he wanted to know what were the particulars of the conversion. That £50,000 loan fell due in July last, and, in accordance with the provisions of "The Consolidated Stock Act, 1884," it was converted, and the amount of sinking fund released by the operation was £59,935, of which £5,514 was used for the redemption of debentures issued under the Consolidated Stock Act, and the balance passed into the Public Works Fund in accordance with the ordinary operations of the law. The Government in doing that absolutely carried out what the law said was to be done.

Mr. BUCHANAN.—Permitted it.

Mr. WARD.—Would the honourable gentleman have the Government break the law and stop it? I am surprised at the honourable member. Does he mean to say that if he was on these benches he would break the law? This conversion operation took place under the law. Does the honourable gentleman mean to say that the Government should break the law? We want to uphold the law, and it is quite right that we should do so. Now, just a word about the figures alleged to be incorrectly given in the public-works estimates, referred to by the honourable member for Patea. The honourable gentleman was quite right in saying that the summary was correct, but that the details do not in all cases agree with it; but if the honourable gentleman wants his own interpretation of the statements which he calls inaccuracies he is quite right in saying that they are so. But literally they are not so, and it is but just to the department that I should say

this. The Lands Department issues the details in three separate parts, and these parts are subdivided on a different principle this year owing to the introduction of new accounts. As a matter of fact, in the summary the actual amount of the unexpended vote of the former year is taken and put into the column, but in the detailed statements the figures are given in the new accounts as now rearranged.

Mr. G. HUTCHISON.—There are three columns wrong.

Mr. WARD.—It does not affect the accuracy of the Public Works Statement at all. In connection with the Public Works Fund there are two important departments, the Lands Department and the Public Works Department. The Lands Department prepares a portion, the details showing the amount expended and the liabilities. In the summary made by the Public Works Department the figures are dealt with on a different basis, and it is not unusual or indicative of error or improper compiling of the Public Works Statement to find a difference between the summary and the details of the Lands Department; and it is not a mistake in the ordinary sense. I wish to say that in justice to the department. The honourable gentleman refers to the alleged fact that the Customs revenue for the June and September quarters was less by some £36,000 than for the corresponding period of last year, and he was quite right in saying that in the Financial Statement I estimated the revenue from this particular department as £55,503 less than the preceding year. But if the honourable gentleman looks at the Financial Statement he will see that I anticipated there was going to be a falling-off of revenue generally. He takes the Customs revenue and the railway revenue, which I admit have fallen off, but not to the extent contemplated. The honourable member should look at the general estimate made of the whole revenue in the Financial Statement; and what I said was this:—

"I prefer to err on the right side. Owing to bad harvest, low prices, and slight financial disturbances, the receipts from railways and Customs show a falling-off. If, then, there should be a disparity between the estimated and the actual results the discrepancy will place me in no financial difficulty. No Colonial Treasurer should run the risk of having to announce a 'deficit'—such a word should have no place in New Zealand Budgets. Having therefore considered that £4,235,000, or £133,538 less than last year, will be received during the current year, a few of the principal differences may be explained. In the Customs the estimated decrease is £55,503."

Now, the honourable gentleman says that the decrease which has taken place for the six months is £36,632 in the Customs revenue; but while the honourable gentleman states that is a larger decrease for the half-year than it ought to be, so far as the Customs revenue is concerned, upon the basis of £55,503, he ought to take into consideration the fact that in that estimate I reckoned the whole revenue would be £133,538 for the whole year less than last

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year. The honourable gentleman must take the whole revenue. I anticipated, myself,—as every honourable member must have known, for I stated it in the Financial Statement,—that this year our revenue would be £133,538 less than last year; and in order to be on the safe side I reduced the whole of the estimates, and I reduced them to such an extent—far over ordinary reductions made—that I left a margin of £133,538 to go and come upon. We have passed through the worst six months of the financial year—it has been so in the past—and, as the honourable gentleman knows, unless some extraordinary disturbing element arises for the time being, it is right to take a precedent for the purpose of comparison. We can only make comparisons as far as the revenue and expenditure are concerned; and, taking the preceding year, or the six months of the preceding year, I say it is the worst period through which we have passed, so far as revenue is concerned. That being so, the revenue, so far as my judgment and the judgment of responsible officers in the department goes, has not fallen below the amount which will bring it at the end of the year to the amount I announced in the Financial Statement. We are on the safe side of the wheel, and I have reason to believe the revenue will come up to the amount stated. Of course, honourable members are perfectly justified in criticizing the falling-off that has occurred; but it is a mistake to take a pessimistic or unhelpful view of this colony, and it is not good for the colony, and would not be good for any business, for any individual, or for any establishment of any kind to continually preach from the housetops the possibility that disaster is going to overtake them. I do not think, myself, the New South Wales system of advertising their revenue and expenditure weekly is a good one. I do not say it is bad, but it must be misleading. No large concern, such as a Government, with a large revenue and expenditure going on in the country—no large institution can fairly estimate, or take as a guide, one week out of fifty-two as to what is going to be the result for that year. A week is too short a period altogether. If there were a sudden inflation it would affect the revenue for good in a particular week; it would throw you completely out in estimating it upon that basis for a year. If the returns were weekly, and a sudden falling-off happened—

Mr. G. HUTCHISON.—I was urging monthly returns.

Mr. WARD.—Of course we get them monthly in the Treasury, and they are made up regularly, but it has not been the custom of this colony to publish the whole of the returns monthly. I do not believe in doing something that is misleading, and I believe the safest system is to take three months of the year for the purpose of information. Coming now to the railway revenue, to which the honourable gentleman referred, the estimates furnished provide for the reduced revenue for the year; and in addition to that the Commissioners believed that through the reduction of expendi-

ture in different parts of the country the estimate they furnished would be a reliable one, and I have no reason to believe they were much out in their estimate furnished to the Treasury. I wish to refer to this because every honourable member—every one in the country who is anxious to see the revenue kept up—must remember that we have been passing through severe times. There is no doubt about that. We have more than held our own in comparison with the other colonies, and upon the whole, so far as its revenue is concerned, this colony is in my opinion in a first-rate position, considering everything. The views which the honourable member for Wellington City (Sir R. Stout) urged this evening I entirely disagree with. He stated that the business and commercial people in this colony were reducing their orders, and were generally in a despondent position. I do not believe that is the case. I believe that in all trades there are vicissitudes, and it must be so in this country. There are times when people curtail their orders. That goes on every year in every country; but I decline to believe that there is anything in the shape of fright, or to cause people to materially alter the system of trade in this colony. I believe the colony is in a very hopeful state, and, as far as the Government are concerned, we must do all we can to assist the country in maintaining its position. We cannot do impossibilities; we can only do our best; but I do not believe, myself, that this continuous decrying of the country by the leading public men of the colony is calculated to do any good. As the honourable member for Hawke's Bay said, we should look matters in the face—that is quite right; but to be continuously harping upon and decrying the country, anticipating that everything about us will result in evil, can do no good. As a matter of fact, men require large-heartedness to live in a country such as this, in the midst of such croaking; and yet we find leading public men of the colony, both in the House and in private life, preaching disaster. If we want the country to be hopeful and prosperous we must show hopefulness in ourselves. You cannot expect the colony to go ahead—

Captain RUSSELL.—I have received a letter to-day advising me to leave it.

Mr. WARD.—I am sorry the honourable gentleman should be advised to change, because there is no country to which the honourable gentleman could go where he could be in a better position or lead a happier life. My honourable friend smiled when he read the letter, and I believe it was because he concluded that his correspondent was entirely wrong—that his judgment was completely at sea. Look at the honourable member for Hawke's Bay. He has lived in this country for the last twenty or thirty years; he is a splendid specimen of a man, and if he had gone to other countries he would probably have been shrivelled up, and not be half the man he is. I hope the honourable gentleman is not going to leave us.

Captain RUSSELL.—I am going to stay.

Mr. WARD.—That, Sir, is what every honourable member likes to hear. Is the gentleman who has written to you living out of the colony? Captain RUSSELL.—Yes.

Mr. WARD.—There is a case in point. We know there are disseminated throughout England very adverse statements about this country; we know that people there sometimes make statements from interested motives. There is such a thing as a Stock Exchange in London; it is a medium by which large fortunes are made; and as long as human nature is human nature there are people who are prepared to rig the Stock Exchange, so far as this colony is concerned, in their own interests, and there have been statements published adverse to this country which are very far from being borne out by facts. It is true that the whole civilised world is suffering from reduced prices, and that there has been a disturbance in finance throughout the world; but to say that there is a better country to which to remove compared with New Zealand is to say something that I wholly decline to believe. What we are suffering from is want of population: that is one of the principal things.

An Hon. MEMBER.—Undesirable immigrants.

Mr. WARD.—There are one or two causes. We have some undesirable residents. There are a few people in the colony who are always prepared to speak against it. The gentleman who wrote that letter to the leader of the Opposition has doubtless received a communication from some one here who has made him believe that this is an undesirable country, and he will not come here and see for himself, but invites the leader of the Opposition to leave the country. I say the Public Works Statement is one that I believe to be in the general interests of the country. The roading and bridging of the country is as important to-day as it was twenty years ago, and more so. There are fresh places daily opened up, and it is humanly impossible for people to go to remote places to make a living for themselves and their families and to be able to carry on without those necessary adjuncts of settlement—roads and bridges. If you look through the Public Works Statement—an honourable gentleman says they have not had time to study it, but I am surprised at that, for if they look through it it is clear there is on the face of it what will develop the country, provide for the promotion of settlement, and assist the settlers in various parts of the colony. The general desire on the part of the Government was to see that the moneys available are distributed fairly from one end of the colony to the other. There has been no such thing—as has been suggested by the honourable member for Patea—as an attempt to give the loaves and fishes to the supporters of the Government. I say the moneys of the colony have been fairly and equitably distributed, and I can say that, in what took place when the public-works estimates were being considered, individuals were not considered at all, but simply whether the various parts of the country required the expenditure of money for the purpose of promoting settle-

ment. That was the one consideration that actuated the Government. I say that the money has been fairly distributed to the best of our ability. Now, I can only say that, so far as the Public Works Statement is concerned, the Premier has nothing to fear from the comments made against it. Without wishing to say anything offensive, I must say that I think it is the most indifferent criticism of a Public Works Statement that I have listened to since I have been in the House. The one thing that has been borne upon my mind is the impression that honourable members have made adverse statements as though they regretted speaking against their conscience and their judgment, and that the circumstances in which they were placed compelled them to say what they do not really think.

Mr. W. HUTCHISON.—We have had so much about railways, roads, and bridges that I have determined to throw aside all that I intended to say on that subject, but I have a few words of truth and soberness to say upon a cognate question. Before doing so, however, there is a little matter somewhat personal to myself to which I may refer for half a minute. My honourable friend the member for Wanganui, in putting a question to the Premier the other day, took occasion to show that I had been misinformed in a statement I made in the House regarding the treatment of railway maintenance-men, and I understand he quoted some resolution of the men at Aramoho to prove his contention. I was not in the House at the time, but if I had been I could not have got an opportunity of referring to the subject; and I only do so now to say that I quite appreciate the public disclaimer of the men. And, while I am satisfied of the *bona fides* of what I stated, I am not going to adduce any proof on the subject, for a very good and sufficient reason. It has been the standing reproach of the Railway Commissioners during their official career that any one—any one, at least, in the lower grades of the service—who may make a complaint is a marked man, and he suffers accordingly. Therefore I am not going to imperil the daily bread of any man or number of men, in the circumstances; but the fact that attention has been directed to certain facts may lead to some improvement, and in that case my object will be gained. And now for the subject to which I wish to direct the attention of the House. On several occasions lately we have heard a good deal about the “unemployed” question; but it is one of more gravity than the members of the Government, or of this House, appear to suppose. I know perfectly well that the desire of the Government is to do all that occurs to them as possible in the way of finding employment for those out of work. And I do not wish to approach the question in any pessimistic spirit. I think we may look hopefully forward to improvement in the demand for labour through the important legislation we are passing. Cheap money will enable settlers to improve, and improvement means employment of labour. The purchase of land and opening it up by means of

roads and bridges also spells work and wages in the near future. Present legislation, as it seems to me, is all tending in this hopeful direction. Nevertheless, I must emphasize the fact of urgency in dealing with this question of the unemployed. There is a general depression throughout the colony—no use in putting too fine a point upon it—and there is a want of hopefulness in the community, so that this question is above all others the pressing question of the day and the hour. Not only is it so here, but over a large portion of the civilised world.

11.80. Yet, with the best intentions, neither the House nor the Government appear to have arrived at any clear or definite policy regarding it. Our efforts are fitful, spasmodic, and very much from hand to mouth. Sometimes we might almost gather from Ministers that the care of labour was specially a State function; at other times there is something like an indignant denial of the duty of the State to find work for the unemployed, Ministers on these occasions speaking as if they were apostles of a moribund political economy—Carlyle's "dismal science." I am not going to discuss the sphere and duties of the State just now in this respect; it seems enough for me to say that I do not think there is a kindly and considerate or thoughtful man on either side of this House but is convinced at least in some dim and benighted way that the Government, as representing all sorts and conditions of men, is bound, either directly by the pressure of emancipating law, or by the organic adjustment of economic forces generally, to take care that there shall be at least self-sustaining employment and a living wage for every member of the community. But there is no practical application of this idea, and in consequence we go on drifting in all directions. For example: we have a notable scheme of meddling and muddling in a piece of work being just now carried out by the "unemployed" in the City of Wellington—a piece of work which will illustrate my position better than any abstract reasoning. This work has received the fullest approval of the Premier of the colony. I find a *résumé* in the newspapers of what my honourable friend said at the Labour Demonstration the other day. Here it is:—

"Speaking of the large number of men who had been out of work during the winter, he paid a high compliment to the citizens of Wellington for raising funds for the Queen's Drive relief-works. In that respect Wellington had set a noble example to the rest of the colony, and the Government had only been too glad to assist. He regretted, however, that, owing to the peculiar circumstances of the case, the money raised had not been expended in opening up the back-country."

It is not likely the Wellington people would subscribe money to open up the back-country.

Mr. SEDDON.—I said much more than that on the subject.

Mr. W. HUTCHISON.—This is a *résumé*, and I presume it is correct enough. It may not be, but I read a more enlarged copy in the

Times this morning, and it is to the same effect.

Mr. SEDDON.—I said I should like to see these men working on roads, and alongside these roads blocks of land on which they could build homes, whither they could take their wives and children, and never again trouble the citizens for help on relief-works.

Mr. W. HUTCHISON.—That does not alter the state of things as far as I am concerned. I dare say, when the Premier is on the stump, he must not be taken too seriously. His good nature leads him to indulge in what Tennyson describes as "vacant chaff, well meant for grain." He could not, however, have well said anything more discouraging to those who are seeking to elevate labour out of the horrid grind to which capital has subjected it. Not only, however, has the Premier complimented the citizens of Wellington and praised their noble example, but this notable piece of work has also been made the text of a glowing panegyric by the Inspector of Hospitals and Charitable Institutions in his annual report recently presented to this House. I stand up for the most full and free expression of individual opinion. From his well-known ability, Dr. MacGregor is entitled to be heard on any public question; but I am not sure that a State paper—a paper for which this House is in some sense responsible—should be made the vehicle of statements which, I know, must be repudiated by a large majority of the members of this House. Let me read this panegyric:—

"Three private gentlemen in a few days raised a sum of £600, which, together with a sum of £500 contributed by the City Council, was handed over unconditionally to the Benevolent Society. These gentlemen were associated with some of the trustees as a sub-committee to look after the spending of the money. This is being done in such a vigorous and intelligent fashion that I believe there will be no more trouble with the unemployed this winter. Every man who wants work will get it. All will get enough to live on, but no loafing will be tolerated; and it is provided that no man who is able to work, and refuses, will be permitted to get charitable aid either for himself or his family. This is a new departure of the most hopeful augury that a time is coming very soon when no money will be raised by the Central Government to be expended in outdoor relief by local bodies, and when all outdoor relief will be paid for out of direct local taxation. It is, in my opinion, the only plan by which this young country can escape disaster, due to its investing a large part of the consolidated revenue in the permanent degradation of the people."

I hope the House will bear with me while I tell them a little more about this new departure which, the Premier says, is a noble example to the rest of the colony, and which Dr. MacGregor describes as of the most hopeful augury. What work are the unemployed set to do? They are employed in making a road round the hills in the neighbourhood of Wellington—a road leading no-

where in particular, but which will form a fine carriage-drive for the wealthy citizens of Wellington. Now, let there be no mistake. I am not objecting to the making of this drive; quite otherwise. I am not objecting to it, although it is made to skirt the hitherto unsaleable property of a land syndicate which has failed in a dozen different attempts to get rid of its bargain on any ordinary terms. No doubt this road is intended by its promoters to give a help to this commercial speculation. I am not sure but one or other of our banks may be interested in it. This, however, is by the way; and, as I have said, I have no objection to the making of a carriage-drive for the wealthy people of Wellington. What I do object to is the making of it largely at the public expense. Three private gentlemen, we are told, took this work in hand, and they raised £600 by voluntary contribution. Very good; no one quarrels with that result. Next they got the City Council to give them £500. I do not understand this operation; and, as a small ratepayer in the City of Wellington, I here take leave to direct the attention of the Controller and Auditor-General to this City Council grant. The work is entirely beyond the boundaries of the borough; and, although the Municipal Corporations Act does permit money to be spent in extra-borough work for the convenience or recreation of the citizens, it only does so when done in conjunction with some other municipal body. So far as I am aware, there is no other such body connected with this work; and here, in the meantime, I leave this point. The voluntary subscriptions and the Wellington City Council grant, making £1,100, were then supplemented by an equal sum from the Government—another £1,100. You may have noticed—and I am astonished at the omission—that Dr. MacGregor, in the extract I read, makes no reference to the large sum paid by the Government. Indeed, one might rather suppose there could have been no such payment, because his panacea for the country is that no money shall be raised by the Central Government to be expended in outdoor relief by local bodies, and that all outdoor relief shall be paid for out of direct local taxation. Considering the Government found the one-half of the whole of the sum expended on the work, and another fourth of it was taken from money levied for the maintenance and lighting of streets, there is not much local taxation here for outdoor relief. But I am not discussing charitable aid just now. I am speaking of the Government paying over £1,100 of public money, ostensibly through the Benevolent Society, to three private gentlemen, and to this payment, under the circumstances, I object with all the earnestness of which I am capable. Let me give my reasons for so objecting, and at the same time let me not be misunderstood. I do not object to the Government aiding local bodies in providing work for the unemployed, but I do object, and I hope the House will object, to public money being given to sweat the labour of the unemployed for the benefit of a small class in any district. This work,

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Sir, is being done at a rate of wages which is a scandal to us as a community. And this is the head and front of my objection to the work done, and to the participation of the Government in the doing of it. The rate of wages paid these men is 3s., 4s., and 5s. a day, the 5s. being the exceptional rate which proves the rule of the 3s. and 4s. The "bosses," who do not work, get 6s. a day, and they execute their supervision so effectively as to obtain the commendation of Dr. MacGregor—"The supervision is vigorous and intelligent; no loafing tolerated." No; I am assured the poor men can hardly draw their breath over the work. Slavery was not a patch upon it. And, when I tell the members of this House that about three and a half days' work on an average is all that the weather has hitherto permitted the workers—meaning by such an average that able-bodied men are paid 10s., 12s., and 14s. a week—members will have some idea of what this "work for the unemployed" means. When Dr. MacGregor says in this extract that all will get enough to live on,—indicating that 10s., 12s., and 14s. a week is enough to live on, not only for single men, but for married men with wives and families,—I wonder—I shall never cease to wonder—how gentlemen like Dr. MacGregor, in the enjoyment of large salaries, which permit a good deal of loafing—there is no loafing for the unemployed—I wonder how they make their calculations. I have done. I have discharged what was to me a very unpleasant but a most imperative duty. I charge the Government—I dare say they did it unwittingly—with a gross misappropriation of the public funds to sweat the labour of unfortunate working-men, and in doing so indirectly to give a downward tendency to the rate of wages all over the colony. Furthermore, we are about to separate without any definite proposals for providing work for our large army of labourers. I submit that in this also the Government is greatly to blame. Any legislation, however important it may otherwise be, is comparatively of small account alongside of the great question of how the masses of the people are to live, and to live more abundantly. And I venture to tell the Government, and to tell the House, that this is the question that will more and more force itself upon public attention, and until it is settled other questions may come and go, and we may pass Bank Bills and Consols Bills as we please, but there can be no rest, and no real progress, until we have solved this most important of all economic questions.

Mr. BUCHANAN.—Sir, the honourable gentleman who has just sat down generally succeeds in taking a line of action which this House has long ago recognised as peculiar to himself. His peculiar rôle is, by a hint or allusion capable of a double meaning, to put what men generally consider a meritorious action in a somewhat suspicious light, which would lead us to believe that those who performed such actions were working really in their own selfish interests. The honourable gentleman was at one time a citizen of Wellington, and held an honourable position, and to-night he

seems to find a malicious pleasure in depreciating the laudable action of Wellington citizens to assist the unemployed. I think he could have found a better occupation than that. The Wellington people need no defence from me, but I think they have shown a good example in many things to other parts of the colony. I need only instance the Manawatu Railway as showing what Wellington enterprise and self-reliance have enabled them to do. The honourable gentleman was not at all justified in sneering at the generous people who have assisted the unemployed here, by asserting that they were a syndicate to improve their own properties; and I am glad that his remarks did not meet with any approval in this House; nor will they meet with any throughout the country. Now, I wish to make a few remarks, to begin with, on the delay in bringing down the Public Works Statement. The Statement itself says it was quite unavoidable. It says the ways and means available could not be ascertained until the money Bills in connection with the improvement of Crown lands and the purchase of Native lands were carried. Then the Statement goes on to say that many other questions of an exceptional character had to be dealt with, which could not brook delay, and that the Public Works Statement could not therefore be brought down at an earlier date. Well, I have just looked over the Order Paper, and, out of a few items, would ask the Premier whether, amongst them, there are not a good many that could very well indeed brook delay. The Noxious Weeds Bill, for instance.

Mr. SEDDON.—That never was up.

Mr. BUCHANAN.—It was introduced with others. Then, there were the Masters and Apprentices Bill, the Rating on Unimproved Value Bill, the Conspiracy Law Amendment Bill, the Licensing Bill, the Hawkers and Pedlars Bill, the Legitimation Bill, the Imprisonment for Debt Abolition Bill, the Land-tax Bill, the Auctioneers Bill, the Pawnbrokers Bill, the Riverton Harbour Board Empowering Bill, the Municipal Corporations Bill. The Government wasted considerable time on some of these measures, and I do not think they have the hardihood to tell the House that these are measures that would not brook delay, or for which they were justified in delaying the Public Works Statement. Then, the Hon. the Minister of Education denied that the Government had been gadding about the country and had no policy measures prepared, and he mentioned a long list of Bills that the Government had brought down on such and such a date. On looking up one of the Order Papers, dated the 22nd June, I find some of the Bills which the honourable gentleman brought down, amongst them being the Masters and Apprentices Bill. When the honourable gentleman asked leave to introduce it, was that Bill ready? No; the Bill was brought down in such a crude form that the House would have none of it, and he had to remove it from the Order Paper. Another Bill introduced on the same day was the Immigration Bill, but it is now on the Order Paper under the name of the

Undesirable Immigrants Bill—the scorn and derision of the whole colony. Notice was given to introduce it on the 2nd October. Then, there is the Eight Hours Bill: has that Bill been dealt with yet?

Mr. REEVES.—Yes.

Mr. BUCHANAN.—Well, I am not aware of it. Leave was given to introduce it on the same day, and yet the House did not get possession of it until the 16th August. The first edition of the Land Assessment Bill was introduced on the 28th June, but the present edition was not brought down until the 7th September. Now, if I similarly followed the Bills introduced by other members of the Ministry, the contention of the Minister that the Government had met the House with their policy Bills prepared would vanish into thin air. Then, the Minister for Public Works tells us that he initiated a new departure when he introduced the Bill to borrow £250,000 for the improvement of Crown lands, and a similar sum for the purchase and roading of Native lands. If that was a new departure, then the Government for the first time stands self-confessed as a borrowing Government; but, as a matter of fact, legislation was passed in 1892 for exactly the same purpose—namely, to raise £50,000 annually for the roading of Crown lands, and £50,000 for the purchase of Native lands. Where, then, is the new departure? What was the honourable gentleman thinking of when he compiled the Public Works Statement?

Mr. SEDDON.—It was a new departure to the extent of £400,000.

Mr. BUCHANAN.—It was merely an extension of a policy which the House sanctioned in a previous session—that and nothing more. Then, Sir, the Colonial Treasurer twitted me—and I am sorry he is not in his place—with voting for the Bill providing for these highly-desirable objects; but my reply to that is this:

12.0. I have always approved of the principle. I spoke in favour of it on the second reading of the Bill, and conscientiously gave my vote for it. What would the honourable gentleman have said, knowing, as he does, that I was strongly in favour of assisting any Government to push settlement, if because I happened to be on the Opposition side I had voted against the Bill simply on party grounds? I did object to the large amount the Government was empowered to raise under the Bill, but I did not in any way object to—I strongly approved of—the raising of moderate sums of money to open up Crown lands, because the greater part of the land which the Government has at its disposal cannot be profitably used by settlers unless they are assisted in making roads to get their produce to market, and more especially is that the case with regard to bush land suitable for dairying purposes. If we are to have the dairy factories made a success we must enable the settlers to get their milk to them, and their produce to the market. I did not expect any large sum for my district, and the estimates show that I was not mistaken; but I do not complain

much of this, because the needs of the bush districts are much greater than of mine. Another thing the Minister might have mentioned in the Statement, that they intended to devote a much larger sum to the opening-up of roads to Crown lands, because it would give much more employment than if the money were devoted to railway purposes. If the Government had proposed a railway policy, a large proportion of the money would have been employed in the purchase of material. The Government were astute enough to see this, and that, I dare say, was one reason for this new departure. The policy of the Government since they came into office has, unfortunately for the country, been one which has largely destroyed private enterprise. Their policy has crippled the private wages-fund, and they find the tide of the "unemployed" pressure rising up around them in all directions; and their hope was that this new policy, in direct contradiction to that under which they came into office, might furnish a way by which they could save themselves. The private wages-fund, which enterprise has always furnished, has, because of Government menaces, failed the working-classes for the last two or three years, and hence Government are compelled in self-protection to resort to their present policy. This is one of the main reasons why they have turned their backs upon the policy of the late Mr. Ballance. What does the Public Works Statement say? "The distress during the winter—more particularly in the large centres—has been exceedingly great, and it devolved upon the Government to meet this unforeseen difficulty." The position, without question, is a very serious one. All over the colony we have distress amongst the unemployed. All over the colony, no matter in what enterprise business-men are engaged, whether in trade or in the occupation of lands, we have the same want of confidence exhibited. It is almost alarming to find such a free expression in this direction, not only amongst men who may be accused of a party bias, but of all classes, whether they support the Government or the Opposition side of politics; and if the Government pursue their present course there is no question that the position, serious as it is, will be much more serious as time goes on. I really hope the Government will take a lesson from their past experience, and abandon the policy they have been so steadily pursuing—namely, that of attacking those who have been foremost in enterprise since the foundation of the colony. The Minister of Labour particularly is always foremost in this direction, and has done enormous injury to the colony. The Colonial Treasurer told the House that the colony is in excellent condition—that everything is very hopeful and in a healthful condition. The experience of every thoughtful man unfortunately shows the contrary to be the case. Numbers of men are out of employment all over the colony; and if the Government are not able to borrow sufficient money they are endeavouring to do so to take up the unemployed, when private enterprise

Mr. Buchanan

should as heretofore have done so. It would be wrong if I passed from this subject without acknowledging that the Government are not altogether to blame for this,—that the low price of produce has not been conducive to the employment of labour; that, no matter what Government was in office, we could not expect wages to be so high as they have been, or the labouring-classes to be fully employed; but there is no question whatever that the policy of the Government has intensified the difficulty. The Government complain that the leading men of the colony are denouncing them. My experience has not so much been that the leading men throughout the colony are denouncing the Government, but that they are denouncing the policy which has destroyed confidence and prevented all enterprise from reaping its reward. The Statement goes on to say that the settlement of the people on the land is the only thing to bring about permanent prosperity. There can be no doubt that is a very important part of the policy of any country. But I am afraid some of the so-called settlement will not lead to much permanent prosperity. I ask the Minister of Lands, for instance, what about the special-settlement system? He himself has acknowledged that it has not been very successful.

Mr. J. MCKENZIE.—I never did.

Mr. BUCHANAN.—Has not the honourable gentleman practically acknowledged the failure of the system by abandoning it? Then, there are other directions in which he has been endeavouring to promote settlement, and I for one am very far from contending that he has not been doing his best, but I am afraid his efforts have not been, and will not be, very successful. The Statement goes on to say that never in the history of the colony has public money been spent to such an extent on roads as compared with railways. I am not permitted, under the Standing Orders, to make more than a passing reference to a Bill on the Order Paper. I refer to the £618,000 proposed to be paid as a subsidy to the Midland Railway. It is nothing but right that the Government should have taken account of this in the comparison made between the expenditure on roads as compared with that on railways.

Mr. SEDDON.—It is mentioned in the Statement.

Mr. BUCHANAN.—Very well, if this were added to the amount of money put down in the railway schedule, what would become of the position the Premier set out in the tables? The position would be altered altogether. It would mean something like the expenditure of a million on railways as against about one-third of a million on roads.

Mr. SEDDON.—It is spread over four years.

Mr. BUCHANAN.—If the Government had only taken up the Manawatu Railway, and spent a similar amount on its purchase, it would make a material difference to the prosperity of the colony. Similarly, if sufficient money had been expended to open the Eketa-

huna-Woodville Section, how much better that would be than frittering away money on such railways as the Grahamstown-Te Aroha and other sections I could name! The honourable gentleman always harps on the importance of getting the control of the railways for the people. Well, the Construction Branch of the Public Works Department has always been under the control of the Minister; and when we look at the allotment of money year after year, and realise that the foolish expenditure on these railway-works has meant a yearly addition to the taxation of the colony, then we can say but very little in favour of the control of the railways by the people, if this is to be an example of it. I hope the control of the working railways by the people will not result so unfavourably. I fear, myself, that the administration by the Minister will be anything but equal to that of the past under the Commissioners. One word as to the £54,681 of sinking fund which the Government has seized. The Treasurer asked me whether I would have the Government break the law by doing anything else with this amount than what they had done—namely, to pass it into the Public Works Fund for expenditure. The honourable gentleman knows very well that the Government could have used the sinking fund for paying off the loan to which it belonged, as was done under the Atkinson Government. That would not be breaking the law. But no; the Government is determined, as in the past, to increase the net debt of the colony, and go in for further borrowing. This can only result in increased taxation; and there can be no doubt at all that some friends of the Government would be glad to levy protective taxation on the colony. Now a word as to the co-operative system. The honourable gentleman tells us that the co-operative system has given satisfactory results. I have never condemned that system as a system. I believe it to be a perfectly sound one under certain conditions. Every settler in the country is accustomed to employ labour on small contracts under the co-operative system; but I have always denied that the Government could do so on a large scale, except at a great disadvantage. I defy any Minister, no matter how careful he may be, to control the system effectively, as the conditions are such that he cannot efficiently do so. We have only to look at the expenditure that has taken place during the recess in connection with these buildings. I visit Wellington occasionally to attend to business of various descriptions, and I had a look at these buildings during the time the alterations were being carried on.

Mr. SEDDON.—It was done on wages, not on the co-operative system at all.

Mr. BUCHANAN.—I have had to do with the carrying-out of various descriptions of work in the colony during nearly forty years past, and I never witnessed such waste of labour. I do not wish to say anything further about the Public Works Statement. I suppose the Government will force it through, but I regret

very much indeed that the Government has determined to borrow these large sums of money. I am certain that before long the taxpayers of the colony will feel the effect of it severely. But I can only enter my protest.

Mr. J. McKENZIE.—I have a considerable amount of diffidence in getting up to make anything like a fair speech at this hour of the morning, and especially after the speech we have just heard from the honourable member who has just sat down. I am sure, knowing the honourable gentleman as I do, and knowing what we are used to hearing from him on an important occasion like this, that his speech shows clearly to me and to the House that he has really very little to find fault with in the Statement we are now discussing when he confines himself to the remarks he has made to-night. I suppose it was merely to keep up his reputation that he would not allow such an important document to pass through the House without making some remarks, and this was really the reason why he got up to speak at all. First of all he referred to the bringing-down of the estimates at so late a stage of the session as we have done this year. Now, the reason was exactly stated by my colleague when he said that we did not know until our policy Bills passed the House what amount of money we were likely to have, and, if we had prepared the Public Works Statement and brought down these estimates before those Bills were through, then perhaps we should have found ourselves short by a quarter of a million of the amount we required for these estimates. We had to wait until such time as the House passed our policy Bills before we could frame the Public Works Statement or the estimates. Who is the cause of the delay in those Bills not being introduced at an earlier stage, and not being passed through the House at an earlier stage? I venture to say the honourable gentleman himself had a good deal to do with it; and when he accuses the members of the Government, and the party who support them in this House, with not being prepared to discuss measures in this House, I think I may say that from the very first day of the session we were able to find work every night for the House, until members cried out, "Let us get home." Were we not accused of driving the business too fast, of keeping members here too late at night, and of forcing measure after measure upon them without giving sufficient time to consider them? And now at this stage we are told we had not the business ready. I say we had any amount of business ready, and sufficient to keep us going until Christmas if members are prepared to stop and do it, and business, Sir, that I venture to say would be in the interest of the colony. We have arrived now at a stage of the session, as we always do, when it comes to near the sheep-shearing time, when certain honourable members are most anxious to get back to their homes and their big estates.

Mr. CROWTHER.—And little ones too.

Mr. J. McKENZIE.—They all want to go home. That is quite right; and I venture to

say that these honourable gentlemen—the wool-kings in the House—are most anxious to go home, because it is coming to that stage when all their preparations have to be made for the sheep-shearing, and they have to see that everything is ready, and gathered together for the harvest which they expect it to bring in to them.

Mr. BUCHANAN.—I will stop until Christmas, if necessary.

Mr. J. McKENZIE.—If you are prepared to stop until Christmas, and if you are prepared to get a majority of the members to stay until then, we can find you enough business to do. My colleague here suggests certain reasons which I believe would induce the honourable gentleman to stop in Wellington on the present occasion. However, I am not going to say anything about that. Let us come to the question of borrowing. I wish to say a few words upon that because several of the members who spoke on this subject to-night—and not only to-night, but on many previous occasions during the present session—have accused the Government of borrowing, and have been accusing the Government of trying to expend too much money in opening up the lands of the colony, and we are continually being told that the colony cannot afford to make this expenditure. I ask honourable members, are we going to stop the progress of colonisation in this country or are we not? If we are not going to stop the colonisation of the colony, then we must have the means of pushing on this colonisation, and, if we stop short even for one year in the progress which we think should be made in connection with the opening-up of the lands of the colony for settlement, that will be a retrograde step, and a young colony like this should never think of doing that. And I say that those honourable gentlemen who say that the colony cannot afford to borrow money to be expended in opening up its own lands for settlement purposes so as to enable the people of this colony to get homes for themselves and to become producers, thus adding to the wealth of the country, ought to be able to come to this House and show that they have a policy by which that work can be done. If their policy proved to be such that the people of the colony could approve of it, then the colony would very soon put them on these benches to carry out that policy; and when they condemn the policy the present Government are now carrying on, and have been carrying on since they came into office, then, I say, they should be prepared to substitute something better in its place. It is very easy pulling down, but it is a different matter altogether to build up, and those who are so continually preaching that the policy of the present Government is ruining the colony ought to show to the House and to the colony how they are prepared to carry on the progress of the country, and, if they can show a better policy, I have no doubt the country will take them up. I should like to know how we are to open up the country without roads and bridges. It is impossible to put people on the land

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without them. You may open up the country on maps and on paper—but if you do it for settlement purposes, and in order to induce people to go upon the land, and if you want to keep them there, you must give them access to the country, so as to enable them to get their produce away from it to the market, before you are able to make good settlers of them. Is the honourable member prepared to show me how he is to get land for settlement? Is it not necessary in the North Island to buy land from the Natives before you can get it for Europeans to settle upon?

Sir R. STOUT.—No.

Mr. J. McKENZIE.—I hear “No,” Sir. Well, I suppose the honourable gentleman’s meaning is that the Natives should be asked to lease their land, and that the colony should not buy it. What would be the result? Are the Natives in this colony prepared to survey their own land, to road it, and offer it to the settlers? I know what the honourable gentleman would do. He would ask the Natives to lease their land to Europeans, and the colony would have to survey and road it and get the settlers to pay eventually for doing this. Such a policy as that is not a policy the people would stand for one moment.

Sir R. STOUT.—Who has proposed such a policy?

Mr. J. McKENZIE.—I say no one proposes it; but the honourable gentleman says we should not buy Native land for settlement purposes, and I am supposing the only policy in that case would be to get the Natives to lease their land. Now, I say, without fear of contradiction, that we shall have to buy Native land from year to year for the purposes of settlement in the North Island; and also in the same way we shall have to repurchase some of the estates in the South Island, which we intend to purchase and cut up under the Land for Settlements Bill, so as to be able to keep sufficient land for settlement for the young colonists of New Zealand. I heard the honourable member for Hawke’s Bay ask to-night how we were going to find the interest if we borrowed any more money. I stated then that we could do it by increasing our population. And if we are not going to keep our young population that is growing up in New Zealand, what is to become of the colony? Are we going to send them to the other colonies to get land to settle upon when we have sufficient land to give them ourselves? Not at all.

Captain RUSSELL.—Do you not know that we have more settlement here than in any other colony in Australasia?

Mr. J. McKENZIE.—We should not take a pattern from the other colonies, because I venture to say that they are far behind in the way of settlement. When I was there some eight years ago they were mere wildernesses, in my opinion, in the country districts. Our people will not go there if they can help it, for there is better land in New Zealand; but if your policy were carried out you would force them to go, because they would have nothing

to keep them here. I say, without fear of contradiction, we have in this colony a large number of settlers' sons growing up who are ready to go on the land, and these are the very class to place on the land, and to encourage to go on the land and carry on the work of colonisation. If we do that our producing-power will from year to year be getting better, and we shall be in a better position to pay interest on our debt. Then, the honourable member for Wairarapa stated that I had acknowledged that my special settlements were a failure. I never acknowledged anything of the sort. I never acknowledged any of the special settlements were a failure. Some years ago members of the House, when I brought down a statement of the number of special settlers for whom land was provided, because they did not find that all the men included in the return were on the land, said the whole thing was a failure—that it was a paper settlement; and we had speech after speech delivered from those benches to endeavour to show it was a failure. Where is the failure? Those honourable gentlemen repeated the thing so often that they were actually beginning to believe much of the state of things which they raised in their own imagination was true. I stated on that occasion, in my place here, that no doubt in these special-settlement associations there was a certain number of persons among them who would not be good settlers, and were not going to take up the land when the time came for them to do so; and that has turned out to be quite correct. There was a percentage of these people who were only speculators; but we have been able to weed them out; and I may tell the House this: that almost every one of these speculators in any of these associations has been weeded out, and the sections set aside for them have immediately been taken up by other

12.30. people. That being the case, I do not think it can be said that special settlements have been a failure. The honourable gentleman said that I have stopped special settlements. I have not stopped them altogether, but I have checked them, and for this reason: that I have not land to give them. I venture to say that I could get twenty special settlements if I had sufficient land to offer them. We have not got the land, and that is one reason why we want to get land for these special settlements. We were also accused of destroying confidence in this country. We have not destroyed confidence in the country. It is true there are a few people in the country—very few, I may say—who go about crying down the colony, and crying down the present Government, and saying it is destroying confidence in the country; but I think it will take a great deal more to show that that is correct. What is destroying confidence in the country is the financial institutions, and the manner in which they have conducted their business for years past. I refer to such institutions as the firm of Harper and Co., Christchurch, and the Loan and Mercantile Agency Company, and the Australian banks. These are the institutions that are destroying confidence in the

country. If you go and get information from Home, is it the colony that is spoken against? Have our bonds gone down in the Home-market? Not at all. Our bonds are higher than they ever were before; but where are the shares in these financial institutions which I have referred to? What had this Government to do with the Loan and Mercantile Agency Company coming down? It was walking on the brink of a precipice before we took office. How could we destroy confidence in that firm? How could we prevent such a thing as the firm of Harper and Co. coming to grief, seeing that the losses of that firm were made long before we came into office? I might go into the question of the Australian banks, and show how they came down last year. What was the result of that? All their branches in this colony put the screw on, and commenced to pull in. We have that in evidence before a Committee of this House—that advances were called in in order to send money over to the other side to support rotten institutions over there. That is what has destroyed confidence, and that is what has reduced the wages-money used in this country; and if the Government had not come to the rescue, and assisted to find work for the people, what would have been the consequences? There would have been great trouble and distress. I dare say that might have suited some people, because they would then have got the working-people to work for starvation wages.

An Hon. MEMBER.—Oh!

Mr. J. MCKENZIE.—Yes; I can point to a case where the president of an institution in London stated that he could not hold out any hopes to his company that the company could pay more than 15 per cent. until the wages came down in New Zealand. They were not satisfied with 15 per cent., but the wages must come down in New Zealand, so that something more could be dragged out of this colony to pay speculators in the Old Country who send their money out here. I can point it out in black and white, if the honourable gentleman thinks that I am saying what is not correct.

Mr. BUCHANAN.—It would not be fair to accuse the settlers of this colony because a single individual in London happens to say that.

Mr. J. MCKENZIE.—I do not want to allege anything with regard to the settlers of this country—I mean such settlers as the honourable gentleman himself. I do not complain of them. The gentlemen who improve their estates, who spend their money in the country and employ people—I have no fault to find with them; but I have fault to find with those large companies which send out money here, and which get certain people here under their thumb, so that those persons become nothing more than managers of their stations: when they do that it is they who do the grinding business in New Zealand. I think, when we are accused of having a large number of unemployed in this country, we ought to look at the past as well as the present. I remember a time when we had large sums of

money being spent—three times the amount of money which is being spent now—and still we had unemployed amongst us, and this House had to find large sums of money year after year for the unemployed. I venture to say that we have had fewer unemployed during the last winter than we have had on many occasions when there were very large sums of public money being spent by the Government on contracts. When we come to the question of the co-operative system of work it is said that there is a great deal of waste, and all sorts of things are brought up against the Government in connection with that system, but not one word is said about the fact that we have not such a thing as a wealthy contractor now in the colony. What has become of those contractors who made their thousands per annum in this colony? Since we stopped the contract system and started the co-operative system they have left the colony and gone to other countries where they can make big profits. If a few co-operative-works men make 6d. a day more than some people think fair wages, it is said that there is waste. How can there be waste when these co-operative works are carried out under the present system? The men are paid in accordance with the amount of work they do. Occasionally, some of these men, by working very hard, may have pay-sheets which show that they have made pretty fair wages, but it cannot be said that the system is extravagant in any way. Not one word is said about the extravagance of the system of the past, and the large profits made by the big contractors. Then, the honourable gentleman referred to the railways. He is of opinion that the control of the railways being handed back to the colony will not be satisfactory. I would ask him and other honourable members if the system of railway-management under the Commissioners has given satisfaction to the settlers of New Zealand. I venture to say that you will find many settlers in New Zealand who, if they give a straightforward opinion, will tell you that they have found fault from time to time with the Commissioners. Have not members of this House who represent country districts received letters from time to time complaining of the management of the railways? I, myself, have received hundreds of such letters since I have become a Minister. You cannot make large numbers of the settlers believe but that the Government control the Commissioners. They will insist on sending their complaints to the Government, saying that the railways are Government railways, and therefore Government has control over them. I know what I thought when the House handed over the railways to the Commissioners.

An Hon. MEMBER.—Did you not vote for it yourself?

Mr. J. McKENZIE.—I voted for it. I will tell the honourable gentleman why. I have stated it twice already, but will do so again. I was satisfied, myself, that the railways would never be managed to the satisfaction of the settlers so long as Mr. Maxwell was at the head of the department, and I voted to take

the railways out of the hands of Mr. Maxwell. To my disgust, I found that the very gentleman whom I and others voted to get rid of was made one of the Commissioners. When that was done I lost all confidence in the railways being well managed as long as they were under his control. No doubt Mr. Maxwell is an able engineer, but he is a man quite unsuitable for the management of the railways. He has no sympathy with the settlers. He looked upon the settlers as machines to have as much money dragged out of them as possible. He did not care one straw what the results might be to the settlers themselves, so long as he could make the railways pay. I think the last election proved beyond doubt that the settlers were of that opinion. I recollect the question being brought up by a certain number of busybodies who called themselves Chambers of Commerce, and by other similar associations—by numbers of wealthy agents and the representatives of large estates. These people sent a circular round to certain people asking their opinions with regard to railway management. They sent circulars to those people who they knew perfectly well would give a reply of the kind which they desired, and they published those replies in the Press. But hundreds of settlers who had as much right to have a voice in the matter never saw that circular, and knew nothing about it. I should like to know if the Chamber of Commerce of Dunedin represents the settlers of the country. That body consists of a few people in Bond Street, who hate the present Government as much as any class of men can hate another class. And why? Because the present Government is not carrying out the administration of the country to their satisfaction—that is, to suit their pockets. I could take these gentlemen one after another and I could show that they are men whom no one has any confidence in in matters affecting the welfare of the country settlers. They simply pay their guinea and become members of the Chamber of Commerce. They meet in conclave, and anything done by the Government which is not exactly to their own liking, or which does not suit their own special business, must be wrong, in their opinion. They were prepared, of course, to approve of the railway-management of the Commissioners. Now, we are told that new taxation will be necessary. We have been told two or three times to-night that if the policy of the present Government is carried out new taxation will be necessary. There is no reason to suppose that new taxation will be necessary—none whatsoever. I have no doubt this cry is got up as one of those cries which honourable gentlemen opposite do get up occasionally for the purpose of tickling the ears of certain people. We have heard them during the last four years, from that side of the House, getting up some new cry which they think will take with the people they think they represent. But at the close of the previous three years, when we went to the people the gentlemen of that party found that their cries did not take

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with the people. I understand that their next cry is to be that the policy of the Government is bound to bring about increased taxation. I have no doubt that the prophecies in this case will be just about as true as the prophecies which have been made in the past by the honourable gentlemen opposite. Now, Sir, one word with regard to the Cheviot Estate, referred to by the honourable member for Wairarapa. The honourable member went down there and saw the Cheviot Estate, and came to a certain conclusion.

Mr. BUCHANAN.—I referred to the cooperative works there.

Mr. J. MCKENZIE.—Now I come to the public-works estimates, and I suppose I know more about them than any other member in this House, because I had to do with putting them together. I find the honourable member for Patea made a very glaring mistake. He calculated up these estimates, and pointed out that they did not tally. The honourable gentleman is not in his place, but some honourable member may tell him how he muddled up this matter and made the mistake he did. But honourable members must see that this year we have got a new source of money, from which we have provided for roads, and that is the £150,000 taken from the £250,000 for roads and bridges and improving lands. A large number of the votes of last year had to be transferred to that vote, and carried with them the liabilities against the votes of last year out of another sum altogether, and if the honourable gentleman would only put two and two together he would find these figures would come out correct. But it is one of those catches which, no doubt, a clever, able, and astute lawyer saw gave a chance of throwing dust in the eyes of honourable members because the figures did not tally. But if any honourable member will take these new votes from the Lands Improvement Account and compare them with the votes of last year from a different source, and carry forward the liabilities on one and the other, he will find the figures will come out correct. With regard to the amount of money required for roads and bridges, I have no hesitation in saying that we can spend within the next two years twice the amount the Government have taken for the purpose, and that in the interests of the colony. But we thought, in bringing down our policy, to do with as little money as possible, and at the same time to meet what are actually the requirements of the country; and I venture to say that any honourable member who travels the country between the Wanganui River and the Rangitikei, from Pipiriki to Hunterville, will admit that during the time we have been in office even there we have opened up thousands of acres of good country by making roads and bridges, which country would be a barren wilderness for years and years to come had the Government not made that expenditure and carried out those works.

Mr. COLLINS.—I should like, first of all, briefly to refer to a statement made repeatedly to-night, and which is a repetition of state-

ments previously made, that the policy of the present Government is a distinct departure from the policy laid down by the late Premier, Mr. Ballance. In the conclusion of the Public Works Statement of 1891 paragraphs occur to this effect:—

“After having enumerated the various railway and other works upon which we purpose to expend the moneys available, I feel certain that I have not given satisfaction, but that the dissatisfaction will have arisen not so much from the manner of the distribution as from the fact that the moneys available are so small and the wants so great.

“However, the amounts now proposed to be appropriated must be regarded as merely instalments on account; and as moneys are from time to time available, from the conversion of our loans and other sources, so our public works can be extended and completed.”

Now, Sir, the Public Works Statement before the House at the present time is in distinct accordance with the promises made in the conclusion of the Public Works Statement of 1891, which Statement was drawn up by and was the Statement of the late Premier, the Hon. Mr. Ballance. I think that reference to the Statement conclusively proves that the public-works policy of 1894 is a distinct fulfilment of the promises made and the policy foreshadowed by the late Mr. Ballance. We can dismiss, then, the statement that the policy of the present Government is not in accord with that of the previous Liberal Administration. I have listened to the opposition to the Public Works Statement to-night, and I must confess I have been somewhat amazed and somewhat amused. The tone of the Opposition is so distinctly different from what it has been on any other occasion. As a rule, one listens to the speeches of the honourable member for Hawke's Bay and the honourable member for Wellington Suburbs with a very considerable degree of pleasure, if only because of the amount of animation they manage to put into their speeches. Although one may differ from them, there is always a feeling that they are intensely in earnest, and are taking a lively interest in what they are saying. And one expects something bright, telling, and cutting from the honourable member for Patea when he rises to address the House. But the speeches of the Opposition to-night have been dreary, dismal, and doleful from beginning to end, and one could not help feeling that the honourable gentlemen themselves felt the case they had undertaken was an exceedingly hard and exceedingly bad one. They could not with any satisfaction to themselves—with any hope of success to themselves—prove what they had undertaken to show. They felt conclusively they could not possibly stir the people to the belief they desired to inspire them with—namely, that the policy was not one the Government should pursue, and that it was not in the distinct interest of the country. As I listened to their speeches that dissatisfaction was explained when a thought struck me, and if I might borrow the lines from the poet

Dryden, whom the honourable member for Hawke's Bay is very fond of quoting, I would say,—

When interest fortifies an argument,
Weak reason serves to gain the will's assent,
For minds already warped are easy bent.

I do not mean by these lines to suggest that there was any individual interest of a personal character on the part of the members of the Opposition, but I think there was a political interest they desired to serve, and that their minds were warped by political bias and interest—that they were desiring to make out a bad case simply because of that political bias, not because they had anything to gain by opposition. I think the opposition was purely political. We have been told over and over again to-night in dismal tones that the policy is a policy of disaster: indeed, we have been told that it is going to plunge the country into irretrievable disaster and ruin, and the prophet of disaster, "the prophet of lamentation," has himself been mentioned. I think the prophet of lamentation was Jeremiah, and, if that be so, there is more than one political Jeremiah in this House. I venture to paraphrase just one or two words of the prophet Jeremiah, and I would suggest to the Opposition that sometimes prophets prophesy falsely: the people suffer by their means, and the Opposition love to have it so. It appears to me these prophecies of evil are especially unjustifiable; but so repeatedly have the statements made by the Opposition been replied to there is no reason that I should do other than simply protest against this repeated declamation and detraction from the position of the country by gentlemen occupying the Opposition benches. These statements have been made, not because they are accurate, or would conduce to any good, but simply because the honourable gentlemen who make them are in opposition, and, being in opposition, they think it is their duty to say something in opposition to the policy initiated by the present Government. I think, to honourable members who listened some months ago and agreed to the policy foreshadowed in the Financial Statement, the Public Works Statement must give a considerable amount of satisfaction, and it must give that because, I feel convinced, the Public Works Statement means a continuance of that policy which will lead to the fuller, the much fuller, development of the country's resources; and, leading to that, will insure that employment to the people which will, before long, eventuate in a very considerable enlargement of the colony's resources. I look over the Public Works Statement and see matters in it which give rise to every feeling of gratification. I know, in reference to co-operative works, that they have proved a benefit and extensive blessing to the people of the country. Although one honourable member from our side of the House has referred to the comparatively small wages paid on co-operative works, still it is infinitely better that the men should be engaged in work of this character at a small wage than that they should be recipients of

charity from benevolent institutions. It is infinitely better that they should be employed at a small wage than that they should supplicate benevolent institutions for the miserable dole of 1s. 9d. a week. The money that they earned on these co-operative works they got honestly, manfully, and without any loss of dignity. The Government is to be congratulated on having expended £157,980 on the co-operative works connected with the Public Works and Lands Departments. Then, Sir, I feel that another matter for congratulation is that 1,402 miles of road have been constructed and maintained during the past year. Now, nothing can be more desirable. The honourable member for Wellington City (Sir R. Stout) pointed out that £360,000 in the public-works estimates were set aside for the making of public roads. Could anything be more desirable than that our country should be effectually opened up by public roads? As has been said over and over again to-night, if these roads are to be made the moneys must be forthcoming, and the £360,000 could be spent in no better direction than in opening up public roads. We have already determined that Native lands shall be purchased for settlement purposes; and when the House remembers that there are ten millions of acres of land in the hands of the Natives, and at least some millions of these acres that ought to be brought into cultivation, then the sooner these millions are opened up by the moneys provided in the public-works estimates the better it will be for this country. I view the co-operative works, the opening-up of public works, and the money set aside for these purposes with a very considerable degree of satisfaction. There is another point to which I should like, just very briefly, to refer. The honourable member for Wairarapa suggested that the co-operative works had really been a piece of political dodgery—that the Government had, previous to the election, very considerably augmented the number of these engaged in the co-operative works; but I would point out that it is impossible to regard it as a piece of political business. What advantage would it be to the Government to send a great number of men to the places where co-operative works were chiefly in vogue—Catlin's River, the Cheviot, and Taranaki? The greater number sent there were from the larger cities. Christchurch contributed a large number for Catlin's River and the Cheviot, and I know that some batches were sent into the Taranaki District. But how could these people assist the Government? They were practically sent away from the districts where their votes would otherwise have been available, and two out of the three districts into which they were sent returned Conservative members to this House. So the statement that it was a political dodge, or that it was done for political purposes, is a statement wide of the mark. Leaving co-operative works, there is one other matter to which I should like to refer before I sit down, and that is the question of the rail-
10. ways. The Minister says it will be necessary to insist upon firmness in

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resisting unreasonable demands for the reduction of tariffs and also for the reduction of railway-fares. I quite agree that it is necessary at all times to resist with firmness unreasonable demands of any kind, but I should like to suggest to the Minister that it is not unreasonable to expect that there shall be very considerable alterations in our railway tariffs. There are anomalies in our tariffs which ought to be dealt with in the interests of the country, and in the interests of the railway itself; and I am sure that there are certain anomalies with regard to passenger-fares which could be dealt with without the slightest possibility of affecting in any way the aggregate amount of railway receipts. Indeed, I believe if these anomalies were corrected it would lead to a considerable increase in the receipts of the railways, both with regard to goods- and passenger-traffic. These appear to me to be matters which might well receive the attention of the Minister, and I hope they will be dealt with. Sir, I say again that the policy of the Public Works Statement is one that will commend itself—I am positive of that—to a majority of the people of this colony. It is a policy not, as we have heard, of disaster—not a policy which threatens impending ruin, but it appears to me—and I look at the matter not as a partisan but as one wishing the country well—as one wishing in this House so to speak and so to act that the country may by every vote cast derive some benefit—I say, speaking, I hope, not as a partisan and not partially, but with an unbiassed mind, I believe the policy of this Public Works Statement is not a policy of disaster, is not a policy of impending ruin, but a policy of improvement, a policy of settlement, and a policy of development.

Mr. FRASER.—Sir, I have no desire, and certainly no intention, of wearying members by making a speech. Indeed, I had no intention of speaking on this subject at all but for the glaring inaccuracy which I find in the Public Works Statement. It has already been referred to by the honourable member for Wellington City (Sir R. Stout). I should not be doing my duty if I did not refer to it. I mean the little balance-sheet, on page 11, about the Otago Central Railway, in which it is made to appear that the expenditure on this line has been £32,273 in excess of allocation out of loans. Well, Sir, this is contrary to fact. I am very much surprised that it should appear in this document, and I will now show how I make this out to be contrary to fact. In this balance-sheet it is asserted that £637,273 is the total expenditure,—I assume the figures to be correct,—and on the other side the total allocation to the line out of loan is set down at £605,000. But the first loan mentioned is one in 1882. Prior to that £104,168 had been spent out of the Public Works Fund. That sum ought, therefore, to be deducted from the £637,273 before you set it against the moneys allocated out of loans to the line. That would leave £508,110 of expenditure against the Loan Account. I know I am understating the case, but I prefer to do

so. I will accept these figures, Sir. If the £605,000 was the only sum allocated out of loan, there would thus be a balance of £71,890 unexpended of loan-money for this railway, instead of a debit account of £32,273. But various loans have been left out. Account is taken of the New Zealand Loan Act of 1882, £300,000; the New Zealand Loan Act of 1886, £200,000; and the New Zealand Loan Act of 1888, £105,000. There is no mention whatever of the allocation from the New Zealand Loan Act of 1884. There was a loan that year of £1,500,000, and of this sum £700,000 was specially allocated for railways. There was no particular allocation to the Otago Central, but the speeches of the then Colonial Treasurer, Sir Julius Vogel, and of Sir Harry Atkinson prove that the greater portion of this £700,000 was intended to be allocated to and spent upon three railways—two in the North Island, and the Otago Central. Yet not one penny of that £700,000 is put to the credit of the allocation of loans in this case.

Mr. SEDDON.—It was not specially allocated to the Otago Central.

Mr. FRASER.—Of course it was not specially allocated in the Loan Bill, but it was borrowed for the Otago Central. There is no doubt about that. The Premier admits it by using the word “specially.” It is a mere quibble to speak so. There is no doubt that out of that £700,000 we were fairly entitled to a fifth, or £140,000; and that at least that sum was intended to be allocated to the line. This, therefore, would bring the total amount of the loans allocated to this line to £745,000. If we deduct from that sum the £538,110, it leaves £211,890 unexpended out of loan-allocation—a very different statement indeed from what we find in this Public Works Statement! It is attempted to be shown that not only have the total loan funds allocated to this railway been actually expended thereon, but a sum of £32,273 taken from other sources has been expended in addition. Well, I give that a flat contradiction, and undertake to say that my statement cannot be controverted. What I assert is that, instead of that being the case, instead of £32,273 having been taken from other sources, £211,890—and I am positive I am understating the figures—remains unexpended out of the loan-money allocated towards that line. Now, I think it was only right that I should, in the interests of the large number of people who reside in Otago, and who are interested in this railway, make this point clear this evening. It would never have done to let such a balance-sheet go forth unchallenged. There has been trouble enough in the past to get moneys voted for the line, and it has been continually thrown in our teeth that the money borrowed has been over-expended, so I thought it right to get up and challenge these figures. There is another statement with reference to the Otago Central that I desire to draw attention to—the words, “Considerable further work is now being put in hand, including the construction of the tunnel.” Well, all I can say is that I certainly hope that is correct, because, as far as the

Otago members are concerned, on two occasions we as a deputation have met the Minister and could get no such information from him. He told us to wait till the Public Works Statement came down. I hope that, when the honourable gentleman is replying, he will give us a little more definite information, and will be able to tell us that this tunnel has really been started.

AN HON. MEMBER.—It is started now.

MR. FRASER.—I would rather hear from the Minister direct that the work had been started. It is not my intention to refer generally to the Public Works Statement. I wish simply to say that I am at one with the Government in their desire to see roads constructed throughout the colony. There is no doubt that any one who knows much of colonisation work in this country must be aware that it is utterly impossible for people to stay on the land after they are put there unless we give them roads.

MR. EARNSHAW.—I am not going to detain the House long; and I have only risen to speak on the Otago Central Railway question, and to challenge the statements and the figures that appear in the Statement. I think that to-night we have had a most peculiar experience in this House in connection with a Public Works Statement. The debate commenced at half-past seven, and from eleven o'clock—the last two hours—there have not been a dozen members sitting up in their seats listening to the debate, and, of that dozen, four or five have been Opposition members, although they are such a small body. That, at any rate, shows that the Government have convinced their supporters, whatever they may have done with the country, that this is a proper Statement. They have completely flattened them out; they have either driven them into the lobbies or else they have driven them to sleep. Sir, the Minister of Lands, in speaking, said that he knew more than any other man in the House with regard to the figures that were in the Statement, but, very singular to relate, he did not deal with the figures, or with a single district or road in the Statement. His remarks were of a most general character, and were simply levelled at the honourable member for Wairarapa on things in general, and not on the Public Works Statement in particular; and he made this curious statement: that members of the Opposition who owned big runs were desirous of getting home to shear their sheep. I understand that the other day about twenty-five members of the Government party waited upon the Government and asked them to "close down" next week, and I do not know that a single large run-holder was in that crowd; so that, so far as that charge is concerned, it is not in accordance with what has occurred. During the past week the pressure, I believe, has come from the Government side of the House to close down. But I think this is a lesson to the country that it is not right the Government should delay till nearly the middle of October before bringing down the Public Works Statement. In 1890 it came down in July in 1891 I think it came

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down in August; in 1892 and 1893 in September; and now in 1894 it is in October. Notwithstanding the remarks of the Minister of Lands, I do not know any reason why the Statement could not have been down a month ago; for their policy measures—the measure dealing with land for settlement and the measure dealing with the acquisition of Native lands and with roads and bridges—those two Bills could have been down two months ago, and the Public Works Statement could have been brought down last month. I myself charge the Government with deliberately keeping the Public Works Statement back until the end of the session. They have all through, from the commencement of the session, brought down measures of an unimportant character, and have kept back measures that were of national importance to the end of the session—measures, for instance, like the Midland Railway Bill, which, I have no doubt, they trust to get carried for them by the members who do desire to go home. If that is so, I do not think they will find it to be likely, when the time comes. The honourable member for Christchurch City (Mr. Collins) spoke of the debate as being dreary, dismal, and doleful. Well, I thought those who believed in the Statement should make the debate cheerful; but have we had anything cheerful from the Government benches? Have we had anything cheerful from the supporters of the Government? Look at them! they are all asleep. The Minister of Education came up at last, and, for the first time, has admitted that the Government have gone in for a borrowing policy. He made this remark: "We mean to spend money actively"; and that, of course, is practically saying that they intend to go in for large measures that will mean considerable sums of money being spent; and he was supported also by the Minister of Lands, who, in similar words, spoke with regard to getting our young men upon the land. He said to-day that it would require money, and that they were determined to go on rapidly with colonisation. All I have to say is that they should have said this on the hustings, and the Premier, when on the stump in the country before the election, ought to have come down and made a distinct manifesto to the people that such was to be their policy. If we are going in for this policy members should not be put in the position of having to pass measures when they have pledged themselves to their constituents that they did not mean to do any such thing, but meant to carry on on the lines, as was very well said by the honourable member for Hawke's Bay, initiated by the late Sir Harry Atkinson when he shortened down the loan proposals, and which was further carried out by the late Premier, Mr. Ballance. If he had lived he would have carried out his self-reliant, non-borrowing policy. I come now to that question which more especially brought me to my feet—that is, the deliberate statement made with regard to the Otago Central Railway. This statement has been deliberately made to delude and mislead the people of Otago. I have no doubt about it. It is a

most carefully and cunningly worded and concocted statement, and it is not possible for the Government to have made a mistake in this matter. They could not have got the figures out of the 1882 Appendices without seeing what had been expended before the Three-million Loan was raised. Of that Three-million Loan there was £300,000 allocated for the Otago Central, and in the Statement they ought to state that the expenditure to that year out of prior loans was £125,312 7s. 1d., and the outstanding liabilities £11,079 17s. 1d. The total expenditure, including all liabilities up to the 31st March, 1882, was £136,392 4s. 2d. The real deficiency is the sum of £257,713 16s. 5d.; and it is not possible that either the department or the Premier should not have had these particulars. This has been put together for the use of the supporters of the Government when they are speaking to their constituents in Otago, in order to show that there has been a very full appropriation of money spent on that line. That has been the real object of the Government; but there is also more than one to speak on the question: and such statements as this cannot stand the test of time. I am quite sure that the citizens of Otago are quite alive to the position, and I believe that they will see through this flaming attempt to delude them with a sham earnestness that the Government intend to carry out that line. I consider the Government are playing with the line, and I consider that the Government, for the last four years, have played with the Otago people; for the Premier, who has been Minister for Public Works, every year has brought down a flaming statement that he meant to prosecute the line most vigorously, but the amount voted has not been spent; he has not spent the money he has asked the House to give him. In 1891-92 the Government, with £3,041 18s. 6d. of liabilities, asked for £30,000, and it was authorised. They spent £14,879. In 1892-93 they asked for £36,000, and spent £20,523. In 1894 they asked for £60,000, and they spent £33,061. I think, if you add to that the permanent-way and material, it brings the amount up to £46,872, and outstanding liabilities amounting to £11,261. The amount they have asked to be authorised for expenditure these three years is £126,000; and the sum actually spent, including the incoming liabilities of £3,041 18s. 6d., is the sum of £92,275 5s. 7d., with outstanding liabilities to come out of this year's vote, £11,261. That is the difference between the statements that the Government meant to prosecute the line vigorously—the difference between the amount they asked this House to give and the amount they have spent, and it is of no use the Premier's saying, as he has said on every occasion that deputations have waited upon him,—and at which I have remained silent, because I did not believe it was of any use wasting words—it is not of any use the Premier's making any more promises, because again and again he has failed to carry out the pledges he has made to myself. Why he should make them I do not know. However, I do not think it will matter

much, as it is simply a question between him and the people of Otago; but if he would not make pledges they would know what to do with him. What I object to is not that they have not given us a big sum of money, but I object to the Government coming to this House, bringing down year by year inflated proposals, and saying that they mean to spend a certain sum of money in that district, and then not spending it in any district, but coming to the House again and claiming to have made a surplus. It is not a surplus at all, and I say the Government should deal honestly with members, and with districts, and if they have only got £10,000 to spend in a district they have no right to put £15,000 on the estimates. They should only put £10,000 on, and say, "That is all the money we have, and if you want more you must go in for a loan." If they would do that, and say what they have got, and what they mean to spend in a district, members would know whether the constituencies are in favour of their policy; but double-dealing I object to. I also object to the sum the Government have put on the estimates for the Otago Central this year. They have put down £45,000, I think.

An Hon. MEMBER.—Is that too much?

Mr. EARNSHAW.—No; the liabilities are too much. They amount to £11,261, which is to come out of the vote; and what does that leave? Only £38,000 to spend on that line next year. Therefore I say that, considering the position that Otago has held in New Zealand for years, and considering the time has come in which she is losing her distributing trade, it is more than ever necessary that she should have all her first-, second-, and third-class lands thrown open; and Central Otago must be opened up if Dunedin is going to keep its position even as a second-rate port; and, from every point of view, it is the bounden duty of all to demand that a full and fair share of money be spent on that line. I say that the sum provided this year is altogether inadequate for the requirements, and to meet the just and reasonable demands which Otago is entitled to make. I know very well it is of no use my asking for more, as the Government are determined that they will pass the estimates, be they what they may, and that they will not discuss them at all. I do not claim to have any knowledge as to these estimates regarding roads, and I say that no member of this House has discussed these estimates as to whether they are proper estimates for the different provinces. They have to take them exactly as the Government have brought them down. We have had no discussion at all as to whether they are equal or not, and as to whether the country can stand this amount being spent. That is what I object to. There has been no debate at all on this matter. The Government party are prepared to swallow without debate whatever the Government bring down to the House, and the debate is not having justice done to it. I am not making these remarks without any specially-formed purpose, as I have said during the last two or three years

that, in anticipation of the policy commenced in 1891-92, I accepted the pledges of the Government that the sums of money they put on the estimates they would spend. But have they done so? They have not, and I claim that it is my duty to raise a protest against the manner in which they have carried on the same thing year by year. Otago is not having justice done to it because it is to-day, as it has always been, divided against itself. I do not intend to discuss the estimates at length or the Statement, but there is one thing which I feel very strongly on—that is, the statement with regard to the Midland Railway. I am not going to enter into it now, because that question will come down in a distinct Bill.

An Hon. MEMBER.—Give us your reasons now.

Mr. EARNSHAW.—I will give you ample reasons if you hope to put the Bill through this session. I have taken considerable interest in this work. I think it is a national work, and it should be completed; but I altogether dissent from the manner and mode in which the Government propose to do it, as foreshadowed in this Statement. However, there will be time enough, later on, for that, and, as I know that the Government wish to get through with their estimates, and to allow all the large squatters to get back home so that they can shear their sheep, I will not take up any more time. But I must say this: that it is their supporters who have deliberately on many occasions spoken this session as to measures they did not wish passed, and that have had to be dropped; but at no time during the session has there been any debate, from those who have opposed the Government, on the policy measures of the Government simply because they were Opposition members, but right through the session the procedure of the Government with their measures has been of such a character that the main part of the session has been deliberately wasted, and the most important measures have been brought on when the House was not in that temper or condition that they could debate or deal with them as such important measures should be dealt with.

Mr. T. MACKENZIE.—Sir, as this Statement has been very fully discussed to-night, it is not my intention to make a lengthy speech, or to deal with matters that have been disposed of by previous speakers. The debate commenced at half-past seven, and it is now half-past one, and I am perfectly sure members are pretty well tired out after the long discussion that has taken place. There are many big subjects in the Statement, such as borrowing. There is the subject of the State control of railways, which, I suppose, we may discuss at another time. I am glad to see that the Government is proposing to carry lime and other manures for farmers at such prices as will enable them to obtain those necessities at a reasonable rate.

An Hon. MEMBER.—But they are not doing that.

Mr. T. MACKENZIE.—Well, I am sorry to hear it, but the statement distinctly conveys

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that impression. If the people of the colony are satisfied to take the control of the railway out of the hands of a non-political Board, and the change does not result in anything better than I have already experienced, especially if they are not going to reduce the freights on manures, then I cannot say much for it. And I should also like to say that it was not this House nor was it the country generally that wanted that change, but it was required by the employes, who were stimulated by political agitators. With regard to the present debate, my honourable and learned friend the member for Dunedin City (Mr. W. Hutchison) declaimed much against the good work done in connection with the Queen's Drive in Wellington, and I venture to suggest that in such a speech as that there was a good deal of humbug and sophistry running through the arguments. But, coming to matters connected with my own district, there are some important works in that locality which I should like to see the Premier give more attention to. The Premier made a promise to open up the Wai-kawa-Switters line some years ago, but the money for that, £18,000, was transferred to some other work. I am glad the Premier contemplates going on with that work in order to show repentance for past sins against that district. Then, there is the Gore-Kelso line, and the extension of the Heriot line towards Roxburgh. That it will well repay the outlay there can be no doubt. The Premier has given a promise that he will have that country surveyed, and in that connection I should like to say that, as the Government have taken authority to purchase large estates, the prosecution of that line ought to be concurrent with the purchase of the Moa Flat Estate; otherwise the expenditure will largely go to benefit the wealthy landowners at the expense of the colony. Then, with regard to the Catlin's River Railway, that is a work of very great importance, and the Premier has placed an amount on the estimates which he believes will complete it. I hope the honourable gentleman will complete it. The expenditure on the line amounts now to over £100,000, and I suppose this year £8,000 will bring that vast expenditure into utility, and I am quite sure that the Premier, with that practical experience we know he possesses, will not allow that large outlay to remain unproductive when so small a sum is required. The line should now be opened to Huat's Road, where there are saw-mills and enterprising settlers. I should like to see the completion of that line made supplementary to the completion of the Otago Central extension. The Otago Central country requires timber, and the Catlin's River country is really heavily timbered. At the present time that timber has been destroyed to make way for settlement, which is a great pity, because such timber is required in other parts, and would go to furnish an immense amount of labour for people in that neighbourhood. I am glad to see that there is a vote on the estimates for the opening-up of some of the western sounds, to bring the wild west more into

touch with the interior. I think that is a work the Government ought to devote themselves more steadily to, and I think they ought to complete the road between Lake Te Anau and the head of Milford Sound, for the advantages to be derived from the tourist traffic and in other ways from doing so can hardly be overestimated. I wish also to say that there are several other important works that still remain not provided for, such as the Kelso Bridge over Pomahaka, and the Waipahi Bridge, and which have not received sufficient attention at the hands of the Government. I hope, however, the Minister will make some provision for these two most important works on the supplementary estimates. But I shall not take up the time of the House further in referring to them at this late hour.

Mr. ALLEN.—Sir, there are a great many points in the Statement that call for attention, but I shall only refer to two. One of them is the Otago Central Railway and this so-called balance-sheet. I do not know why a dead set should be made at the Otago Central Railway by the Minister for Public Works, or what his reason for it may be, but if honourable members will look at the Public Works Statement they will find that, under the guise of a very peculiar balance-sheet, an utterly misleading representation has been made to the public, and to this House, as to the amount of moneys due to the Otago Central Railway. They will notice that the words "specially borrowed" are put in; and I say that the word "specially" is put in with a deliberate intention to mislead this House, and the members who come from Otago and elsewhere. Now, why were the words "specially borrowed" put in at the head of this table? For this special reason: that the Minister for Public Works knows that only out of two of the loans, as regards this railway, at any rate, were any specific allotments made at all, and he has left out other loans and amounts and means of increasing the supplies to the Public Works Fund, a proportion of which should be due to the Otago Central Railway. The Minister has allotted in this table no portion whatever of the £700,000 voted in 1884 for the Otago Central. The honourable gentleman has gone further than that: he has omitted to mention that out of the sinking funds that have been set free, and miscellaneous moneys that have been paid to the Public Works Fund, amounting to some £481,000, no proportion has been credited in this balance-sheet to the Otago Central. Further, there is also due to the Otago Central Railway its proportion of £480,000 transferred to the Public Works Fund from the Consolidated Fund; the Minister for Public Works has also omitted the sum appropriated and the sum spent for the Otago Central prior to 1882—namely, appropriated £279,800, and spent some £125,000; and the result is that the honourable gentleman brings down a table which leaves the Otago Central in debt to the Public Works Fund. The honourable gentleman must know that that is entirely misleading, and he has done this with some specific object, and that

object is to deliberately mislead. What are the facts with regard to this railway? There have been appropriated from time to time under the Appropriation Acts of this Parliament no less a sum than \$1,107,000 for expenditure on the Otago Central Railway. Of that amount only £637,000 has been spent. But that does not represent all the facts of the case. The case is even worse than that. If a fair share of other sums had been included in this table, the Otago Central Railway should have at its credit nearly half a million of money. The money has been filched from the Otago Central and spent elsewhere, and the honourable gentleman knows it. Why has he not brought forward a similar table to this in connection with other railways in the colony? Then it would be seen that the debit balance would be a larger one as regards other railways than with regard to the Otago Central Railway. Why is this done? There is only one other point I wish to refer to, and that is that I regret to see that this colony is going back again to the old policy of 1884 and previous years, which brought us to almost financial ruin in 1887. In 1887 Parliament had to adopt a policy decreasing its public-works expenditure, and it was decreased until it came down in 1890, or somewhere about then, to between three and four hundred thousand pounds a year. Now, since the present Ministry have been in office, that amount has been ever gradually rising again, until the amount proposed to be appropriated this year for public-works expenditure out of loan-money is close on one million. Within £60,000 of a million is to be appropriated this year for public-works expenditure. And what is the subterfuge they adopt in putting this before the country? They say we are not spending this out of loan-money as we used to do. If the money for the purchase of Native lands and the money for roads and bridges is not loan-money, I do not know what is. But the honourable gentleman has taken care this time not to place them in the actual public-works appropriations. He has set them in a special column in order that he might play this game to the country. He wants to say that this is not borrowed money. But we all know the position is exactly the same as it was in 1884. That money is being borrowed for roads, and to open up lands for settlement, and for the purchase of Native lands, which have been a direct charge up to the present time on the Public Works Fund; and this is only a subterfuge—this putting them in another column. The facts are that the public-works expenditure has risen from £300,000 or £400,000 in a few years to close on a million of money this year. Sir, if that policy is continued we shall very soon be brought into the position we were in in 1887; and those who come after—I am sorry to say it—will have greater difficulty in putting right the finances of the colony than had Sir Harry Atkinson in 1887. I regret to say it, but I think the country ought to be warned about it, and if it realised what is taking place it would rise as one man and say, "We will not be led back

into the disastrous policy pursued previous to 1887, but will insist on a safe and moderate expenditure on public works which are within our means."

Mr. SEDDON.—Sir, I am at a great disadvantage in replying on this occasion, for the reason that most of the speeches that have been made by those on the other side of the House who differ from the Government have been very favourable to the Statement. It is, of course, their function to differ from the Government, but with the exception of the speeches just delivered by the honourable member for Bruce and the honourable member for Wakatipu no serious fault has been found with the Statement. I wish to say to the honourable member for Eden that the usual custom was not followed of a Minister following and replying to his criticism of the speech, but I thought, myself, after his speech, which was very fair, there was so little that required replying to that I could do it myself in closing the debate. I hope the honourable gentleman will not think that any slight to him was intended. The honourable member stated that the mandate of the country was that the Government was to cease borrowing. I have said before, and repeat here, that there has been no departure whatever as far as the policy of the Government this year is concerned, and we have gone on the lines of the last four years. But, as the necessities of the country arose, we should have been doing wrong to the country did we not meet those necessities; and the course we followed was in keeping with what has been done from the first time we accepted office. We have made no difference whatever, except, as stated by another member, that the amounts this year are larger than in previous years. But what accounts for this? The reason that if you deduct from the amount required for expenditure the £300,000 which is for a purpose entirely different from what has had to be provided for in the past, the expenditure is less than last year's by £46,000, and it is also nearly £100,000 less than the amount the honourable member for Eden, when Minister for Public Works, asked for in 1890-91. The amount he asked for was £744,000, as against £646,000 asked for here, excepting the amount I said was required for the acquiring of lands, for the roading of the lands, and their improvement. Under these circumstances, I say our expenditure is in keeping with—in fact, is much less than—that asked for in 1890-91, and £40,000 less than last year's. The honourable gentleman said we were scattering favours. I say we are not scattering favours; we are simply meeting demands for roads and bridges and works that are much needed for the improvement of lands; and these wants shall be attended to as long as we are here. And, Sir, can it be said that there has been any favouritism at all? The honourable gentleman should have shown that districts that were represented by a member not a supporter of the Government had been punished; but I say he is unable to make out a case of that sort against us. Therefore he cannot say there is any favouritism what-

Mr. Allen

ever. The honourable gentleman boasted that the allocation in 1890-91 was £744,000, whilst the expenditure was £334,000. The honourable member said there would be a necessity for a loan next session. We have not as yet gone on the market for a loan; our statute-book has been singularly free from loans for some years. I will give him and his colleagues credit that they did not borrow, after giving their pledge in 1887. But what was the position when we took office? There was nearly a million of loan-moneys available. We have gone on from that time to this—four years. The demands of the country are increasing, and I say we have done well.

An Hon. MEMBER.—How about the sinking fund?

Mr. SEDDON.—As to the sinking fund, it is nonsense to say you must not do what the law says. It says you may convert your loans, and I say the law is there; the "may" is "shall." As long as this money, which is practically dead, can be used for colonisation purposes the "may" is absolutely "shall"; it is mandatory. Then, the honourable gentlemen complained that we were robbing the North Island Main Trunk line for roads. What a fallacy that is! As to the construction of the road from Hunterville to Tokaano, it was not robbing the line, but was simply doing what was intended. But if there was anything in it, who was it that commenced it? Why, the honourable gentleman. Before we took office the money was taken from the original purpose by our predecessors. It seems to me the commencement was when the senior member for Wellington City was Premier; consequently he commenced it, and my honourable friend, when he was Minister for Public Works, followed on the same lines. Yet now he finds fault with myself and my colleagues for doing exactly what our predecessors had done. I never found fault with what they did, believing they did right. I followed on the same lines, and, as long as the money was there, we intended to continue on the same lines. Then, in reference to the remarks as regards the control of the railways, I may say that, in what is stated here in the Statement as to impressing upon honourable members the necessity for refraining from bringing pressure to bear on the Government or making unreasonable demands for reductions in the railway rates, thereby reducing the revenue of our railways, I mentioned this advisedly, believing it to be in the interests of the colony. There is no doubt that, at the time the railways were taken from the people and handed over to three irresponsible persons, there were some grounds for the extreme step that was taken. I have always contended that that step was not warranted, though there were some grounds for a change. Now, I say it would be a great slight on the people of this country were it to be said that in the working of the railways we are not to be trusted, and that we cannot control them in the interests of the country. I shall not cast such a slight upon the people, but say to the people, and those who represent them, the proper

course to adopt is to manage these railways in the same way as we are managing the other State departments, and to call on the people to support us in such management, and not to take from the people their just rights; and I feel sure the people will support any Government which remains firm and does what is right. The honourable gentleman complained as regards the Mokihinui line, and stated that it was unfair to the Helensville line, seeing that a reduction had been made in the allocation for that line as compared with the amount set down for the Mokihinui line. Now, I will show the difference as regards the two. In regard to the Mokihinui line, it is the end of a line on which the Government have spent very large sums of money—£35,000 has been spent on the Ngakawau Extension—and I say it is a wise expenditure, in my opinion. But, so that I should not be doing anything prejudicial to the colony, I submitted the matter to the Commissioners, and received from them the following reply:—

“New Zealand Government Railways:

“Head Office, Wellington,

“12th October, 1894.

“Memorandum to the Hon. the Minister for Public Works, Wellington.

“Re *Purchase of Mokihinui Coal Company's Railway Line.*

“In reply to memo. of the 9th instant from the Under-Secretary for Public Works, asking the Commissioners to advise as to the desirableness or otherwise of the purchase of the Mokihinui Coal Company's line by the Government, and, if in favour of the purchase, to state on what conditions it should be made, the Commissioners have to state,—

“1. That it is desirable that the line should become public property, seeing that it is a continuation of the line recently constructed between Ngakawau and Mokihinui, and that the line throughout is worked for the development of the coal-deposits in the Mokihinui Valley.

“2. But, as the line will not pay until the mines are sending out a greater output than hitherto, the deficit in cost of working should be made up to 5 per cent. on the purchase by the coal lessees, in the same manner as they are required to do on the part of the line between Ngakawau and Mokihinui (*vide* section 5 of ‘The Westport-Ngakawau Railway Extension Act, 1890’).

“3. It is very essential that Government be satisfied as to the soundness of the guarantee of 5 per cent., as this railway is solely dependent on the success of the mines. In the event of their failure the railway would be of no practical value to the colony, and it would not form part of an extension to Karamea should that ever be contemplated.

“4. The line will require considerable outlay in repairs and equipment to bring it up to a proper state of efficiency. There is also a considerable contingent future expense for removal of slips, and there is the liability in the matter of the public road.

“5. Under all the circumstances and risks, the Commissioners think that the price to be paid, in the event of purchase, should be very much less than what the line may have actually cost. As a further reason for this recommendation it may be mentioned that a branch-line to a mine has to be considered as a necessary adjunct to its development, and that in many of the coal-mines in the colony this has to be borne by the owners without any direct profit accruing therefrom.

“JAMES MCKERROW,

“Chief Commissioner.”

20. I think that supports me in saying that the Government were quite right in recommending this to be done. We have safeguarded it by saying there is to be a fair valuation, and the Commissioners further say there should be a valuation. That done, I think the proposal is a very wise one. Now I come to the provision made for the Helensville line. Honourable members will see there was only £329 spent last year. The contractors now are in a difficulty in piercing the tunnel. It is impossible, in my opinion, to spend £7,000—the amount that is on the estimates—during the present financial year. That is absolutely impossible; therefore what is the use of putting a larger sum on the estimates, when I know it will not be spent;—that it is practically impossible to spend it?

Mr. MITCHELSON.—I do not complain so much about that as taking about £15,000 from the loan for roads.

Mr. SEDDON.—As regards the loan-balances, they are absolutely not passed, and, as we are making railways in the case of the Otago Central and others to a payable point, it is quite simple to take the moneys required from the consolidated revenue; and I have said, with respect to that and other lines, that when the time comes, and the money is required and the amount is wanted, the effect of having the loan for the purpose will be accepted, and the railways will be completed to the point of extension required, notwithstanding that the moneys originally allocated had been taken away. Now, there has been a complaint made that the goldfields vote is too large. It is the one vote on the estimates more than another which is absolutely required, if we are to have any return from the development of the goldfields. We have not done sufficient in that respect. I must blame myself. We have given the preference from the commencement to promoting settlement; but the time has arrived when we must do something with respect to the deep levels. We have the report of the geologist who came here from Victoria. We know, as far as one can be satisfied, that by deep-level sinking and prospecting we may tap, and shall tap, vast mineral wealth. To allow it from year to year to lie there doing nothing would be suicidal. We are losing the population from the goldfields most rapidly. We see a less number there now than before; and they are absolutely doing nothing. I say we must make provision for prospecting. There is another

difficulty, and that is in regard to the proclamation of our rivers. It is a serious difficulty now in different parts of the country where the farming interest clashes with the mining interest, to the detriment of the mining interest. I say these farms must be taken, and means must be provided for the Government dealing with that question; and the provision is here. A Bill will shortly be before the House, and under it we shall take that legislation which will prevent unfair demands being made; and, with means provided in the estimates, I say we have done well, and I am very sorry myself fault ever should be found with an amount provided for the development of our goldfields. The amount may appear large, but if you take into consideration that the produce from our goldfields is nearly a million a year, and if you take the total population on the goldfields, and the large extent of country they embrace, it is not at all too large an appropriation, and I feel sure it will be well and wisely spent. Now, I think I have met every point the honourable member made in his speech. As I have said, his criticism was not adverse, though we differ slightly on the points raised. It is only right that I should give the views of the Government upon the objections he raised. There was nothing in the remarks of the honourable member for Wellington Suburbs. He twitted the Government by saying that, instead of tapering-off, we were "bulging-out"—I think that was the term he employed. Well, if the necessities of the country demand it, why should we not do so? I say we cannot stand still, and if we stood still the country must recede, and the Government upon these benches that was not progressive and did not attend to the wants of the country would not be long here. It is simply nonsensical to quote to us the condition of affairs which existed three or four years ago when the circumstances of the colony have entirely differed. Then we were losing our population by thousands; everything was at a standstill; people would not go on the land; there was no inquiry for land. Since then a demand for settlement has sprung up, and we should not be worthy the name of representatives of intelligent people unless we were prepared and dared to come forward and say, "These are the requirements of the country; we ask you to meet these requirements"; and I say the representatives of the people have responded, and have met them: and you can give it whatever term you like—you may call it "bulging out" if you please, which was the term the honourable gentleman applied—but I say, Sir, the policy is a necessary one, and it meets with general approval. Now, the honourable member told us that last year we voted something like £900,000 and only spent £450,000. Surely there is nothing to object to in that. I should have thought the honourable member would not have disagreed with a course of that kind being followed. If we found, after three or four months of the year, that labour was plentiful, and that employment could be well found, why go on with public-works expenditure? That is the

Mr. Seddon

way I have done all through. Under the co-operative system, when you find that labour is plentiful and that the demand for it is great, you can decrease your expenditure in some classes of public works and allow that labour to be available for the settlers and for the local authorities, and thus ease off your expenditure; and I did this, and brought, as I say, under Part I. of the Public Works Fund, the expenditure down to the lowest point it has ever been at in the history of New Zealand: and yet some honourable members say we are a scattering Government—we are spending money lavishly. Still, there is the fact; and yet in one breath the honourable gentleman says, "You take appropriations for £900,000, and you only spend £450,000." I simply say that the honourable gentleman, in making these remarks, was extolling the administration of the Government, and proving it to be economical and deserving of every confidence. In taking the appropriation we do this year, it may not be, and will not be, that we shall require to spend the whole of it, but, if the circumstances demand it, then what is necessary to meet the demand will be spent, and well and wisely spent, and, if the necessities of the case demand it, I should not hesitate so to do; but the responsibility for that must rest with the Government, and they are responsible to the House and to the country. The most amusing part of the whole of the criticisms as regards this expenditure was this: that one speaker after another—the honourable member for Wellington Suburbs, the senior member for Wellington City (Sir R. Stout), and the honourable member for Hawke's Bay—whilst adversely criticizing the Government as to the amounts asked for, in each and every case found fault ultimately with us by saying there was some particular work in their districts, and there was not sufficient provision made for it. One and all tended in exactly the same direction, although their remarks probably applied to different works.

Mr. MITCHELSON.—Not in my case.

Mr. SEDDON.—The honourable gentleman made no complaint about any particular work in his own district, but with regard to the provincial district he did. Now, Sir, what is the position? The position to me is very plain. I have had complaints made, and it may be interesting to some of these honourable members if I simply gave them, as I shall give them from my notes, a summary of these appropriations. We find the Auckland Provincial District at the head of the list with £194,315; we find that Wellington comes next, with £169,096; Taranaki, £36,170; and then Hawke's Bay—and the honourable member complained of that—£15,165; then generally for the North Island, £11,708; making a total for the North Island of £426,454. We come next to the South Island, and you will see how badly it fares: Nelson, with £24,700; Marlborough, with £8,895; Canterbury, with £25,232; Westland, £37,544—and I wish more particularly to call attention to this, because Westland was made out by the senior member

for Wellington City to be treated with special indulgence, and he said there was £50,000 for roads and for expenditure on goldfields in Westland. Now, Westland includes almost the whole of two electorates—the Grey and the Buller. Taking the whole provincial district, I find there is appropriated £15,000 for the Greymouth–Hokitika Railway line, and the total allocation is only £37,544, as against £50,000 which the honourable member said was for one road-line. That includes the Nelson goldfields. Otago cannot complain, with £159,710. Then we come to the general expenditure for the Middle Island, £11,351: or a total for the South Island of not much less than £300,000: the exact figures are £267,482. If you take the allocations made, and consider that we have to meet the demands that there must be for the purchase of Native land in the North Island, and for the roading of the land in the North Island, I think any one who desires to be fair to the Government, and who analyses this Statement and these estimates which have been submitted to the House, will agree with me that you can fairly give us the total *in globo*, pass the estimates, and, in the language of the member for Wellington City (Mr. Bell), put your hands upon your hearts and say you have done your duty and have voted according to your consciences. Mr. Speaker, with great confidence I move, That you do now leave the chair; and I feel satisfied we shall go into the estimates, and, as I shall be able to further explain these estimates, I am equally confident that they will emerge from Committee almost as they are, and that we shall all go home satisfied.

The House went into Committee of Supply.

SUPPLY.

IN COMMITTEE.

PUBLIC WORKS FUND.—PART I.

CLASS I.—IMMIGRATION.

Immigration, £500.

Dr. NEWMAN said that the other day a carpenter wanted his sister to come out, and he (Dr. Newman) went down to the office about the matter, and was assured that no assisted passages were now granted.

Mr. SEDDON said there was very little assisted immigration, but in connection with the shipping companies there had been one or two cases where assistance had been given.

Vote, £500, agreed to.

CLASS II.—PUBLIC WORKS, DEPARTMENTAL.

Vote, Departmental, £6,350, agreed to.

CLASS III.—RAILWAYS.

Vote, Whangarei–Kamo Extension, £12,000, agreed to.

Helensville Northwards, £7,000.

Mr. MASSEY asked if there was not a specified time for the completion of this contract.

Mr. SEDDON said Yes; the time had passed.

Vote, £7,000, agreed to.

Vote, Grahamstown–Te Aroha, £13,000, agreed to.

Vote, Putaruru–Rotorua, £17,000, agreed to.

Eketahuna–Woodville, £40,000.

Dr. NEWMAN said he could not find in the Public Works Statement how much it would cost to finish this line—about 26½ miles. Did the Premier know when the line would be opened?

Mr. SEDDON said he could not state the exact date. If he had had more money this year he would have proposed a larger vote for this line. He looked upon it as being a very necessary work.

Mr. BUCHANAN regretted that much greater progress had not been made with this line.

Mr. SEDDON said they were pushing the work on, and would continue to do so.

Vote, £40,000, agreed to.

Vote, Blenheim–Awatere, £2,500, agreed to.

Vote, Greymouth–Hokitika, £15,000, agreed to.

Otago Central, £45,000.

Mr. FRASER asked the Premier to explain the balance-sheet which he had taken exception to.

Mr. SEDDON said the statement was absolutely accurate as far as the special allocations for this line went. The department had carefully taken every allocation, and that was in the Statement before the House.

Mr. ALLEN pointed out that the amount spent on or voted for this line before 1882 was not included in the balance-sheet, which consequently did not give an accurate statement of the case.

Vote, £45,000, agreed to.

Vote, Catlin's River, £10,000, agreed to.

Seaward Bush, £15,000.

Mr. MITCHELSON asked how far this vote would take the railway.

Mr. SEDDON said the money would get the bridge over the river.

Vote, £15,000, agreed to.

Vote, Land-claims and other old liabilities on construction account: Sundry lines, £3,500, agreed to.

Vote, Surveys, new lines of railway, £250, agreed to.

Permanent-way, sleepers, and rolling-stock, £40,000.

Mr. BUCHANAN would like the Premier to take a note of the great need there was for a little additional speed on the Wellington–Eketahuna line.

Mr. SEDDON said he had made a note of it, and would ask the Commissioners if they could make an improvement in the way indicated by the honourable gentleman.

Captain RUSSELL would like to know how the money was to be expended.

Mr. SEDDON said it was to be expended on additional locomotives, carriages for dairy-produce, and additional carriages for frozen meat.

Vote, £40,000, agreed to.

PUBLIC WORKS FUND.—PART II.

CLASS I.—PUBLIC WORKS.

Vote, Public Works, Departmental, £1,800, agreed to.

CLASS II.—RAILWAYS.

Marton-Te Awamutu Railway construction works, £50,278.

Captain RUSSELL wished to enter a protest against the expenditure for the construction at the north end of the Main Trunk Railway. All the heavy goods must go by sea, and he was sure the expenditure would be useless, as very few passengers would go through.

Mr. SEDDON said there would be a good deal in the honourable gentleman's objection if it were not for the expenditure that had taken place on the tunnel and the work already done. It would be a pity, now so much had been done, not to lay the line to the junction of the road that went to Taranaki, as it would be a great boon to the Waikato farmers; and it should be remembered that there was settlement along the road, the land towards the sea-coast being good limestone country, which would soon be settled. He should have demurred to making the tunnel, but he thought it was now well to expend the money as proposed, and so finish that portion of the work.

Vote, £50,278, agreed to.

Vote, Surveys, £2,500, agreed to.

Progress reported.

The House adjourned at twenty minutes to three o'clock a.m.

LEGISLATIVE COUNCIL.

Monday, 15th October, 1894.

Second Reading—Otago Central Railway—Criminal Code Bill—Trustees Bill—Water-supply Bill—Abattoirs and Slaughterhouses Bill—Privileges of the Houses.

The Hon. the SPEAKER took the chair at half-past two o'clock.

PRAYERS.

SECOND READING.

Stamp Bill.

OTAGO CENTRAL RAILWAY.

The Hon. Mr. REYNOLDS, in moving the motion standing in his name, said his object in giving notice of the motion on the Order Paper was to show how unreliable and misleading was the following paragraph, from page 11 of the Public Works Statement, referring to the Otago Central Railway:—

"As a great deal of misconception seems to exist in some quarters on the subject of the amounts specifically borrowed for and allocated to this railway, I have thought it desirable to have the following statement prepared, showing the amounts specially borrowed for the Otago Central Railway, and the amount expended thereon up to 31st March last:—

"OTAGO CENTRAL RAILWAY.

"Allocations out of Loans.

	£	s.	d.
Under 'The New Zealand Loan Act, 1882,'			
Construction, permanent-way, &c. ...	300,000	0	0
Under 'The New Zealand Loan Act, 1883,'			
Construction ...	£140,000	0	0
Permanent-way, sleepers, and rolling-stock	60,000	0	0
	200,000	0	0
Under 'The New Zealand Loan Act, 1883,'			
Construction ...	£25,000	0	0
Permanent-way, sleepers, and rolling-stock	20,000	0	0
	105,000	0	0
	605,000	0	0
Expenditure in excess of allocation ...	32,273	0	0
Total ...	£637,273	0	0

"Expenditure.

	£	s.	d.
Total expenditure on Otago Central Railway for construction, permanent-way, and sleepers to 31st March, 1894 (as per Table 3, Public Works Statement, 1894) ...	621,769	0	0
Add rolling-stock provided, and charged to separate vote ...	15,504	0	0
Total ...	£637,273	0	0

"The amounts shown in this table as allocations for permanent-way, sleepers, and rolling-stock were not specially allocated to this railway under any Act, but are the proportions of the total allocations for permanent-way, sleepers, and rolling-stock in the different Acts which are fairly due to the Otago Central Railway on a mileage basis. These figures show that not only have the total funds allocated to this railway been actually expended thereon, but a sum of £32,273, taken from other sources, has been expended in addition."

It would be seen from what he had quoted that the total sum expended in construction and in permanent-way and sleepers on the line, from its first inception in 1878 up to the 31st March last, a period of sixteen years, was £621,769, and that the allocations out of loans were only £605,000, showing that the expenditure was in excess of allocation by £32,273. Now, it would be seen that the compiler of the Statement had taken the allocation for expenditure from the raising of the Three-million Loan under "The New Zealand Loan Act, 1882," only, thus ignoring altogether the allocations from loans raised prior to 1882, which were—in 1878, £55,000; in 1879, £120,800; in 1880, £68,000; in 1881, £36,000; in 1882, £50,000; or a total during these years of £329,800. This, added to the compiler's allocation of £605,000, gave a grand total of appropriation up to 1882 of £934,800. Thus, instead of showing an excess of expenditure over allocation of £32,273, it was evident that the appropriations had exceeded the expenditure by £313,031. Had this sum been honestly and judiciously expended on it the line would, by means of a further appropriation of £137,418, have been completed to its authorised termination—Lake Hawea—a distance of 144 miles, fully five or six years ago. From the report—No. 2—of a Select Committee of this Council on the New Zealand

land Loan Bill of 1886, it appeared that up to the end of the preceding March £267,218 had been expended upon the Otago Central Railway, and that to complete it to Lake Hawea, the authorised terminus, a further sum of £855,000 would be required. The short time that had intervened since the Public Works Statement had been in their possession had precluded him from critically examining it in other respects. He might say, however, that if the compiler had not displayed more correctness in the compilation of his other tables than he had done in this instance very little reliance could be placed on them.

The Hon. Sir P. A. BUCKLEY asked if this was not a reflection upon the Colonial Treasurer, who was in another place, and therefore unable to reply. He hoped his honourable friend would refrain from making statements such as he had now made. He would not make further contention, having just simply called attention to the point.

The Hon. Mr. REYNOLDS said he was prepared to prove every word, and that he had been careful to write all the figures, so that there could be no mistake about it. Now, he must, in justice to the present Government, exonerate them from complicity in the unworthy and dishonest tactics that had been adopted by previous Governments for depriving the Otago Central of its just rights and expending the funds specially voted for it in other districts of the colony for party purposes. But, in the face of the facts he had now detailed, the present Government would richly deserve the censure of every honest member of Parliament and the condemnation of every resident in Otago if they did not push on the line to its authorised termination, thus doing a modicum of justice, so long delayed, to those who during the last sixteen years had settled along the line under the distinct promise that the work would be energetically proceeded with, and that the appropriations for it would be faithfully expended.

Motion made, and question put, "*That a return be laid on the table showing the total expenditure incurred and the liabilities existing on the Otago Central Railway prior to the raising of the loan of £3,000,000 under 'The New Zealand Loan Act, 1882'; also a return of all appropriations voted for the Otago Central Railway prior to the raising of the loan under 'The New Zealand Loan Act, 1882.'*" — (Hon. Mr. REYNOLDS.)

Motion agreed to.

CRIMINAL CODE BILL.

On the consideration of the amendments made in this Bill in the House of Representatives,

The Hon. Sir P. A. BUCKLEY said, when he introduced the Bill into the Council the object was, practically, to do what was known as raising "the age of consent." That was done, and the Bill went down to the other Chamber. If he might be permitted to refer to what took place there he might say that in that Chamber there was another measure,

having the same name, which had for its object what was contained in clause 4. It was very hard to deprive any one who might be innocent of anything to which he was entitled, but he was bound to say this was a piece of legislation which he could not approve of. As representing the legal profession, he should be wanting in his duty were he to consent to any such legislation as this. In his time he had defended a good many criminals, and he was bound to say that his experience had been that invariably juries were rather inclined to clemency than otherwise. If honourable members looked at clause 416 of the Criminal Code Act, under the heading "Appeal," they would find the following:—

"(1.) After the conviction of any person for any crime, the Court before which the trial takes place may, either during the sittings or afterwards, give leave to the person convicted to apply to the Court of Appeal for a new trial on the ground that the verdict was against the weight of evidence. The Court of Appeal may, upon hearing such motion, direct a new trial if it thinks fit.

"(2.) In the case of a trial before a District Court such leave may be given, during or at the end of the sitting, by the Judge who presided at the trial."

This new clause had reference specially to a prisoner who had been convicted, and whose sentence of death had been commuted to imprisonment for life. In the Criminal Code Act passed last session provision was made for appeal, and in this new clause 4 it was proposed that this criminal, who had been convicted before the Criminal Code Act came into operation, should have the privilege contained in clause 416 of "The Criminal Code Act, 1893." The new clause read as follows:—

"Notwithstanding anything contained in 'The Criminal Code Act, 1893,' the prisoner Louis Chemis, now in Her Majesty's Gaol at Lyttelton, under conviction for murder, shall have the right to apply to the Court of Appeal for a new trial, as provided in the four hundred and sixteenth section of the said Act."

The position would be this: that, assuming the prisoner got a new trial, and that a conviction took place, he might find himself in a very awkward position. His impression was that the Crown might not be so lenient with him if they found him guilty. Of course, he might not take advantage of this; but in any case it was a piece of legislation to which he (Sir P. A. Buckley) could be no party. He moved, *That this Council does not agree with the amendments made by the House of Representatives in the Criminal Code Act Amendment Bill.*

The Hon. Mr. RIGG would move, as an amendment, *That new clause 4, inserted by the House of Representatives in the Criminal Code Act Amendment Bill, be agreed to.* The Colonial Secretary had told them that it was a hard thing for an innocent man to be imprisoned; and then he had made this most extraordinary statement: that his duty to his profession would prevent him from approv-

ing of such legislation as this. He (Mr. Rigg) thought that a man's duty to his conscience and to his fellow-man ought to be superior to his duty to any profession in the world. If a man was innocent, and was wrongly imprisoned, it was their duty to see that justice was done to him. What this clause proposed to do was this: It did not propose to pardon a guilty man, it did not propose to set an innocent man free, but it proposed to give Chemis a right to apply to the Court of Appeal, and for that Court to determine whether the verdict was against the weight of evidence, and then to give him a new trial if they considered it necessary. He did not think anything could be more just or proper than that. As regarded the case itself, the circumstances were no doubt well known to honourable members; but he was absent from the colony at the time the crime was committed, and therefore, he believed, he was free from the prejudice which was likely to arise in the minds of many owing to the excitement which existed at the time of the trial. Lately he had given the matter some attention, and had read the evidence on which Chemis was convicted, and also the evidence taken before the Select Committee in another place.

The Hon. Sir P. A. BUCKLEY.—Where did you get the evidence?

The Hon. Mr. RIGG.—From the *Evening Post*, and another portion from a parliamentary paper. He had come to two conclusions: First, that the evidence on which the man was convicted was not sufficient—and he was surprised to think that there should have been found twelve intelligent men who could have brought in a verdict of Guilty on a capital charge on such evidence. He thought the summing-up of the Judge was very clear. He told the jury the principal evidence was that afforded by some pieces of paper that were found near the scene of the murder, and some more pieces that were said to be discovered in Chemis's house, and that these formed a complete portion of a newspaper. But it was suggested that there might be an error in the evidence of those who collected the papers; and their evidence was most unsatisfactory. The papers might have been mixed, and so, in that case, the evidence would not count for so much. The Judge himself had admitted that, in regard to this evidence, there was a possibility of error. He (Mr. Rigg) wanted to put this view to the Council: Supposing there was a certain portion of the newspaper picked up at the scene of the murder, and another piece of paper taken from Chemis's house, and that which was taken from the house was lost or destroyed, and the one portion taken from the scene of the murder was marked as having come from the house, what evidence was there then against the man? Yet on this paper evidence he was convicted. There was no motive shown for the crime, and the Judge himself said that there was no motive proved. In murder cases motive, he always understood, was a most essential thing to secure conviction. Then, the only person who could have proved where

Hon. Mr. Rigg

Chemis was at the time the murder was said to have been committed was his wife, but she, under the then-existing law, was debarred from giving evidence. The law had since been altered, and in the case of a new trial it would be possible for his wife to say where he was at the time, and whether he was in his own residence or not. It was impossible that it could be shown where he was at the time the crime was committed on the occasion of the trial—if he was in his own house—because there was no one there who was competent to give evidence that he was in his house. He would ask honourable members to remember that when the petition was signed for Chemis's reprieve it was signed by 8,780 people in Wellington—nearly the whole of the male adults in the city. Writing on this matter, immediately after the verdict was given, the editor of the *Evening Post* said, in his leading article,—

"Intense astonishment is the prevailing feeling with which the verdict of the jury in the Kaiwara case has been received by the public"

That was the evidence of a man who watched the evidence closely, and followed the case through from beginning to end. Now let them see what sort of a man it was who was convicted of having perpetrated this most atrocious murder. He was a man who was known to have been in a good position in the Hutt district for many years. A gentleman named Mr. Bergin stated that he had known Chemis for eleven or twelve years as a sober, industrious man; and Mr. William Fitzherbert, Justice of the Peace, stated that Chemis had been employed by the Hutt County Council for some time, and that he was proved to be industrious, hard-working, and sober, and he had promoted him. It was also shown that he was a good husband and a good father, and by no means a vindictive man. On the evidence he (Mr. Rigg) would take him to be the last man who would commit a murder. A man who was about to commit a crime like that, he thought, would rather be one who would expect to have a certain amount of suspicion falling upon him, and would therefore be prepared to leave the country. As to what the result would be in this case if the man Chemis succeeded in getting a new trial—he spoke subject to correction by his legal friends—he understood that if he were found Guilty he would be hung.

The Hon. Sir P. A. BUCKLEY.—No; he would be likely to be hung.

The Hon. Mr. RIGG understood Chemis was willing to take that chance; and, that being so, could any one ask anything further? It was not a question of punishing him at all. He was willing to risk his life on the chance of having an opportunity of proving his innocence. After reading the evidence, and giving the case very calm and careful consideration, he had satisfied himself that the man was innocent.

The Hon. Sir G. S. WHITMORE desired to draw attention to another amendment in the Bill, which the Colonial Secretary had not alluded to: he referred to section 2. He desired

to say also that he entirely coincided with the view the Attorney-General had taken in regard to Chemis; but he hoped he would not overlook the other amendment, as he (Sir G. S. Whitmore) did not agree with it.

The Hon. W. DOWNIE STEWART said that regarding the first amendment—the one raising the age of consent to sixteen years—he did not see the slightest objection to that, and he did not think it was a matter that required any disagreement, as the other branch of the Legislature had, after careful consideration, fixed the age at sixteen. With regard to the Chemis case, this Bill provided further legislation for him; and his case was one of those where, no matter how guilty a man might be, by constant iteration and reiteration some people were got to believe there was something in his plea of innocence. He knew a number of cases where, by constant agitation, a feeling had been created in a prisoner's favour, to the detriment of the administration of justice. He had watched this case very closely at the time it was tried, and also when there was a further inquiry held, when the whole of the circumstances were gone into again. After very careful inquiry he believed the conclusion came to was that justice had been done. The Hon. Mr. Rigg did not refer to the fact that Chemis had been engaged in litigation with Hawkings, the man who was murdered.

The Hon. Mr. RIGG.—The Judge at the trial told the jury to take no notice of rumours.

The Hon. W. DOWNIE STEWART said there was the fact that there was a bad feeling between them, and that a stiletto was used, and that they knew who used a stiletto. It was one of the most wilful murders ever committed in the colony, and he hoped that on account of a certain false sympathy with the accused the Council would not agree to the amendments. He was perfectly satisfied in his own mind that justice was done in the conviction, and under the circumstances he could see that any Court of Appeal must come to only one conclusion, and, that being the case, he was perfectly satisfied that the hopes of the prisoner would never be realised. When a petition was sent in for the sentence to be commuted the Governor, of course, investigated the matter, but owing to the agitation which had been kept up by a number of Chemis's friends, and which had gone on since, this matter had again come up. In a question of this kind there was always a certain amount of sympathy, no matter how strong the evidence was. He did not think any good would be done by setting up this Court of Appeal, and, besides the fact of a precedent being established, no good would be got by the passing of the Bill.

The Hon. Mr. MACGREGOR hoped the Council would not hesitate for a moment to do its duty with regard to this important amendment. The proposal was one of the most extraordinary he had ever known to be submitted to any Legislature. It amounted to this: that the Legislature was really to constitute itself a Court of Appeal. They had

heard a member of that Council advocating this clause of the Bill on what ground? On the ground that he had studied the evidence carefully, calmly, deliberately, and judicially, and that he had come to the conclusion that Chemis had been wrongly convicted. That simply meant that every individual member of that Legislature was a Judge of appeal from the Supreme Court. He objected altogether to this matter being considered by them on the evidence, as it was impossible for them to judge or form an opinion of any kind whether this man was properly convicted or not. The question for them to consider was, whether he had a fair trial according to the law of the country, and if they weighed the evidence one way or another they could not say whether the jury were justified in bringing in such a verdict or not. He thought their course was to say that this man had had a fair trial before a Judge and a Court of law, and before a jury of his own countrymen. He was also ably defended—

The Hon. Mr. RIGG.—They were not his countrymen.

The Hon. Mr. MACGREGOR said he was tried, he presumed, by the inhabitants of the City of Wellington and the neighbourhood, and for that purpose they were his countrymen. He thought this proposal really amounted to this: A verdict of the Supreme Court arrived at in proper form was to be set aside; and, if that was done in this case, there would be no limit nor end to such proceedings. The man had been convicted, and the judgment of capital punishment awarded him was commuted to imprisonment for life. He, for one, declined to consider whether the evidence was such as to justify the verdict or whether it was not, but he thought the Council should not interfere, as it would create a precedent of a most dangerous character, and frustrate the ends of justice; and it would create a precedent which would lay it open to any individual convicted of crime and sentenced to capital punishment to avail himself of. The proposal was a most dangerous one, and he was quite sure the Council would not entertain it.

The Hon. Mr. REYNOLDS said there was one matter he wished to refer to. A petition was presented to the Governor, and His Excellency took the trouble to go into the matter fully himself. It was a petition for the release of the prisoner, and the Governor declined to give any relief because he thought Chemis had been rightly convicted. For that reason, irrespective of other reasons given, he thought the Council should not interfere in this matter. It had been before the Supreme Court, and there was no justification for the Council agreeing to the amendment.

The Hon. Sir P. A. BUCKLEY said he was not in favour of capital punishment, and never had been. He might also say, without any breach of confidence, that he had been able to save the lives of more than two persons who had been in *extremis*.

An Hon. MEMBER.—When you ought not to have done it.

The Hon. Sir P. A. BUCKLEY said he thought he was right. On one occasion there was a conviction, and he was not satisfied that evidence which had been received by the Judge ought to have been received. The matter went into the Court of Appeal, and it was held there that he was right, and that the evidence was not properly received. He had brought the Judge himself, and the man was saved. The Hon. Mr. Rigg had made a violent attack upon him, and had stated that he (Sir P. A. Buckley) had said that his duty to his profession would prevent his approving of such legislation. But what he had stated had been that, as representing the profession to which he belonged, he had a duty to perform to the State he could not get away from. He had a certain duty to perform, and personally he regretted he had been obliged to do it, and he would very much rather see a guilty person escape than that an innocent person should be kept in prison one hour if he could help it. He would not go into the merits of this case, as the Hon. Mr. MacGregor had put the matter very clearly. It was not for the Council to go into the merits of the question of the man's guilt or innocence. The fact was, a fair trial in the Court of the land had taken place, and the clemency of the Crown had been exercised on Chemis's behalf, and the sentence commuted to imprisonment for life. From his own experience he knew that a great amount of agitation had taken place on behalf of the unfortunate man, and he felt this would do him more harm than good, and it would be much better if Chemis were left alone. This agitation would not do him good. He might also mention that, at the time the case was tried, he had had a chance of defending Chemis, whose solicitor prior to his death had asked him, if anything should happen, to take the case in hand. However, he did not do so, as Chemis's solicitor conducted the case himself. He was not satisfied himself whether Chemis was guilty or not guilty; therefore he thought he was just as fair a judge of the evidence as the Hon. Mr. Rigg: but the jury at the trial had found the man guilty, and after his sentence the clemency of the Crown was exercised in his behalf, and his sentence was commuted to imprisonment for life. He repeated again that he was quite satisfied that this agitation would in the end do more harm to the unfortunate man than good. With regard to Chemis himself, he might say that from what he had heard he believed him to be a man of excellent character, and there were very few men in his position who bore a better character than he did. However, any interference with the law as it stood would be subversive of justice, and against the best interests of the country, and he thought the Council would not agree to it.

The Hon. Mr. RIGG, as a personal explanation, said his remarks were not intended as an attack on the Attorney-General, but upon what he (Mr. Rigg) thought to be his argument. He had taken the honourable gentleman's words down as follows: "He would be wanting in his

duty to his profession if he approved of this kind of legislation." If he had taken them down wrongly he would withdraw the remarks he had made in his speech.

The Council divided on the question, "That the amendment in clause 2 be disagreed with."

AYES, 21.

Barnicoat	Mantell	Richardson
Bonar	McLean	Rigg
Buckley	Montgomery	Shrimski
Dignan	Oliver	Swanson
Feldwick	Ormond	Walker, L.
Jennings	Peacock	Whitmore
Kelly	Pharazyn	Whyte.

NOES, 9.

Acland	Jenkinson	Reynolds
Bolt	Kerr	Stewart
Bowen	MacGregor	Taiaroa.

Majority for, 12.

Motion agreed to, and amendment in clause 2 disagreed with.

The Council divided on the question, "That clause 4 be disagreed with."

AYES, 24.

Acland	MacGregor	Reynolds
Barnicoat	Mantell	Richardson
Bolt	McLean	Stewart
Bonar	Montgomery	Swanson
Bowen	Oliver	Taiaroa
Buckley	Ormond	Walker, L.
Dignan	Peacock	Whitmore
Jennings	Pharazyn	Whyte.

NOES, 5.

Feldwick	Kelly	Rigg.
Jenkinson	Kerr	

Majority for, 19.

Clause 4 disagreed with.

On the motion of the Hon. Sir P. A. BUCKLEY, it was ordered, *That the Hon. Sir G. S. Whitmore, the Hon. Mr. McLean, and the mover be appointed a Committee to draw up reasons.*

The Council subsequently adopted the following reasons for disagreeing with the amendments made by the House of Representatives in the Criminal Code Bill:—

"Clause 2: Because in this climate a female is fully matured before she is sixteen years of age, and usually before she attains the age of fifteen."

"New clause 4: Because it is undesirable that Parliament should constitute itself a Court of review of the decision and verdicts of the Supreme Court, and that in the case of the convict Chemis he was found guilty by a jury of his countrymen after an exhaustive trial and duly sentenced to death."

TRUSTEES BILL.

The Hon. Sir P. A. BUCKLEY, in moving, *That this Bill be now read the second time*, said its object was to enable private trustees to invest funds intrusted to them upon what were known as perpetual leases, and leases in perpetuity, and leases held under the West Coast

Settlement Reserves Act of 1892. Before doing so all the conditions must be complied with, so that there would be no forfeiture, and trustees would be perfectly safe in making advances of that kind should they think fit to do so. The amount which was to be lent was only to be up to one-third of the lease interest in the property. As honourable members would remember, by the Government Insurance Act they were not allowed to advance more than one-half the value on real estate, and were not allowed to invest on anything but freehold security. It was proposed now that the privilege conferred by this Bill should be afforded to the Government Life Insurance Department on the same conditions.

The Hon. W. DOWNIE STEWART said this was a Bill to amend the Trustees Act passed two or three years ago. There were some defects in that legislation which it was necessary to amend. He had put a notice on the Supplementary Order Paper of additional provisions to give power to trustees to lease land on terms similar to those prevailing in leases with renewal, or what were called corporation leases. At the present time trustees were greatly handicapped by having to offer terms of lease different from those that Harbour Boards, Corporations, and so forth had power to give. Many tenants preferred a lease of this kind to the ordinary form of lease that trustees had power to give, and he thought there could be no objection to the proposal he had placed on the Order Paper.

The Hon. Mr. KELLY said this Bill appeared to extend the operation of the Trustees Act, so as to enable a trustee, whether a private or a public trustee, to lend money to Water-supply Boards. Under the present Act money could only be lent on stocks, funds, or Government securities, public securities, or New Zealand debentures of Corporations and County Councils; but it was extended now under section 3 to Water-supply Boards. The question, in his mind, was, whether these were a good security for trust funds. A Water-supply Board might consist of two Road Boards joined together for water-supply purposes. That was a matter for the Council's consideration. Besides that, it was proposed by section 2 to allow trust moneys to be advanced on any Native land held on lease in perpetuity under the West Coast Settlement Reserves Act. Now, the Public Trustee had no power whatever to lease land in perpetuity; he had no authority under law to do that: and he (Mr. Kelly) did not know what meaning there could be in this provision. The Public Trustee could simply let land for twenty-one years, with a right of renewal on valuation. That was the limit of his authority at present, and yet this Bill proposed that money should be advanced on such leases in perpetuity. Then, again, by subsection (8), dealing with the same subject,—the West Coast Settlements Reserves Act,—he was prohibited from making advances on any land held on lease under that Act. What the meaning of it was he could not say. So far as the Public Trustee was concerned, the Bill would be in-

operative, and could have no meaning unless it was the intention of the Government to bring in power to the Public Trustee to lease for 999 years. Then, with regard to section 8, the words were retrospective. Anything done before the passing of this Bill and since the passing of the original Act in 1891, whether or not the thing was sanctioned by law, could be brought in. He thought that making laws retrospective was objectionable, and entirely opposed to the Interpretation Act, and to the Instructions to the Governor. There were some other amendments he would like to get made, but they were trifling, and it was not necessary to refer to them on the second reading of the Bill.

The Hon. Mr. SHRIMSKI thought it was dangerous that a person should be enabled to advance upon leasehold property money that was perhaps held in trust for infants. That was a very serious thing, and it ought not to be allowed. They all knew what had happened respecting the values of freeholds; and how much less certain would the security of leasehold be! Under these circumstances he was prepared to vote against the Bill, as he considered it a rather dangerous proposal to make.

Bill read the second time.

WATER-SUPPLY BILL.

The Hon. Sir P. A. BUCKLEY, in moving, *That this Bill be now read the second time*, said that "The Water-supply Act, 1891," provided no power by which County Councils and Water Boards could raise special loans, or pay out of loan anything in the nature of preliminary expenses. The machinery contained in this Bill was practically for that purpose; also there was provision in clause 8—the rest was of very little importance—to make regulations respecting irrigation. With the view of encouraging lessees to improve their property by causing irrigation-works to be constructed, it had been thought desirable to provide that when the leases terminated they should be taken into account, and proper compensation paid for any work of this kind. This was the object of the Bill.

The Hon. Mr. McLEAN thought clause 2 was in the nature of retrospective legislation, and would like to give the honourable gentleman notice that when it went into Committee he would ask for an explanation of the circumstances which made this legislation necessary. He had no desire to say anything against the Bill. It might be necessary, but one liked to see what there was underneath.

The Hon. Mr. PHARAZYN noticed a rather singular provision in clause 6. It was provided that compensation for the land taken was not to exceed the value of such land according to the valuation thereof in force under "The Property Assessment Act, 1885." That seemed a rather singular provision. A man's land was to be taken at a value not exceeding the land-tax value. The land might have much increased in value. He did not know whether it was in accordance with the same principle as was contained in the Land for Settlements Act—

that the Government or the local body was to make its own bargain. It was certainly an extraordinary clause to introduce into a public Act, and, he thought, should be carefully considered in Committee.

Bill read the second time.

ABATTOIRS AND SLAUGHTERHOUSES BILL.

The Hon. Mr. MONTGOMERY, in moving, *That this Bill be now read the second time*, said this was a consolidation Bill, and repealed five Acts that were now in existence, and it made further necessary provision for abattoirs and slaughterhouses. Clause 16 provided for the recovery of stallage, *et cetera*. In clause 30 there was a great deal of new matter. The general provisions of this clause were for the inspection, from time to time, of yards and abattoirs, the prevention of cruelty, proper and efficient sanitary construction, ventilation, and so on, and for preventing the sale of meat diseased and unfit for human consumption, or the sale for consumption of meat not supplied from public abattoirs and slaughterhouses. The whole power was put in the hands of the local authorities—power to build abattoirs, and to borrow money for the purpose; power to prevent diseased meat from being slaughtered; and generally to see that the towns or districts got wholesome meat. Then, in clause 34, there was a new provision, subsection (2):—

“A report by and under the hand of the keeper of every such abattoir and slaughterhouse of all cattle slaughtered during the preceding week, and containing the particulars above stated, shall be weekly transmitted to the Inspector of the district in which such abattoir or slaughterhouse is situate.”

Then, there was another clause, clause 50:—

“Nothing in this Act contained shall extend to any person or company slaughtering or causing to be slaughtered large or small cattle at or upon his or their own residence, run, or farm, for the use or consumption of persons and workpeople resident or employed thereat or thereon, and not for sale to other persons.”

And clause 53:—

“No person shall be entitled to compensation for any meat or large or small cattle destroyed pursuant to any by-law under this Act.”

Clause 37, which he had omitted to notice, was an important clause:—

“Every person who destroys the skin of any large or small cattle, or cuts out, burns, or otherwise destroys or defaces any brand upon any such skin, or every person who is in possession of any such skin from which the brand has been cut or burnt, or otherwise destroyed or defaced, without being able to give a satisfactory account thereof, is, for every such offence, liable to a penalty not exceeding twenty pounds.”

What he had mentioned was what was new in the Bill. The measure had received a great deal of attention in another place, and also when before the Select Committee. He thought

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it was a great improvement upon previous legislation, and he could say so, having looked carefully through the existing laws and compared them with this Bill.

The Hon. Mr. JENKINSON was very sorry to see that in this Bill the distance was reduced so that a slaughterhouse might be erected within half a mile of the boundary of a borough. He thought it would have been better to have kept the mile limit, and to have made a proviso that, with the consent of the local authorities, in special cases abattoirs might be erected within half a mile of a borough. Though that might be allowed in some cases, where the drainage system allowed of it, he thought that generally the mile limit should have been provided. He was glad to see that extra power of inspection was given to local bodies, because at the present time he thought the great trouble that arose with regard to diseased meat was not in connection with meat that was killed at proper slaughterhouses. Under the present law, if a man bought a beast and took it to a shed and killed it nothing could be done unless the Inspector actually caught the man in the act of killing it—he could take no steps at all; but he thought subsection (11) of clause 30, referred to by the Hon. Mr. Montgomery, would meet the difficulty, for it provided “For preventing and prohibiting the sale or attempted sale or consumption of meat not supplied from abattoirs or slaughterhouses under this Act.” He was very glad that the Government had thought fit to make extra provision as to the power of the local authorities to make by-laws. With regard to clause 33, it seemed there was an alteration. It provided that the Government could appoint Inspectors of slaughterhouses, while under the present law he thought the local authorities had the appointment of Inspectors.

The Hon. Mr. PHARAZYN did not think that the objection of the Hon. Mr. Jenkinson, as to abattoirs being placed within half a mile of the boundary of a borough, *et cetera*, was of very great consequence, because the whole thing depended on such places being kept in a proper state of cleanliness. On the Continent he had frequently seen abattoirs close to thickly-populated towns, but they were kept in a state of the most perfect cleanliness; and under proper restrictions no nuisance could possibly arise.

Bill read the second time.

PRIVILEGES OF THE HOUSES.

The Hon. Mr. BOWEN brought up the following report of the Managers of the Conference on the Land for Settlements Bill, the New Zealand Consols Bill, the Harbours Bill, and the Government Advances to Settlers Bill:—

“The Managers appointed by the Legislative Council to conduct the Conference on the Land for Settlements Bill, the New Zealand Consols Bill, the Harbours Act Amendment Bill, and the Government Advances to Settlers Bill, have the honour to report that they have met the Managers appointed by the House of Representatives.

“The Managers of the Council and House

have been unable to agree as to the privilege claimed by the House.

"Considering the late period of the session, and the exigencies of the position, it was agreed to consider the amendments of the several Bills on their merits.

"This proceeding shall not be drawn into a precedent or held to be a waiver of the privileges claimed by the House.

"The Managers have come to the following agreement regarding the Bills, viz. :—

"*The Land for Settlements Bill.*—The House accepts the Council's amendments in this Bill, with the following alterations in the wording of the new clause 8: In line 45, erase 'in one block more,' and insert 'an estate comprising one or more blocks and being of a greater total area'; and in line 47, erase 'block,' and insert 'estate,' and, in the same line, erase 'contiguous.' In line 52, after 'land,' insert 'any two of such classes'; and in line 53, after 'class,' insert 'or all the classes combined.'

"*The New Zealand Consols Bill.*—The Government having undertaken, by message from His Excellency the Governor, to reduce the total amount of deposit from £1,000,000 to £500,000, not more than £250,000 to be raised in any one year, the Council waives its amendment in line 32, clause 4. The word 'forty' is restored. The House accepts the other amendments of the Council.

"*The Harbours Act Amendment Bill.*—The House accepts the amendments of the Council, except the one in line 15, clause 2, which the Council waives.

"*The Government Advances to Settlers Bill.*—The House accepts all the amendments of the Council except those in subsections (3) and (4) of clause 24 and subsection (1) of clause 43. The Council agrees in subsections (3) and (4) to substitute 'two thousand five hundred pounds' for 'one thousand pounds'; and in subsection (1) of clause 43 to substitute 'three-fifths' for 'one-half.' Consequential amendments to be made in the Fifth and Sixth Schedules."

On the question, *That the report be agreed to,*

The Hon. Mr. BOWEN said, perhaps it was right that he should state shortly the ground on which this agreement had been arrived at by the Conference. He might say that when this matter was referred to the Managers he felt it was one of considerable responsibility, as the question of privilege was far and away the most important matter in dispute; and he thought it was in the best interests of the country that it was finally agreed by both parties that the amendments in the Bills referred to should be dealt with on their merits. The House had guarded its own privileges by the statement that the course taken should not be made a precedent; and it would be observed that the Council had conceded nothing in the matter. In dealing with the question of the amendments, he thought the Council would bear in mind the necessity there was, in any arrangement agreed upon, of some concessions being made by one side as well as by the other. It would be found that a very large part of

the amendments—the most important amendments—made by the Council had been accepted in all these Bills. He would take them seriatim and state what the amendments were. In the Land for Settlements Bill all the amendments of the Council had been practically accepted by the House, and a verbal amendment had been made merely to make clear the intention of the Council. This was in clause 8; it was a very trivial amendment, and it did not in any way alter the sense of the clause. In the Harbours Bill the House also accepted the amendment of the Council in striking out the clause that they thought should not be inserted in a general Bill. On the other hand, the Council waived the amendment which restricted the Harbour Board to one-half instead of a year's advance. With regard to the Consols Bill, he might say that, as the Government undertook by Governor's Message to reduce the amount of the deposits by one-half,—that was to say, the amount to be raised was to be reduced from one million to half a million, that amount to be raised at the rate of £250,000 each year,—the Council thought that under these altered conditions it was worth while to waive their amendment as to the currency of the bonds, and this had been left at forty years; but the Council insisted on its amendment as to the capital being repaid in the colony. The Bill in which the most amendments were made by the Council was the Government Advances to Settlers Bill. The House accepted the amendments of the Council to prevent the raising of money by means of land-bonds, and also the other amendments, excepting those in the two subsections of clause 42. The questions raised by the amendments in these subsections were very strongly contested, and the Council's Managers offered to raise the amount of advance from £1,000 to £2,000; but when the Managers for the House came down from their first claim, the Managers for the Council thought, when they came to the question of a very small difference, that it was not worth while breaking off the negotiations; so they agreed, subject to the approval of the Council, to recommend that £2,500 should be the limit of the investment, instead of £1,000, to which the Council had reduced the amount. They also agreed that the advances should be three-fifths of the valuation instead of one-half. They bore in mind, in agreeing to this, that, while the House of Representatives wished to bring it back to two-thirds, there had been only a majority of one in the Council against the amendment moved by the Hon. Mr. Peacock to make the advance three-fifths. Bearing that in mind, and considering all the circumstances of the case, the Managers agreed to a compromise, fixing it at three-fifths of the value; and with regard to all the other amendments the House waived their objections. He thought that the Council would recognise the gravity of the position; and, under the circumstances, although it was to be expected that honourable members would all take different views on different points in the discussion, they would, he hoped,

recognise that, on the whole, the privileges of the Council had been completely asserted, and that a reasonable compromise had been arrived at after most careful and anxious consideration.

The Hon. Mr. KELLY said, with respect to the result of this Conference, he thought, considering all the circumstances of the case, that a very fair compromise had been arrived at. He was quite satisfied himself with regard to it, and they could give the Bills a fair trial, and if next session it was found that the Government Advances to Settlers Bill was a success, of course they could then give the subject further consideration. He must, however, express some regret that the other question was not dealt with—namely, the privileges of that Council. He quite understood that, at this late period of the session, the Managers on both sides shrank from dealing with the question.

The Hon. Mr. BOWEN might remind the honourable gentleman that the onus lay on the other House. The Council's privileges were untouched.

The Hon. Mr. KELLY thought it would have been more satisfactory to both Houses if they could narrow the limits of the debate in that Council to such a question, and he hoped that next session the whole subject would be dealt with in a judicial spirit, and, without trying to limit the rights of either House, that the whole question would be settled satisfactorily to both Houses, and then such an agreement incorporated in an Act.

The Hon. Mr. SHRIMSKI begged to move, *That the debate be adjourned*, as this was a most important matter. He thought they ought to get the amendments and the report of the Conference printed upon the Order Paper before giving an opinion on it.

The Hon. Mr. OLIVER said he thought that something had been gained in the matter of the maintenance of the privileges of the Council. There was a certain advance made, which probably would not be receded from afterwards. Although they had been assured that the question of privilege remained open, yet it seemed to him that they had taken up a position with regard to legislation, and had been able to maintain that position, and that a great advance had been made respecting the duties of that branch of the Legislature. He thought they had reason to be grateful to those gentlemen who represented the Council in this matter, for the manner in which they had maintained the power that the Council claimed with regard to the amendments made in the Bills under consideration. Although the Council did not quite know the nature of the settlement arrived at as to the Land for Settlements Bill, still they had been assured by the Hon. Mr. Bowen that the concessions made by the Managers on behalf of the Council were purely of a verbal character. With regard to the Consols Bill, the concession was a reversion to the currency contained in that Bill; it restored the currency to forty years, instead of twenty years as amended by the Council. He was very

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sorry the Council had had to accede to the extended currency, because he believed that the Consols would have a far greater chance of extensive use with a currency of forty years than with a currency of twenty years. On previous occasions he had expressed his opinion that the tendency of the market rate of money was downwards all over the world, and therefore the concession of the currency of forty years to these debentures or bonds would probably give them an advantage which otherwise they would not have. He was not in favour of extending the power of the Government to borrow money. He hoped, however, that with the extended currency they had given these bonds—namely, forty years—it would not be necessary to borrow at 4 per cent. at all, as they ought to be saleable at $3\frac{1}{2}$ per cent. instead of 4 per cent.

The Hon. Sir P. A. BUCKLEY.—*Hear, hear.*

The Hon. Mr. OLIVER said he was very glad to hear the Attorney-General cheer that statement, and he hoped that he would endeavour to give effect to it. With regard to the Advances to Settlers Bill, he thought the concession made was not of very great importance, as it was the difference between advancing to the extent of three-fifths instead of one-half. It was only a tenth. With regard to the amendment in the amount to be lent—namely, the alteration from £1,000 to £2,500—that was very important, and he was very sorry that the extension was to be made. The restriction of the amount of the advance to £1,000 on one-half of the value of the security appeared to be in the direction of limiting the possibility of loss, and consequently he regarded the extension as the extension of that possibility.

The Hon. Mr. SHRIMSKI said, as it was not the desire of the Council to adjourn that debate, he would make a few remarks, and in so doing he would say that he deeply regretted that the Council had not shown sufficient determination to adhere to its amendments. If the Council thought that it had no right to make these amendments it should not have made them, but, having made them, it should have stuck to them, because it was playing into the hands of the outside world and of members of the other branch of the Legislature. For his part, he deeply regretted that the concessions had been agreed to by the Managers; but, at the same time, he wished to say that the Managers, no doubt, had tried to do their best, and they intended to carry out what they thought was right. It would, however, have been better if they had been more determined, and had not receded one iota from the position they had originally taken up.

The Hon. Sir G. S. WHITMORE thought the Council was under an obligation to those gentlemen who had been acting on its behalf in conducting the negotiations with the other House, and he thought they had come to a very satisfactory compromise. The result of that Conference was to effect a reasonable compromise between the two Houses, and he

thought they had achieved a very satisfactory result. The Hon. Mr. Oliver had just said that he felt sorry that the amount of the advances under the Advances to Settlers Bill had not been reduced to the amount the Council inserted, and he thought that there had been a mistake made. He (Sir G. S. Whitmore) did not think, however, that there was a mistake made at all, because, if the other branch of the Legislature took an idea into its head that £5,000 ought to be the amount, while the Council desired to bring it down to £1,000, surely it was not very much to fix it at £2,500: it was only as much again as the amount the Council wished to make it. It was an arrangement which he thought the Council was reasonable in offering, and which the other House was wise in accepting. He was bound to say that he thought the Council was under obligations to the honourable gentlemen who had been conducting that Conference on those Bills, as with it practically the business of the session was ended, and it was a matter for congratulation that the difficulties and the rocks between the two Houses had been avoided on the privilege question. He would have liked to see this point authoritatively settled, but he was bound to say that the arguments he had heard had convinced him at least that the representatives of the Council at the Conference had held their own, and had gained more, perhaps, than the other side.

The Hon. Mr. KERR said the last speaker had expressed his (Mr. Kerr's) sentiments; and he had nothing more to say. He thought, however, that the Council was under an obligation to its representatives on the Conference for the way they had arranged this matter. They had arranged matters so that the Bills could be made workable and useful to the country. Had they not done so, but determined to adhere to the original amendments, as desired by the Hon. Mr. Shrimski, the Bills would have been thrown out altogether, and he considered the Council was very much indebted to its Managers for the way they had managed the Conference, and for the compromise they had made. It was reasonable that the Conference should give and take, and one side could not expect to ride rough-shod over the other. In all these matters conciliation was necessary, and it was a matter for congratulation that the Bills had been brought to such a stage that they could be made of use to the country.

The Hon. Sir P. A. BUCKLEY said there was an old saying that the minds of great men ran in the same grooves, and he had been anticipated in what he was going to say by Sir George Whitmore and the Hon. Mr. Kerr. He desired to express the thanks of the Council to its Managers for their indefatigable exertions on this occasion. In his experience in the Council for many years he had never known a more difficult task than that undertaken by the honourable gentlemen referred to. It involved questions of far greater importance than he had ever seen referred to a Conference before, and he was pleased to say that

the Managers in making the concessions referred to in the report had represented the wishes of the Council. What pleased him most was that, notwithstanding everything, the privileges of the Council had not been invaded. They had safeguarded its privileges, and he was more pleased than words could express. He desired to express to those gentlemen his own thanks for the manner in which they had conducted this business, because if they had not been sensible men and men of experience the probability was that the negotiations would have fallen to the ground. Notwithstanding the remarks of the Hon. Mr. Shrimski, who would, if he could, have insisted upon having all the amendments rejected, there were occasions when to give and take was a very desirable thing, and on this occasion he thought they had done very well.

Motion for adjournment of debate withdrawn.

The Hon. Mr. PHARAZYN said, as the Council had accepted the principles, especially in the Advances to Settlers Act, by a small majority—unwisely as he thought, but still, as they had been accepted by the Council, he thought the Managers could not do otherwise than agree to a compromise. If it had been a question of the whole principle being discussed, that would have been a different matter; but, the principle having been accepted, the only question was a question of detail, and he thought it was perfectly right on their part to come to the compromise they did. He agreed with what had fallen from other honourable members, and thought thanks were due to the Managers for the great trouble they had taken, and the very discreet and wise manner in which they had arrived at their decision. It appeared to him that the whole of the Bills had been so carefully considered with regard to these amendments that the Council could not do better than accept the report of the Committee. No doubt there were some somewhat complicated questions involved, and there might be some reason for adjourning the debate as proposed, and considering the matter carefully; but he thought that, after the explanation so clearly given by the Hon. Mr. Bowen, the Council was perfectly justified not only in trusting to its own judgment but to the authority of its Managers. And they must also remember, as had been referred to by the Hon. the Attorney-General, that in conducting these negotiations the Council had undoubtedly maintained its own privileges in a very determined manner—at any rate, in such a form that, if it were considered necessary, as had been suggested, that action should be taken next session, they were perfectly free to move in any direction that might seem right. That, he thought, was one of the most important points in the whole matter. He trusted that early next session they would be able to put this question of privilege into definite shape and form. That, he believed, would be the only true solution of the question. There had been a suggestion to refer the matter to England for decision, but he thought, after all, no one would be satisfied to agree to a decision of

that kind, which was often arrived at without the whole of the circumstances being understood, and he thought it would be far better that they should settle the question definitely among themselves and embody that settlement in an Act.

The Hon. Mr. WHYTE, while agreeing with those previous speakers who said it was a pity the question of privilege should not have been settled, thought it would be quite time enough for them to consider that when the Council was asked to concede any of its privileges. They had not been even asked to make anything in the way of concession on the question of privilege. If there had been any concession it had been from the other House. These Bills, in his opinion, had been treated precisely as if the question of privilege had not come up at all. The concessions were just the usual concessions they were accustomed to in Conferences, and he thought, so far as the Council was concerned, the question of privilege might quite safely be left at rest until they were asked to concede something. In this case the Managers had not asked the Council to concede anything, and it had conceded nothing.

The Hon. Mr. REYNOLDS said that before the question was put he would like to have seen on the Order Paper the amendments that had been agreed to, but seeing the Council did not think that necessary he would not press the point. He would also express his thanks to the members of the Conference for the arduous duties which they had performed. At the same time, he thought that on questions of such importance as these four Bills it would have been quite right that members should have had time to consider them, and, as there was not much business to do on the following day, he thought they might have taken up the debate then. Another reason why an adjournment should be made was that several members of the Council were absent on Committee-work, and it was hardly fair to them that the question should be settled in their absence.

The Hon. Mr. PEACOCK thought in this case they did not want the amendments put on the Order Paper. They were so very plain, and had been so thoroughly explained by the Chairman of the Conference, that he thought the Council was perfectly acquainted with the matter, and, as six o'clock was now approaching, he was of opinion that they had better agree to the amendments. The Council, he might say, was determined to preserve its privileges and rights, and, when he found the Council so judicious in the selection of a Conference, so far as he was concerned he felt perfectly satisfied the privileges of the Council would be preserved. He thought those privileges had been well maintained, and, for his part, he thanked the honourable gentlemen for the arduous work which they had undertaken, and, according to his mind, had performed so satisfactorily.

Report agreed to.

The Council adjourned at ten minutes to six o'clock p.m.

Hon. Mr. Pharazyn

HOUSE OF REPRESENTATIVES.

Monday, 15th October, 1894.

Third Reading—Major C. Brown—Ministerial Residences Sale Bill—Privileges of the House—Criminal Code Bill—Land for Settlements Bill—New Zealand Consols Bill—Harbours Bill—Government Advances to Settlers Bill—Tongariro National Park Bill—Hospitals and Charitable Institutions Bill—Counties Vehicle-Licensing Bill.

Mr. SPEAKER took the chair at half-past two o'clock.

PRAYERS.

THIRD READING.

Tramways Bill.

MAJOR C. BROWN.

Mr. JOYCE brought up the report of the Public Petitions Committee on the petition of Major C. Brown, to the effect that they were of opinion that the petitioner was grossly careless in the Meringa case, but that he might have been requested by the Government to resign his position as interpreter and Justice of the Peace on account of advanced age and defective memory; and were further of opinion that in the case in question the petitioner was less to blame than the other persons mixed up therewith. He moved, That the report do lie on the table.

Mr. McGUIRE moved, That the report be referred back to the Committee for further consideration. The recommendation of the Committee was not in accordance with the evidence, and he was sorry to inform the House that the Committee was one-sided.

Mr. SPEAKER.—That is a serious charge.

Mr. McGUIRE said it might be serious, but it was unfortunately true.

Mr. SPEAKER could not allow a term of that kind to be applied to a Committee of the House, which was tantamount to impugning the fairness of a Committee of the House which was intrusted with the performance of most important duties.

Mr. McGUIRE would withdraw it, but he was afraid, if Mr. Speaker had been present as he was, and had heard the evidence, he could have come to no other conclusion himself.

Mr. SPEAKER said, if the honourable member persisted in preferring these charges against a Committee of the House, he would be obliged to ask him to discontinue speaking.

Mr. McGUIRE said the decision had been arrived at by the Government long before Judge Kettle had sent in his memorandum. Judge Kettle stated distinctly, before the Chairman and those present, that he considered Major Brown was very harshly treated; that he had committed an error of judgment no doubt, but that he was entitled to a thorough investigation by a judicial officer. Major Brown was not an ordinary man, but if he were the humblest man in New Zealand he had the right to an impartial inquiry. Owing to the positions he had held in the colony he was deserving of consideration, and he (Mr. McGUIRE) was surprised that the Premier should bar the

way, and not allow the gallant veteran an opportunity of clearing his hitherto good name. He had a letter from Mr. Bryce, which he would read to the House, with regard to Major Brown at the time when he was severing his connection with the Government, which was as follows:—

“Native Office, Wellington,
“28th September, 1880.

“SIR,—I am directed by the Hon. the Native Minister to inform you that, in consequence of the necessity which exists for reducing the cost of the Civil Service wherever it can be done, the Government are compelled to dispense with your services as Civil Commissioner of the Taranaki District from the 31st proximo.

“In making this announcement, I am at the same time to state that the Government appreciate the zeal and ability which you have frequently displayed in the various departments, both civil and military, in which you have served the colony; and the Native Minister regrets that the exigencies of existing circumstances render it necessary that he should relinquish your services to his department.

“As a member of the Civil Service, you are, of course, entitled by law to compensation for the loss of your office; and I have to request that you will be good enough to forward on the enclosed form a statement of your services, and a voucher for the amount of compensation claimed.—I have, &c.,

“T. W. LEWIS,
“Under-Secretary.

“Major C. Brown,
“Civil Commissioner, New Plymouth.”

That was the opinion of Mr. Bryce, who was one of the most particular Native Ministers they had ever had in New Zealand; and in that letter he spoke of Major Brown in the most flattering manner. He (Mr. McGuire) thought, and the House thought, that Major Brown was entitled to the inquiry he had asked for. That inquiry should be held before the Chief Judge of the Native Land Court, of whose Court he was an officer.

Mr. DUTHIE seconded the amendment. He did so because he thought the petitioner had received very harsh treatment indeed. He had known Major Brown for some thirty years. He had been in partnership with him about twenty-seven years ago for two or three years. He had therefore some knowledge of his personal character. It was to him very painful to find an old gentleman like him, at the end of his life, when he was over seventy years old, deprived of his means of livelihood, and disgraced by removal from the Bench of Justices. He thought there was no justification for this extraordinary treatment. There was this matter of interpreting a deed for the Maori woman, but, although technically it was incorrect, there was nothing exceptional; it was only what was done in the ordinary course of business in regard to like settlements, and he did not think there was any justification for the extremely severe treatment pursued. Judge Kettle pointed out that Major Brown was suf-

fering, through advanced years, from defective memory; and he thought, such being the case, it was at least, in common justice, the duty of the Minister to have given Major Brown an opportunity of replying to the charges made against him. In place of that, in a most curt fashion, without any hearing, he was struck off the roll of Justices. Major Brown had occupied important political positions, and had been in the public service in various capacities for many years. So far as concerned anything in his previous career, that had been dealt with by the Ministry of the day, and the letter from Mr. Bryce was an answer. That was not under review. At present they were only dealing with the one charge, and in this case there was nothing to warrant the cruel treatment he had undergone. He thought, therefore, the matter should be referred back to the Committee for further investigation. It was very bad indeed if it had come to this: that Parliament was prepared to indorse such harsh actions without due inquiry, and that individuals should be punished without inquiry. It would be a great injury to the public service if this was to be tolerated, and he trusted the House would refer the matter again to the Committee.

Mr. JOYCE was sorry he had not had the opportunity of speaking before the honourable member for Wellington City. If that honourable gentleman had been at the Committee that morning he would have refrained from making the remarks he had made. It was to be regretted that the honourable member for Egmont had spoken as he had; but it was the old story of “Save me from my friends.” Judge Kettle had been brought down at the urgent request of that honourable member, and he would quote two expressions that gentleman had used that morning to the Committee, and leave the House then to say whether the report should be referred back. Judge Kettle had said, “The action of Major Brown was grossly careless in connection with his work, and there were gross irregularities in regard to this transaction.” The Committee were unanimous in their decision—indeed, the great effort of the Committee was to let the petitioner down as easily as possible.

Mr. BUCHANAN.—How many were there? Mr. JOYCE said he thought about five. But they were unanimous. Judge Kettle had been brought down more in the interests of the petitioner than of any one else, and those expressions he had used—and used in the hearing of the honourable member for Egmont—were so emphatic that it left no doubt in the minds of the Committee that, however honest Major Brown might be in his general dealings, so far as his official duties as Native interpreter were concerned, he was grossly careless, and there were gross irregularities in respect to this whole affair. He would say no more, as he did not wish to injure the petitioner in any way, but the impression on the minds of the members of the Committee was that he was not entitled to the relief he asked for.

Mr. SEDDON said he saw no good likely to arise from referring the matter back to the

Committee. There was a Committee dealing with the matter in another place. The evidence in the case was very complete. There had been a question as to whether there could be any doubt as to Judge Kettle's report, or the views he held on the matter, and it had been specially requested that that gentleman should be brought down to give evidence on the Committee. He came and gave evidence, and his evidence did not help the petitioner at all. He was the Judge before whom the case was tried and the Commissioner before whom the other evidence was taken, and, relying on that case, there could be no doubt whatever. He did not want to place it on record for all time, but there was no doubt that there was gross carelessness in respect to the matter. It was not only in this case, but, if they were to protect the Natives at all from wrongdoings, they must be very particular as to the interpreters who were appointed. They were not simply appointed as interpreters to interpret the language, but they had to explain matters to the Natives. Here the true explanation could not have been given, because the documents spoke for themselves. He need say no more than this: How was it to be explained that an affidavit had been signed stating that £40 was paid, when a few minutes prior to that a receipt was given for only £20, which receipt had been written out by Major Brown, who was the interpreter in the case. He wanted to know how that

3.0. was explainable, except, as the Judge said, it was gross carelessness. He did not want to say anything more, for in this matter the Government had only carried out what was a most painful duty. The petitioner was a man who had held important positions, and who in the past had rendered good service to the country. His ability was not questioned. The testimonial read and relied on simply referred to his ability. There was nothing further said; but they could, by reference to the blue-books of the colony, find something worse. There was something more, and he (Mr. Seddon) had tried to avoid, if he could, this matter being dragged before the House more than was necessary. He regretted that he had had to do what he did. Where a transaction came before the Government which showed there had been gross carelessness, and where they had found that the Natives suffered, they would make no exception, but would have the person responsible struck off the roll of interpreters. Where there was any matter of that kind brought before them they would not hesitate to have an inquiry and do their duty. Judge Kettle said that morning before the Committee that the Justice of the Peace who witnessed the document was just as bad as Major Brown. He intended to look into that matter, and, he cared not who it was, if gross carelessness or culpable negligence had been committed which resulted in injustice, the person responsible was not fit to hold the position. He did not think it would help Major Brown to have the matter referred back to the Committee. He had thought the honourable gentleman

Mr. Seddon

would have let the matter go, and that there would be nothing whatever said. As to any punishment inflicted, if they looked at what had occurred they must admit that it was not at all too severe.

Mr. BUCHANAN could not pretend to have looked into this matter sufficiently to justify him in saying much about it; but what struck him was that the Government had apparently struck Major Brown off the roll of Justices, and had degraded him in the most brutal manner,—more particularly taking into account the position he had previously held in the community,—without first holding an inquiry. Why should a man be punished in this way without an investigation—without his being given the slightest opportunity of defending himself? Surely the position previously occupied by Major Brown clearly entitled him to that.

Sir R. STOUT said that, judging from the report which had been read, it seemed to him a most inconclusive document. As he understood it, it said that the charge on which Major Brown had been actually dismissed from office was one that the Committee had not had time to fully inquire into. It had not been investigated by the Committee, and yet the Committee would not recommend it to be inquired into. He could not understand that logic at all. It seemed to him that what Major Brown asked for was what they gave to the greatest criminal in the colony—that was, an inquiry. That was all he asked. He did not ask for reinstatement; he simply asked that some judicial officer should investigate his case, and he thought that was the least that could be granted to him. He (Sir R. Stout) also understood that the Premier attended the Committee and urged a certain course of action in the Committee as against Major Brown.

Mr. SEDDON.—Certainly not.

Sir R. STOUT.—Then, how did the honourable gentleman attend?

Mr. JOYCE.—As a witness.

Sir R. STOUT thought it was inconvenient that the Premier should attend even as a witness when it was his own administrative act that was in question. By attending he allowed himself, whether consciously or unconsciously, to sway the Committee, and he (Sir R. Stout) did not think that was at all desirable. That in itself was the strongest reason for awarding Major Brown all he asked—namely, a proper inquiry by a Judge of the Native Land Court. If the charge were narrowed down to one of gross carelessness, that might, no doubt, have occurred in doing interpreting work, but that was not the specific charge against him, and that was no reason why he should be removed from another office which had nothing to do with the interpreting of documents, and that was the office of Justice of the Peace. He would simply vote for referring the report back. It seemed to him that the report was its own condemnation, because the Committee had no business to say it did not investigate the case because it was too complicated for it to consider, and then practically uphold the Govern-

ment for dismissing the man for the cause assigned. That seemed to him to be the logical conclusion. The honourable member who now interrupted had not read the whole of the report. He (Sir R. Stout) would read it. It said,—

“ . . . the petitioner was grossly careless in the Meringa case, but think he might have been requested by the Government to resign his position as interpreter and Justice of the Peace on account of his advanced age and defective memory (of which Mr. District Judge Kettle gave illustrations), which rendered him unable to deal with such a complicated case as Meringa's. The Committee are further of opinion that in the Meringa case the petitioner was less to blame than the other persons mixed up therewith—namely, Messrs. Ward and Humphries. The Committee cannot recommend that the inquiry prayed for should be granted.”

Mr. CROWTHER said the Committee had not said they had not time to make an investigation.

Sir R. STOUT.—That was what he understood, in the Meringa case. Did they go into the Meringa case? He understood they did not consider the Meringa case, and the Chairman of the Committee admitted this was so. On the face of this report the position was even stronger than he had stated it to the House, because this was what it said: “After having taken evidence on this petition, the Committee are of opinion that the petitioner was grossly careless in the Meringa case.” That was all. Well, then, if a man was to be dismissed from his position as Justice of the Peace because the Committee were unable to deal with a complicated case like the Meringa case, that gave the strongest reason why the report should be referred back.

Mr. SEDDON thought, after what Sir Robert Stout had said, he was entitled to make a further explanation. He had been sent for by the Committee, and when there he was asked several questions.

Sir R. STOUT.—That is not a personal explanation.

Mr. SEDDON did not know that some of the statements of the honourable member should be allowed to go uncontradicted. He (Mr. Seddon) said he was sent for by the Committee, and when before it he simply answered the questions that were submitted. He was under the impression that if he had not done so it might be considered he had taken a very wrong course, and was not showing that deference to the Committee he was entitled from his position to do.

Sir R. STOUT said this was not a personal explanation.

Mr. MILLS thought at this late period of the session it would be unwise to refer the report back, because in any case he thought what the friends of Major Brown should advise him to do was to allow the matter to stand over to another session, and then there would be a new Committee of the House set up. This was his idea of getting any alteration of the

report. What he rose principally to speak for was to say that he was very much pleased to hear what the senior member for Wellington City (Sir R. Stout) had said in the course of his recent remarks. He had just said, as an argument in its favour, that all that Major Brown asked for was what was granted to the greatest criminal. Then, why had the honourable gentleman opposed any inquiry at all in the case of Chemis? That was fought against in the House by the senior member for Wellington City (Sir R. Stout) on many occasions.

Sir R. STOUT asked if the honourable member had any right to allude to a previous debate.

Mr. SPEAKER thought the honourable member was not exceeding his rights, in what he had said by way of illustrating his remarks, by making a comparison between this case and another.

Mr. MILLS said it was only at the last moment, when his changed position could have no effect, that the honourable gentleman found that was the proper position to take up. He (Mr. Mills) was much pleased at this late hour to hear the honourable gentleman acknowledge there was something in giving justice to those who could not get it in any other way except by an inquiry through a Committee of this House.

Mr. E. M. SMITH intended to support the amendment that this petition be referred back to the Committee. He did it for this reason: He wished to set himself right with the House and the colony; and, another thing, he did so because the report of the Committee had dragged in the name of a Justice of the Peace who was called in upon that occasion. Now, it was stated in the report that the Committee considered that Major Brown was not so blamable as Messrs. Humphries and Ward. Well, he might tell the House that Mr. Ward was the Justice of the Peace who was called in.

Sir R. STOUT asked, Was he present at the Committee?

Mr. E. M. SMITH said, No; he was not present, and yet his name as a Justice of the Peace was dragged in, when his only duty was to witness the signature of the person in the usual manner of witnessing a signature or declaration; this was all the part he took in the affair. He was not supposed to know the contents of the deed. The deed was neither interpreted to him nor explained. He was simply called in to witness the signature of this particular Native; he had no interest in the matter of the block, and gained nothing by the transaction. Now, he might state, in defence of that gentleman, that he was one of the oldest colonists in that part of the colony, and, more than that, he was a man who was held in the highest esteem and as above suspicion—all who knew him could testify to that fact; and therefore, before any blame should be thrown on him, he ought to be allowed to appear before the Committee, and be allowed to explain the action he took and defend himself, and prove that he took no part, only witnessed the Native

sign the deed. On that ground, he would support the amendment referring the report back to the Committee. It would be in the minds of honourable members that in the early part of the session he asked the question of the Government whether they would carry out the recommendation of a public meeting in New Plymouth to refer this question to the Chief Judge of the Native Land Court, and he had done his "level best" during the session to attain that result. He had gone with a deputation to the Minister, and had done his "level best" to get a fair and impartial hearing of the case, and justice done to Major Brown. But he must state this: that outside the House Major Brown's friends and the papers—the *Taranaki News* and *Inglewood Record*—had mixed the case up with politics, and made his case worse than it was for him by dragging in other persons who had nothing to do with the case. They had been slating the Government, and they had thought proper to drag him (Mr. Smith) into the case. They had blamed him as the member who was the instrument of the Government in getting Major Charles Brown struck off the rolls as a Justice of the Peace and his certificate as an interpreter cancelled. He wished to state positively to the House, and he wished it placed on the records of the House, so as to enable him to clear his character, that he never had any personal interview with the Government prior to the occurrences just referred to, nor had he communicated with them by letter or otherwise. He had nothing whatever to do with it, and knew nothing of the case until it was mentioned to him by Major Brown's friends. His reply was that if the Government had done this without calling upon Major Brown for an explanation they had done wrong.

Mr. SEDDON.—He was called on for an explanation.

Mr. E. M. SMITH also said if Major Brown was not given an opportunity of stating his side of the case fairly he would do his best to see justice done to him. He did not believe in old colonists, who had honourably held important positions—and, in the case of Major Brown, he had been returned four times to the House of Parliament, was Officer Commanding the District, had also been Native Commissioner, and had carried himself through his public career in an honourable and praiseworthy manner,—should be summarily dealt with. He thought it was a hard case. The Premier had already explained that he (Mr. Smith) had had nothing to do with it, good, bad, or indifferent. He did not think it would be lowering to the dignity of the House or the Ministry to countenance the referring of this matter to a Judge of the Native Land Court, a man who from the highly-important position he held could only do justice in the case. If then it were found that any wrong had taken place, then the officer could be removed. He did hope, in the interests of justice to an old colonist, the Government would see their way clear to refer this matter back to the Committee; and that Mr. Joe Ward would be commu-

nicated with with a view of his giving evidence, as he knew that gentleman could prove that he had no hand in or knowledge of any irregularities. Justices of the Peace were only required to witness signatures, and were not supposed to know the contents of deeds or documents. Such being the case, it was unfair for the Committee to attach any blame to Mr. Ward, more especially when he had not been before the Committee to defend or answer for himself.

Mr. CROWTHER said, unlike the last speaker, he had no occasion to set himself right with his constituents. The Committee on this occasion had been as merciful as they possibly could be in the report, all the circumstances considered. The old lady mentioned by the last speaker, and who was selling her land, was, it was set forth clearly, to receive £40. She did not receive the £40; she received £20; and further, when it transpired that this four acres of land was worth more than £40, being assessed at £70, the trustees of this old lady appeared in Court and set up a claim for the extra £30. When she appeared in Court she appeared to be a perfect imbecile, and her evidence in Court could not be taken in consequence of her inability to give it. That was the kind of person they had been playing with from first to last. Here was an old lady who sold four acres of land for £70: £15 went to the Government for Native Land Court tax; £16 went to Mr. Humphries for commission: and just fancy dealing with Native lands as this four acres was dealt with! Major Brown was mixed up in this case as an expert. He did not appear as an ordinary interpreter, but as a trustworthy interpreter who represented the interests of this imbecile old lady, who signed the document in company with this Joe somebody or other; and the poor old lady got only £25 out of the £70! If that was the state of the case, what else could the Committee have done but say that the Government should have let Major Brown down as easily as possible? They could have given him an opportunity to resign. Nothing further could they, in mercy, possibly do, with all the evidence before them. Of course the inquiry would proceed at five o'clock, and they would then hear something further about it.

Mr. FLATMAN moved the adjournment of the debate, as there were several important Bills on the Order Paper to be dealt with that day.

Captain RUSSELL hoped the debate would not be adjourned. Here was a question of the greatest importance—a question as between the administration of the Government and the honour of a man, and surely it was not unduly occupying the time of the House to discuss it at full length. If the debate was adjourned they knew the matter would be shelved altogether so far as the House was concerned, and it was their duty to settle it once and for all.

Mr. PIRANI trusted the House would not consent to adjourn the debate; and he was surprised at the attitude taken up by the honourable member for Pareora in the pro-

Mr. E. M. Smith

position he had made, because they knew that the adjournment of the debate must quash the subject altogether, and leave it just as it was before.

Motion to adjourn the debate negatived.

Captain RUSSELL would like to say a few words on the point at issue. He as a rule avoided expressing his opinion as to the merits of a case until he had the whole of the facts before him, and, with the exception of the five honourable members who formed the Committee, and the Government, the House was not in a position to form an opinion as to the merits of this case. He greatly doubted if even the five members of the Committee were ready to form an opinion, because from what he had gathered members were in and out of the Committee-room during the sittings. Some attended regularly, some very irregularly; some were there all the time, some only attended about a quarter of the time, while others scarcely attended at all. When the question first came up he ventured to predict that such would take place, and it was extremely undesirable that when the personal honour of a man was at stake he should be subjected to such a tribunal. What they heard that afternoon more than justified the position he took up on that former occasion. The honourable member for New Plymouth had led them to understand by open speech what they had heard on that side of the House by rumour—that there was a question as to which party was supported by Major Brown at the last election. Some of the gentlemen whose names were mentioned in the report took one side in the election fight, while another took the losing side. It was said that the gentleman who took the losing side was Charles Brown, while the other two gentlemen, who the report told them were just as much to blame, took the right side—that is to say, the winning side.

Mr. SEDDON.—But is that true?

Captain RUSSELL could not say that from his own knowledge; but the honourable member for New Plymouth had put the matter very well in his speech when he stated that the local newspapers were full of comments on the fact that Charles Brown took the wrong side at the election. He did not, therefore, say that this was true, but, whatever his opinion might have been before, he thought now that the report should be handed back to the Committee for reconsideration, for the simple reason that the report stated that there were others whose conduct was worse than that of Major Brown. He did not know any of these personages, but he only quoted from the report; and, whether Charles Brown was innocent or guilty, he certainly was entitled to an impartial tribunal. If on inquiry he was found to be guilty, by all means let him take the deserts of his guilt. The honourable member for Waimea-Picton twitted the honourable member for Wellington City (Sir R. Stout) with changing his views, and mentioned the case of Chemis; but there was no analogy between the two cases. The honourable member for Waimea-

Picton himself expressed his intention of voting that the report should not be sent back to the Committee, and that there should now be an end to the inquiry; and yet he twitted the honourable member for Wellington City with opposing a reopening of the Chemis case. He seemed to forget that Chemis had a fair and open trial in the light of day, before twelve jurors, and subsequently an inquiry before the Governor. This person, Major Brown, mentioned in the report, had, it was stated, been guilty of carelessness. He had committed no crime, and yet he was not to be allowed any inquiry at all. He held that there should be a full and exhaustive inquiry. He was not one of those who thought that past distinguished services should prevent a man from receiving the deserts of his guilt. If he were found guilty let him receive the punishment he deserved; but, if he were proved innocent, how unjust the treatment he had been subjected to!

Mr. MILLS wished to explain that he did not advocate that no inquiry should be held. What he thought was that, just at the end of the session, it would be far better for Major Brown and his friends to hold the matter over until next session.

Mr. HEKE said the honourable gentleman who had just sat down did make the remarks attributed to him in reference to the honourable member for Wellington City (Sir R. Stout) and the Chemis case. The honourable member for Hawke's Bay had put the case quite correctly. He (Mr. Heke) could quite conceive that Major Brown had been accused of certain wrongful acts, and he held that when a man, Native or European, was accused of anything he should have the fullest opportunity of placing his case before one of the highest tribunals in the land. It was contended on the

3.30. part of some honourable members that an opportunity should be given to Major Brown to place his case before the Chief Judge of the Native Land Court, and he thought it was only fair that this gentleman should have that opportunity. If he was able to prove his innocence, that would be done; whereas, if he could not do so, the Court would report accordingly. He hoped the House would refer the report back to the Committee.

Mr. PERE thought this case ought to be referred to a Court for inquiry, and if it was found by the Court that the whole of the evidence given before the Committee was true, then punishment ought to alight on Major Brown. If it was found that the statements were incorrect, then he ought to have reparation. He had heard one honourable member say that Major Brown had deprived certain Natives of a sum of money. If it had been found by the Committee that that statement was correct, there was no reason why the case should be referred to another Committee. In that case the petitioner ought to be punished.

The House divided on the question, "That the words proposed to be omitted stand part of the question."

AYES, 29.

Buddo	Harris	Montgomery
Buick	Hogg	Morrison
Cadman	Houston	Parata
Carncross	Maslin	Pinkerton
Carnell	McGowan	Seddon
Carroll	McKenzie, J.	Tanner
Crowthor	McNab	Thompson.
Guinness	Meredith	<i>Tellers.</i>
Hall	Millar	Flatman
Hall-Jones	Mills	Joyce.

NOES, 27.

Bell	Kelly, J. W.	Russell, W. R.
Buchanan	Kelly, W.	Smith, E. M.
Button	Larnach	Smith, G. J.
Collins	Massey	Stout
Earnshaw	McKenzie, R.	Te Ao
Graham	Newman	Wilson.
Green	Pere	<i>Tellers.</i>
Heke	Pirani	Duthie
Hutchison, G.	Russell, G. W.	McGuire.
Hutchison, W.		

PAIRS.

<i>For.</i>	<i>Against.</i>
Duncan	Mackenzie, T.
Lawry	Mitchelson
Mackintosh	Allen
Reeves.	Lang.

Majority for, 2.

Amendment negatived, and motion agreed to.

MINISTERIAL RESIDENCES SALE
BILL.

On the question, That this Bill be now read a third time,

Sir R. STOUT moved, That the Bill be re-committed for the purpose of reconsidering the preamble and the schedule. He would not take up much time in explaining why he desired the Bill to be recommitted. In Committee he had moved that the Tinakori residence be handed over to the University College, Wellington, for the establishment of which an Act had been passed. The Premier objected, asking the Chairman to rule that the motion was out of order, on the ground that, as it was a piece of Crown land, it could only be diverted from the Crown by the Crown's consent. There was also another motion made, dealing with the proceeds of the land, by the honourable member for Riccarton; and to this the honourable gentleman also raised the same objection. The Chairman could not rule otherwise on the points raised. So that the Committee really had no opportunity of deciding the question, and the Committee would have no opportunity now of deciding it. All he asked on this occasion was that this piece of land should not be sold in the meantime till next session. He did not ask that the land should be given over to the University at present. He simply asked that the State should keep possession of the land. He might point out that this land was originally really a public domain. It appeared in "The Public Domains Act, 1881," and he presumed it was set apart

at some time for public domain purposes. Of that he knew nothing, except what he saw in the Act of 1881; and he would ask members who objected to parting with this land by sale to agree with him in this matter. The State had to keep possession of the land, and it was simply leaving to a future session the disposal of it. What possible objection could there be to that? Further, he would urge that the middle district of New Zealand must have university education; it must have a university college. No country in the world could succeed as a democratic country without State-aided universities; and it was precisely those countries where most had been done for the universities, where most had been done for primary and secondary education, where the nation stood highest. Statistics showed that in the countries of Europe, with regard to primary education, Sweden and Norway had 97 per cent. of their people who could write, whilst the United Kingdom had only 90 per cent. In the small kingdom of Norway, a poor country as compared with New Zealand, there were one university and no less than 128 colleges; and it had done far more for education than we had attempted to do. It had a university at Christiania, and it was, perhaps, the most democratic country in Europe. Sweden had two universities and 146 colleges. What could they effect if they did not give more attention to university education? Where could they get a more striking example than that which had happened in Prussia and in Germany? In Germany there were no less than twenty-one universities, besides innumerable colleges and high schools. He would like to point out what happened in Prussia after the disastrous battle of Jena, and the Peace of Tilsit. The country was then in a terrible condition. No country was ever humiliated so much as it was at the time. But King Frederick William III. and Stein and Hardenberg not only dealt with the laws, but decided that attention should be paid to university, primary, and secondary education. There was a country sunk in debt, much of its territory taken away; and what did they do? They founded a university at Berlin. The result of higher education in Germany had been this: that she had taken perhaps the leading position in Europe, and it was her education that had enabled her to do it—not primary education alone, but higher education. No country could compete with other countries unless attention was paid to education. What was to be the future of New Zealand? Was it to depend upon outside countries for its clergymen, its scientists, its doctors, its lawyers, and its teachers? They must have their teachers trained in universities if they were to be efficient teachers and if primary education was to be raised. Those counties in Scotland which had the best primary education, which had produced the largest number of eminent pupils, were the counties in which they had the Dick and Milne bequests: that was, they had bonuses given to teachers who could show a university degree. If a teacher

had a university degree he got an augmentation of his salary. The result was that they got highly-educated teachers, and their pupils were distinguished in the army, the navy, and the Indian service, and also in professional careers. This was entirely due to the primary schools being better equipped, and there one could go from the primary school direct to the university. That could not be done unless they had as primary-school teachers men who had had a university education. In the parish where he was trained they learned all the things taught in the primary schools, as well as the classics and French, German, and mathematics. What was the result? That they went direct from their schools to the university, and in one year one of their students carried off the Greek bursary. If they had their primary-school teachers equipped with a thoroughly scientific training, what advantage would they not confer upon their primary schools! It was all a mistake to assume that the university was for teaching Latin and Greek. The university became practically the highest school for technical science. He therefore asked, if the House was anxious to see the primary schools of the colony efficient, that they would vote for what he suggested at the present time. It was not a question at all of giving higher education to a few. It was the poor man's children who benefited, not altogether the rich man's. The rich man's children were sent to Europe—to the universities of England, Dublin, and Edinburgh—and, if they wished to do equal justice to all, it was their duty to promote this university education. He could go at greater length into this question, but he recognised that they were getting towards the end of the session, and that was his reason for not using one-tenth part of his notes. The Premier had said he would not object to giving the land for a poorhouse, but he would not give it for a university. It put him in mind of an historic incident, which he might call the Mary incident in which Judas figured. They had to look after the poor. They had got special Boards for that purpose. But they had to look after something more—just as high, just as necessary—that was, the social life, the citizen life,—that was promoted by higher education. He was not asking them to give an endowment for the Middle District University at present, but he was asking them to prevent this land from being sold; and he asked those who were denouncing the State for selling its land to support him, and this question would test their sincerity. The land was not to be sold until Parliament was consulted, when they would be able to dispose of it for the purpose of secondary education or anything else.

Mr. SEDDON said there was no doubt as to the intention of the honourable member in moving his amendment. The matter had been discussed at length in Committee, and he would have thought that the division then taken would have been quite sufficient to warrant the honourable gentleman in desisting from his attempt to take this land for the purpose indicated. This Bill was introduced, as

he believed, for the purpose of settling once and for all the question of the Ministerial residences. That was what the Bill was introduced for, and forty-four members of the House to eleven voted on the second reading that the Ministerial residences should be sold. The honourable member's proposal was to submit for sale two of the Ministerial residences, but not to sell the other, but let the sale of it stand over for twelve months until the honourable gentleman could bring in an amending Bill for the Middle District University, and secure the land held over from the previous session as an endowment for the University. When the honourable gentleman introduced his Bill he told the House he was asking for nothing. He (Mr. Seddon) was told then, and members were fully aware, of what was going to happen shortly afterwards. He knew very well, at any rate, that the colony would be asked to endow this University. They were told at the time that nothing further was wanted. He would ask if the House was to be treated in that way. He had nothing to say against higher education. He had never contended that universities in our midst were not very desirable; but they should be accessible to all and not to a few if they were to benefit the country. He had said on the floor of the House, and now repeated, that higher education was taken advantage of by a select few, and that the majority of the people could not take advantage of it. That would be so so long as they had the present system of high fees and exclusiveness. With regard to the countries which the honourable gentleman had named—Norway and Sweden—and other countries, he would find that opportunities were given to every one, and that it was not as it was here. The question was this: Whether under the existing circumstances, in dealing with this question of selling a piece of land upon which a Ministerial residence was built, the whole question of university establishment should be raised. He thought they should wait until they had to deal with the universities, and then they could be dealt with in a comprehensive way. He thought the position he took up when the grant was made in regard to the University College of Auckland would prove that he was consistent—that he was not one of those who opposed higher education. The question was, whether they had come there to establish this university for the middle district of the colony and to grant the endowment which the honourable member sought under this Bill. The honourable member stated that we must train our own lawyers, our own doctors, our own scientists, and our own teachers. He thought that, at the rate they were going in the way of training lawyers—he did not know so much about doctors—but certainly, as far as the lawyers and teachers were concerned, there were too many in these professions. The result was that it was not tending to

4.0. improve the position of some of the professions to which he referred. He questioned very much whether they were not going too

far. It was not the selection of the fittest; it was not making it universal; he said that we were giving advantages to a select few, and the colony had to provide for them first by endowments, and secondly by grants under legislation. Under these circumstances the honourable gentleman was commencing at the wrong end when he asked that this piece of land should be given for the purpose. The question was, Should the colony retain this Ministerial residence for another year, or should it be disposed of? He did not care what was done with the amount realised. It might be given for primary-school buildings, so that schools might be erected in newly-settled districts, so that it should not be as he had seen in his travels: there were settlements where he had seen children being taught in a cow-shed. If they wanted money for the purpose of grants to school-buildings in places where settlement was going on rapidly, let them use the money for that purpose, and he had not the slightest objection. And he said the claims of these people were much greater than for the Middle District University. He objected, therefore, to the recommitment of the Bill. Why did not the honourable gentleman, when the University Bill was before the House, put this land in the schedule of that Bill, and honestly ask the House for it for that purpose, instead of, by a side-wind, attempting to secure an endowment? This did not commend itself to his (Mr. Seddon's) mind as being a proper and legitimate way to treat the House. He thought the House should come to the conclusion to sell the residence, and have done with it once and for all. What did it mean? They had to keep the Ministerial residences in repair, and to keep gardeners there, and to go to all sorts of trouble and expense, and next year the whole question would be reopened again. In regard to the point raised as to the assent of the Crown not having been obtained, the honourable gentleman was debarred by the ruling of the Chairman: still, there was a division taken on the schedule, and there was a very large majority against the exclusion of this land from the schedule. He did not know whether honourable members had altered their opinions. It was quite true that there was a very small House, and he thought it was only fair to give the honourable gentleman the opportunity of bringing the matter before the House when more members were present, and that was why the third reading was postponed. He saw no reason why exception should be made of Wellington in respect to this piece of land. It was the property of the Crown, the House was in favour of disposing of it, and he thought there was much greater need for the proceeds to go to the establishment of primary schools in newly-settled districts than for the establishment of a university for the middle district. There were the Wellington College, the Roman Catholic College in Wellington, and the high schools. What were the high schools? They were select schools for the children of certain people who objected to their children mixing with pupils who at-

Mr. Seddon

tended the other schools. When the standard was brought down, and Fourth Standard pupils were admitted in the high schools, it was not what was intended at all. Not long ago £2,000 was asked for, and had been granted. Wellington could not complain, and Wellington had no claim whatever for the special provision the honourable gentleman asked for. If a majority was prepared to give this land for a university, let them say so. It was much better to have it decided once for all. He would take the decision on this division. If a majority were willing to recommit he would take it as an indication that the land was to be given for a Middle District University.

Mr. BELL said the honourable gentleman had hardly held out any olive-branch. He lost no opportunity of making a violent attack on the people of Wellington. He did it in Committee; and when in Committee on the Bill he (Mr. Bell) had refrained from replying. The honourable gentleman now repeated it in the House, and when the whole House was anxious to get on with the business the leader of the House made that attack. He would refrain again from occupying the time of the House at any length in what he had to say. First, with regard to what the Premier said about the senior member for Wellington City, he was entirely incorrect. That honourable gentleman, in introducing the Middle District University College Bill, said that he was prevented from proposing any endowment because that could only be done on the motion of the Crown; and therefore he said he was bringing in a Bill in an incomplete form: but he never said the House would not be asked at any time to give an endowment; and when the Premier said his honourable friend misled the House, and induced the House to pass the Bill by some false pretences of that sort, he was saying what was entirely incorrect, and what, had the honourable gentleman been a little careful, he must have known to be incorrect. The Premier went into the question of university education, and into that he did not propose to follow the honourable gentleman, except by giving an absolute contradiction to the statement that it was only open to a certain class. That was not the case, and the Premier only said it for the purpose of using an *ad captandum* argument in the House, and of getting that sort of flapdoodle into *Hansard*, to be used on the platforms afterwards. There was no sense, no accuracy, in it. But if it were so, what would be the remedy? The remedy would be to supplement the finances of the universities in order that they might be open to all. Did the honourable gentleman contend that the way to enlarge the scope of these institutions was to limit their means? No. If the honourable gentleman wanted to extend it to all classes—if it were limited now—the way was to endow the universities, so that they should be able to provide education at less cost to the students than at present. The honourable gentleman spoke of his attitude in regard to the Auckland University to show that he was not opposed to higher education.

He did not follow previous votes of honourable gentlemen in *Hansard*, and did not know how he voted on that occasion, but he assumed the honourable gentleman supported the delivery to the Auckland University of a building that was the property of the Crown, and its endowment with a sum of £4,000 per annum; and what consistency was there between that action and his speech of to-day?

Mr. J. MCKENZIE said we had sufficient universities in the colony already.

Mr. BELL said the honourable gentleman might take that attitude consistently, but the Premier did not say that he opposed the motion because they had sufficient universities now, but because university education was a provision for a certain class.

Mr. SEDDON said he did not say that.

Mr. BELL said, then his ears could not be trusted.

Mr. SEDDON said he was referring to universities and high schools that now existed,—as to who had the advantage of them.

Mr. BELL said, then, why did the honourable gentleman vote to give a public building and £4,000 a year to the Auckland University, if that was the effect of it? The honourable gentleman was praising himself for his vote on that occasion. But this was playing with the question. The reason why his honourable friend asked for the recommitment of the Bill was this: On two occasions this particular building had been offered by the Government as an endowment for the University; and the Premier knew it quite well—that, if the building was to be disposed of, Parliament would be invited to allow it to be given for this purpose. Nothing new was being asked. He asked the Minister of Education to say whether this was not the case. That was the reason why special exception was asked for in regard to this building. At this late period of the session university education was far too wide a question to enter upon, but he asked the House to say whether it was not a great temptation to a representative of Wellington to use his full privilege in reply to the speech that had been made by the Premier. He would not yield to the temptation, but he would say in one sentence, in regard to the necessity for a university in Wellington, those who had universities established in their own districts ought in fairness to support this motion, inasmuch as it was asking for no more than the Government had been prepared to give before the Premier had got the idea that it was a popular thing to denounce university education as class education and university legislation as class legislation. Inasmuch as it had been offered, and inasmuch as it was the beginning of a necessary endowment, the House ought, in fairness, to agree to the recommitment, and to the exclusion of this piece of ground from the Bill.

Mr. REEVES said that, in answer to the question put by the honourable gentleman, he would say what he thought happened on the occasion to which he referred. He presumed the honourable gentleman referred to the occasion on which a large deputation waited upon

him (Mr. Reeves) in the Government Buildings with regard to a university for Wellington. They asked that something should be done to establish a university; and either he (Mr. Reeves) suggested to them, or somebody else suggested and he took it up, that this Tinakori Road residence should be handed over as an endowment. He forgot whether he suggested it first, or whether somebody else suggested it and he himself took up the suggestion. Then some of the members for Wellington City, or perhaps the honourable member for Wellington Suburbs—he rather thought it was the honourable member over there—said that that would not do that; whatever the Government did, it ought not to be confined to some petty dribbling endowment of the kind, which would lead to nothing satisfactory, but that if any assistance at all were to be given they ought to give some substantial and sufficient endowment. Somebody else corroborated that; and he (Mr. Reeves) left it there. He thought the feeling of the deputation was that they did not want any trifling scraps of an endowment such as that, but that they wanted a really good and sufficient endowment or none at all.

Dr. NEWMAN thought, so far as his memory served him, that his desire was to take what they could get on that occasion, and to ask for more on a future occasion. That was good, sound policy, and, so far as he remembered, it was the policy he advocated—namely, that of taking all they could get, and coming back later on and asking, perhaps, the Minister of Lands to give them 10,000 acres out of the Awarua Block. He would not stick at a trifle like that if he could get it.

Mr. GREEN.—Why not ask for the whole block?

Dr. NEWMAN could not get the whole block, but if he could get 10,000 acres he would take it, and ask for more afterwards. He asked the Premier if he could not see his way to meet them in this matter. He thought it was only a little they were asking for, and if the honourable gentleman gave them a capitulation it would be all the better. He ventured to say, while they were going about it, that, if they were prepared to start the thing by giving it a habitation, a considerable number of people would be prepared to help considerably this University; and, under these circumstances, he hoped the honourable gentleman would see the advisability of giving it a start. He failed to see why he should not do so; the money would certainly be quite as well spent in the establishment of a university in Wellington as on the purposes for which large amounts were already being spent.

Mr. DUTHIE was sorry his colleague, in place of asking for one of the residences, did not ask for the whole of them. They might as well all be passed over for this purpose. If the House looked at the position of this province it would see that it was altogether different from that of the South. In early years it had no land revenue. The Provincial Government had to buy all its land from the Natives, and it had always been a struggle in this part of the

country how to meet the cost of road-construction. The district was mountainous, and hence the Provincial Government had always been in an impecunious position, and never able to make endowments for the purpose of education, as the people in the more favoured South Island had been. It could only be by the sense of justice of the House this endowment could be given. The House had fairly provided for the Province of Auckland in the matter of university education by an endowment of £4,000 per annum.

Sir R. STOUT.—And land-endowments in addition.

Mr. DUTHIE.—Yes; they had land-endowments in addition to this charge upon the consolidated revenue of £4,000 per annum. This province, however, had no endowments whatever, and, seeing it had no property available, and that these residences were proposed to be sold, he could hardly think it was worth the while of the House to dispose of them otherwise than by granting them as an endowment for the purpose indicated. It would make very little difference to the colony on a year's income, and it was far better to apply these residences to assisting to meet this want, which, the House must recognise, gave a genuine claim against it for aid. He trusted the Premier would not press the matter, but would accept the amendment assigning the residences as an endowment to the University Board. In respect to higher education Wellington was in an impecunious state, and it was a district that was never found clamouring for contributions from the public purse. While a member during four years he had never preferred a claim upon the public purse. That being the case, he thought the House could fairly meet this modest request. He trusted the amendment would be agreed to.

Mr. MEREDITH rose to protest against the suggestion of the honourable member who had just sat down—that the total proceeds from the sale of the Ministerial residences might be devoted to an endowment for a university for the City of Wellington. So long as the work of settlement was being extended in almost every direction in the North Island, and in the South Island as well, it was imperative to follow up settlement by planting schools, and he thought the needs of these settlers in the remote districts of the North Island, and in the South Island as well, to have their educational wants attended to, should be provided for before they went in for a lavish expenditure in the shape of endowments for a university in Wellington. If they had an abundance of money so as to give the settlers an opportunity of educating their children, there might be some reason for doing so. But, as that was not the case, he must protest against the proceeds of the Ministerial residences being set apart for the object advocated by the honourable member for Wellington City (Sir R. Stout). The honourable member for Riccarton had offered a good suggestion to the House—namely, that the sum of £15,000 from the proceeds of the Ministerial residences should

be devoted to overtake the wants of primary education in the different parts of the colony. He would supplement that recommendation by suggesting to the Premier that the balance of £10,000—as he had been informed, the total proceeds were likely to amount to £25,000—should be devoted towards the erection of a suitable building to contain the parliamentary library. That matter had been brought under the notice of the House again and again by the Joint Parliamentary Committee, and he understood it would require £10,000 to do that. He was quite sure, however, from his knowledge of the backward condition of remote districts, and from the reports of the Education Boards, that £15,000 would be inadequate to overtake the demands for primary schools. His honourable friend the member for Wellington City (Mr. Bell) characterized the remarks of the Premier in regard to secondary schools as “flapdoodle.” He thought that was far from being complimentary, and far from being appropriate or applicable to the remarks of the Premier. The remarks of the Premier were quite true. He knew personally that in some secondary schools the children of wealthy parents were admitted that were not able to pass the Second Standard of the ordinary primary schools, and that the secondary schools were largely taken advantage of by wealthy parents to have their children educated, when they would be much better educated in the primary schools. He would ask the honourable member for the Wellington City, was it possible for the children of the ordinary labouring-man, or the artisan, or, indeed, of the great bulk of the settlers in the country districts to take advantage of the secondary schools at the present time? How could they, when the fees were prohibitory, running from eight to sixteen guineas a year?

Sir R. STOUT.—Why not have them free?

Mr. MEREDITH.—Yes; why not have them free? Let them legislate in that direction, so that every one, irrespective of his social status, should have the opportunity of having his children educated free. He was prepared to go as far as that, because he considered that every section of the community, whether rich or poor, should be entitled to equal educational advantages.

Major STEWARD said he had been absent from town on private business, and had not yet quite ascertained the position of affairs, but, as he understood, the honourable member for Wellington City (Sir R. Stout) had moved the recommitment of the Bill for the purpose of excepting from the clause the Ministerial residence in Tinakori Road, with the ultimate view, as he apprehended, that that building should be free to be devoted to the purposes of the Middle District University. He could only say that he would most heartily support the honourable member in that proposal, for he thought that all parts of New Zealand were entitled to equal advantages in regard to superior education. The middle portion of the colony for years past had not had equal advantages with other portions of the colony. They

Mr. Duthie

had a university in Otago, they had a university college in Auckland, they had similar provision to a certain extent in Christchurch, but there had been no provision made hitherto for Wellington and the parts hereabout. The honourable member had succeeded in passing a Bill by which they had agreed to the establishment of an organization with a view to the ultimate establishment of a university for the middle district of New Zealand. But it would also require buildings in which the teaching could be carried on, and he did not know that a more convenient site could be obtained in the vicinity of Wellington than that of the Ministerial residence in Tinakori Road. Therefore he would heartily support the honourable member in moving to except that particular building from the sale-power which the Government were to have respecting the other Ministerial houses in Wellington. He would like to offer this suggestion also: that, if power were given by the House to sell the other Ministerial residences, the money which was derived from the sale could not be better expended than for the purpose of establishing a permanent building for placing in security the very valuable library that belonged to the General Assembly. He had a motion on the Order Paper which, when the opportunity occurred, he intended to move—that was, to bring before the House the necessity which had been patent for some years past of erecting a more secure building for the safe custody of the very valuable library which was attached to these premises. If the question was how to find funds for the purpose of carrying that out, it would easily be solved by appropriating the proceeds from the sale of the other Ministerial residences to that purpose. If, when the Bill was passed, as he supposed it would be, for the sale of the Ministerial residences, an exception were made of the residence in Tinakori Road, with the view that that building should eventually be the home of the Middle District University, and if the proceeds of the sale of the other residences were devoted to the establishment of a permanent building for the reception of the valuable library in the Parliament Buildings, he thought it would be a very satisfactory result. He supported the Bill; but he also supported the amendment moved by the honourable member for Wellington City (Sir R. Stout), for the reasons he had stated.

Mr. ALLEN said the honourable member for Ashley had repeated that afternoon a statement that had been made very often in the House, and which he thought required refutation. He understood the Premier had also made that statement, and he desired to call attention to the remarks the honourable gentleman had made just now. It had often been stated in the House that the secondary schools were class schools, opened only for the advantage of the wealthy few.

Mr. J. McKENZIE.—Hear, hear.

Mr. ALLEN.—“Hear, hear,” said another Minister. Now, he desired to give the Minister some information on the subject, and he hoped the honourable gentleman would accept it, and that he would, when he had further con-

sidered the matter, come to a different conclusion. He wished to put on record what was the condition of things as regarded the Otago Girls' and Boys' High Schools. He had a statement showing the classification according to occupation of the parents of the children attending the Otago Girls' and Boys' High Schools. With Mr. Speaker's permission he would read the list through:—

Agents ...	9	Gentlemen ...	4
Architects ...	2	Hotelkeepers ...	5
Auctioneers ...	3	Ironfounders ...	3
Brewer ...	1	Ironmongers ...	4
Bricklayer ...	1	Journalist ...	1
Brickmaker ...	1	Librarian ...	1
Blacksmiths ...	2	Laundryman ...	1
Booksellers, &c. ...	3	Money-lenders ...	2
Bootmakers ...	2	Merchants ...	13
Bank clerks ...	4	Medical men ...	2
Bank and company managers ...	10	Miner ...	1
Clergymen ...	6	Master mariner ...	1
Civil servants ...	12	Mate ...	1
Carver ...	1	Painter ...	1
Clerks ...	9	Printers ...	2
Commercial travellers ...	4	Railway servants ...	5
Carpenters ...	7	Runholders ...	8
Chemists ...	4	Sawmiller ...	1
Contractor ...	1	Solicitors ...	12
Dealer and driver ...	1	Storekeepers ...	4
Drapers and assistants ...	2	Shipping agents ...	2
Engine-driver ...	1	Soap-manufacturer ...	1
Engineers ...	2	Storemen ...	2
Engineers (Civil) ...	3	Surveyor ...	1
Expressmen ...	4	School Inspector ...	1
Farmers ...	21	Tinsmith ...	1
Furniture-dealer ...	1	Tailors and clothiers ...	4
Fellmongers ...	2	Teachers ...	11
		University Professors ...	6
		Warehousemen ...	11
		Widows ...	34

Mr. J. McKENZIE.—Not a single labourer.

Mr. ALLEN asked, what did the honourable gentleman call bricklayers, brickmakers, engine-drivers, miners, and blacksmiths? Now that he had placed this on record it ought never again to be said in the House that these secondary schools were class schools. The list he had read out was a most satisfactory indication that secondary education was availed of by all classes, and the mixture was as complete as could be. In regard to the Bill, where there were pieces of land that might be reserved for education purposes they should not be sacrificed by the General Government. He was sorry that in the early days those who had charge of affairs were not so wise in some districts as in others, and it was a great pity they had not secured reserves for education purposes in their districts. The cry for resuming these reserves came from those districts which were not so fortunate in respect of reserves; but he would urge on members representing such districts that their best course would be even now to attempt to have reserves set aside in their districts for educational purposes, and he would be only too glad to assist them at any time in such attempts.

Captain RUSSELL would not like it to be thought that it was only the Wellington members who were supporting the creation of a university for the middle district of New Zealand. This want was felt far more widely than in the town and district of Wellington. He had been for many years connected with the education system in Hawke's Bay, and he

could speak of the great difficulties they suffered under in not being able to obtain any choice of high-school education for the people. So far as university education went, Hawke's Bay, Taranaki, the Wairarapa, and a great portion of the lower centre of New Zealand were practically as far separated from university education as if there was no university in the colony at all. Practically, none of their youths were able to obtain university education. The honourable member for Bruce, in speaking just before, said it was a pity that some districts had not followed the good example of other more fortunate ones—meaning, he presumed, Otago and Canterbury—in making larger endowments for universities and educational purposes. With regard to the middle district, all the reserves were made before he (Captain Russell) came into public life, so that no blame attached to himself in the matter. But they had no reserves because they had but little land, and it was impossible to make them. Small areas were bought by the Crown from time to time from the Natives, but the great bulk of the land remained in the hands of the Native people, and it was impossible to set aside large endowments for university or other education from the simple fact that there was no land to set aside, and the difficulties which they had to overcome in the making of roads and bridges did not occur in some portions of the South Island, the character of the land being so different. And he would invite honourable members from the South Island to remember the large area of land was made a present to the South Island by the Government of New Zealand. The land was purchased for a small sum, and it was handed over to the various provincial districts.

An Hon. MEMBER.—We had to pay interest. Captain RUSSELL said the whole cost of the land was only £7,000, so that there was not much to be paid, at any rate. He could not say that the honourable gentleman was incorrect, but he would like to have a great deal more information before he could admit that the South Island had been treated otherwise than extremely well, because the fact remained that there was a magnificent land endowment granted by the Government to the southern provinces, out of which they were able to make their roads, bridges, *et cetera*—and quite properly. But there ought to be some consideration, at any rate, given, so that the youth of central New Zealand might obtain the advantages of university education. He was surprised to hear the honourable member for Ashley arguing against it. They had had labour legislation introduced into the House almost *ad nauseam*, and if they were really to advance the interests of the working-people they must endeavour to give them the best education possible, and a system of scholarships should be devised by which the clever boys should pass from the primary to the secondary schools, and the cleverest of them again on to the university, irrespective of class altogether.

Captain Russell

Mr. MEREDITH.—What about those who have no primary education?

Captain RUSSELL said the honourable gentleman himself, in speaking a little while ago, quoted a sum of £15,000 which ought to be voted in order to make school-buildings; and all the Government had to do now was to bring down on the supplementary estimates a vote of £40,000 for primary-school buildings, and they would carry it through the House with scarcely a dissentient voice. They must not delude themselves into the idea that they could not get money for primary education. If the Premier would ask the House to vote whatever sum was necessary, he (Captain Russell) guaranteed that sum would be voted without any difficulty from the Opposition. He held that there was a good deal of nonsense talked with regard to the schools in the outlying districts. He spoke with considerable authority with regard to his own district, at any rate. He did not mean to say that where two or three people were gathered together there was a school in their midst, but he said that when there were a very few children the Education Board was prepared to pay capitation-money if a school should be established there, if the parents supplemented the funds guaranteed by the Education Board. The result was that, while they were well provided with scholars, they were very badly provided with school-buildings, and this was because Government would not bring down such a sum as would place the school-buildings on a proper footing. An eternal cry was got up to the effect that the higher education was for the benefit of the rich only. There were fees to be paid, of course, and naturally it must be admitted that those who were blessed with the greatest supply of worldly goods could not but have better opportunities of obtaining for their children a higher education; but he knew that the youths of every class of society attended these schools, and he believed himself that the schools were carried on with the utmost regularity, and that excellent discipline was maintained. Let them by all means assist all those children that deserved assistance. He did not believe in giving those advantages to those children who would not learn, but, where children had proved by their success at primary schools that they were desirous of going on with higher studies, he held that it was the duty of the State to afford them every opportunity of so doing. The honourable member for Wellington City (Sir R. Stout) quoted Scotland and Germany to show what had been done for the people in those countries in the way of education. One heard it jocularly stated that, if one went to the North Pole, there you would be sure to find a Scotchman sitting. He occupied every position of advantage. Scotchmen had had for years and years the benefit of a first-rate education, and the result was that in the army and navy, and in all the more scientific callings, Scotchmen would be found prominent, and that was because they had had the advantages of a first-class education in their very earliest days. It had been

said that the higher education of children would make them dissatisfied with trade, but he thought that the children would be more capable of entering into the technical trades if the colony presented them with high-class education, and that, far from being discontented, they would take pride in their work and prove successful in their enterprises.

Mr. T. MACKENZIE was sorry the honourable member for Ashley had retired from the chamber.

Mr. MEREDITH.—I am here.

Mr. T. MACKENZIE was glad he had returned; but he should have heard what the honourable member for Bruce had said on the question of class education. The honourable member stated that the secondary schools were used as class institutions, and as he then left the chamber he deprived himself of hearing the information the honourable member for Bruce had to give the House. That honourable gentleman read a return which showed that in the secondary schools in Otago almost every class of the community was represented, and that the industrial classes predominated. No doubt the honourable member for Ashley made that speech because he thought the better class of the community were in a minority, and therefore ought not to be truckled to; but if the better classes were in a majority he would have submitted to them. The honourable member took up the same position when he discussed the extension of the franchise to women. He declared that he would not give a servant-girl the franchise in this country. That was the Liberalism of the honourable gentleman, and it was because at that time he thought the employers were in a majority. Then, the honourable member stated that there were children in the secondary schools who could not pass the Second Standard. Now, the honourable gentleman must know that that was incorrect. He had much pleasure in supporting the honourable member for Wellington City's (Sir R. Stout's) motion, as he thought this part of the colony ought to have the advantages of university education.

Mr. COLLINS would not like to say a word against the House granting further facilities for higher education, and he would not have troubled the House were it not to place another view of the education question before honourable members, in opposition to what appeared to him to be a rather misleading statement as to the educational position of New Zealand as compared with Continental countries. The honourable member for Hawke's Bay drew the attention of the House to the fact that the honourable member for Wellington City (Sir R. Stout) had spoken of the educational condition of Scotland and Germany, and he was somewhat sorry that in his plea for the disposal of these Government properties for educational purposes the honourable member for Wellington City should have used some words which were distinctly in disparagement of the educational system of New Zealand.

Sir R. STOUT.—I never did anything of the sort.

Mr. COLLINS said there was no other country in the world which had devoted so much attention, and successfully so, to the education of the masses of the people as New Zealand. He thought it was well that they should not lose sight of that fact. By way of converse to the points brought out by the honourable gentleman he would draw attention to the fact that, compared with the education of the masses of either Scotland or Prussia, New Zealand stood distinctly ahead of those countries. Those countries might have paid more attention to the education of the middle and upper classes, but so far as the masses were concerned New Zealand had produced results which placed it in a position of educational pre-eminence amongst the countries of the world. The following showed the proportion of those who could not write, as shown by the number who signed the marriage-register with a cross or mark: Prussia, 4.21; Scotland, 6.46; England and Wales, 9.85; Holland, 11.18; France, 11.50; Italy, 26.65; New Zealand, 2.52. So that New Zealand stood wonderfully ahead of all the other countries enumerated so far as the education of its masses was concerned. He thought they might advocate the claims of higher education without in any way disparaging our primary-education system.

Mr. HOGG said there were occasions when the theoretical and practical came into conflict, and he thought this was one of them. There was not the slightest doubt theoretically that higher education was very desirable, but practically in the present circumstances of the colony it was not always attainable. He was not by any means opposed to universities. Possibly he had as high an appreciation of universities and university education and of the benefit to be derived from them as the honourable member for Wellington City (Sir R. Stout); but what he said was this: They had to consider ways and means. They had already in New Zealand two universities; and in proportion to our population they were well supplied with secondary schools, colleges, and universities. It was not a question of whether universities were desirable at all, but the question resolved itself simply into this: Could we really afford it? It was not so very long ago—in fact, it was only a few hours previously—that the honourable gentleman who that afternoon had been speaking in favour of this university was rating the Government very severely in that House because they were voting £300,000 or £400,000 for roads and bridges. The individual who would squander all this money on universities was the same honourable member who had denounced the Government for spending money on useful public works for the settlers of the colony.

Sir R. STOUT rose to a point of order. The honourable gentleman was referring to his speech in a previous debate.

Mr. SPEAKER thought the reference was very slight, but perhaps the honourable member, in view of the objection taken, would be good enough to abstain from continuing in that line.

Mr. HOGG would adhere strictly to the question at issue, although he might point out this fact: that the Bill they were now dealing with was a Bill for the sale of the Ministerial residences, and the honourable member, with his usual adroitness, had twisted that Bill round to introduce the question of higher education. Why did he interfere with the present Bill? Simply to introduce a great "fad" of his in reference to higher education. Universities, no doubt, were desirable. He would like to see one in every town in the colony. He would like to see one in Masterton, for one there would be a great advantage to the children of the settlers in that district. He would like to see every young man and woman in the colony with a university education. He would like to see them educated in such subjects as algebra, geometry, Euclid, and the classics. He would like to see every man his own lawyer, his own doctor, and his own clergyman, and possibly in the great future we should arrive at a time when we should be able to dispense with lawyers and doctors because every one would have a university education. He thought, however, that was travelling beyond the practical into the theoretical. Before they tried to attain the educational facilities that the honourable gentleman proposed they ought to see that their primary-education system was properly provided for. He maintained that in the present position of the colony they were unable to devote the amount of funds to primary education that they ought to do. After primary schools had been erected in every district where they were required, and after the children of the country settlers, as well as the children in our towns, had the opportunity of gaining higher education, it would be time enough to talk about establishing further universities in the larger centres. After all, what did it come to? It meant this: If you are going to establish universities beyond the demands of the people you would reduce the quality of those universities, for you will not be able to maintain the staff necessary to give the children the superior education which they have a right to expect when they enter those institutions. Wellington had, perhaps, been sadly neglected in the past, and it ought to enjoy a university at the present time; but, inasmuch as its claims had been overlooked, and universities and colleges had been established at Auckland, Christchurch, and Dunedin, they were not in a position to go to any more expense in that direction at the present time. They were spending a very large amount of money on various grades of education, and the question was, whether they were going to add the additional straw which would break the camel's back. He maintained that if the Government were going to spend any more money on universities and on higher education they ought to consult the opinions of the people—and when he referred to "the people" he referred to the opinions of the masses. He did not argue for a moment that the children of the well-to-do tradesmen in our cities should not have the advantage of uni-

versity education; but he would ask this question: What opportunity had the children of the country settlers of coming down to a city like Wellington and receiving the benefit of university education? It would be simply impossible for the great mass of the children in the Wellington Provincial District to receive the benefit of a university education in Wellington City. The country settlers, who would be required to support this university, were the same people who at the present time were supporting the poor of Wellington. From whence came the money to support the charitable institutions in Wellington? Was it not from the Wairarapa? Not content with a poor-rate, the mover of the amendment (Sir R. Stout) wanted to afflict the country settlers with an education rate. He hoped honourable members would not entertain the idea of carrying the amendment.

Mr. MORRISON thought the House had been treated very unkindly by the honourable member for Wellington City (Sir R. Stout). He remembered that at an earlier period of the session, when the honourable gentleman introduced the Middle District University College Bill, the honourable gentleman said it was simply a machinery measure, and that he was not asking for an endowment. Almost before the ink was dry on that Act the honourable gentleman now came down and asked for a liberal endowment for that university. What he (Mr. Morrison) complained of was this: That the honourable gentleman had not placed before the House any facts in connection with the proposed university. The honourable gentleman did not show that there was a demand for a university in Wellington; he did not show how many pupils attended the other universities. The honourable gentleman simply said, because the other large centres had university colleges, Wellington also must have one. The honourable gentleman said that they had got the machinery measure, and now was the opportunity to get a land-endowment. He did not think it was a proper position for the honourable gentleman to take up. The honourable member for Bruce was very ingenious in his reference to the occupations of the parents of the children attending the Boys' High School at Dunedin, and the honourable member tried to lead the House to believe that these children were receiving secondary education the same as other children. The children whose fathers were blacksmiths, bricklayers, and contractors were children who had passed through all the grades in the primary schools. They were bright, intelligent children who had gained scholarships in the primary schools. And members must also remember this: that in Dunedin every child who succeeded in obtaining 50 per cent. of marks at the annual examinations was entitled to twelve months' free education at the Otago high schools; and yet the honourable gentleman would like to lead the House to believe that these children were there just the same as other children. He did not think, therefore, the honourable gentleman's reference to this matter was of any con-

siderable value. The honourable member for Clutha said that the boys attending the Boys' High School helped to reduce the cost per head of the children attending that school.

50. He did not know whether that was a fair illustration or not. Children who could only pass the Second Standard and yet attended the Boys' High School cost the colony from £8 to £10 per head; in the primary schools they cost £3 15s. per head; and he did not see why the State should be taxed £6 or £7 per head simply because the parents of a child belonged to a particular section of the community and would like to be able to say he was attending a high school. The feeling in the public mind was that the secondary education of the colony was not doing what it was intended to do. He contended that no boy or girl had a right to be admitted to a high school until he or she had passed all the grades of the primary school.

Sir R. STOUT rose to explain that it had been stated that he had said he did not wish for any endowment or moneys from the Crown. He had never said anything of the sort, and he would refer honourable members to page 109 of *Hansard*, No. 12.

Mr. BUCHANAN felt bound to strongly combat the impression sought to be created by several speakers that those who were in favour of the endowment of the Middle District University were careless of the interests of primary education. Such was not the case at all. He would yield to no honourable member in his desire to further primary education in every way possible. What surprised him most was what the honourable member for Westland had stated—namely, that the children of farmers would not be able to derive any benefit from the establishment of a college in Wellington, and that it would practically be at the disposal of Wellington residents only. He demurred altogether from that, for everybody knew that in Scotland, for instance, the Universities of Edinburgh and Glasgow were actually taken advantage of in greater proportion by the sons of farmers and country settlers than by any other class of the community. They had also an example of what was going on in Otago from the list that had just been read out by the honourable member for Bruce, by which they found that twenty-one farmers' sons were attending the high schools in the City of Dunedin. Any honourable member knew that when the residents of the country were really desirous of obtaining a better education for their children they could, and did, arrange to do so by sending them to live with their friends in town. Another important point, to which no reference had yet been made, was that of late years the greater part of the increase in the population of New Zealand had been in the middle district. The last census showed clearly that one-half, or nearly one-half, of the total increase was in the Wellington and Taranaki Provincial Districts. No argument was therefore necessary from him to show the House the necessity for providing educational facilities in those districts, which should be on a level with those

in other parts of the colony. The honourable member for Masterton had represented that, if they increased the cost of education throughout the colony by such an endowment as this, it might be the last straw to break the camel's back. Could absurdity any further go than to hint at the possibility that this trifling endowment—an endowment that the colony could not feel at all—would be the last straw to break the colony's back? When silly arguments such as these were found necessary by any honourable member, it was not worth his while, or that of any other honourable gentleman, to get up and refute them. He did not propose to make any further remarks upon the question. All he would ask of honourable members from other parts of the colony was to give the Wellington middle district the same justice that the members representing the middle district had always, he thought, been willing to give them—namely, a fair share of the public funds, which by right should be at the disposal of all parts of the colony for secondary education. In these modern times, more than had ever been the case before in the world's history, a liberal education had become an absolute necessity if the people of New Zealand were to hold their own in the race of life. Otherwise they would find that all the prizes in every walk of life amongst us would be appropriated by people coming from outside, though of right they should belong to future generations of New Zealanders. He therefore hoped the Premier would not oppose the amendment before the House.

Mr. MILLAR did not intend to take up the time of the House by discussing the question of university education. He intended to support the amendment of the honourable member for Wellington City (Sir R. Stout), on the ground, first, that they had no right to sell any of this land at all. It appeared to him to be highly inconsistent with the view that the State should be the sole landowner that the Government should support that policy and yet ask for the sale of this land. His second ground was that he was a supporter of free education—university and all other. He, for one, did not see why they should alienate land from the Crown, for the more land they sold the less they would have for higher education. He would vote against the third reading of the Bill.

The House divided on the question, "That the words proposed to be omitted stand part of the question."

AYES, 35.

Buddo	Harris	Parata
Buick	Houston	Pinkerton
Cadman	Hutchison, W.	Pirani
Carnecross	Kelly, J. W.	Reeves
Carnell	Lawry	Saunders
Carroll	Maelin	Seddon
Collins	McGowan	Tanner
Flatman	McKenzie, J.	Thompson
Graham	McKenzie, R.	Ward.
Guinness	McLachlan	<i>Tellers.</i>
Hall	Mills	Hogg
Hall-Jones	Morrison	Meredith.

NOES, 22.

Allen	Massey	Smith, G. J.
Button	McNab	Steward
Crowther	Millar	Stout
Earnshaw	Mitchelson	Te Ao.
Fraser	Montgomery	
Heke	Newman	<i>Tellers.</i>
Lang	Russell, W. R.	Bell
Mackenzie, T.	Smith, E. M.	Buchanan.

PAIRS.

<i>For.</i>	<i>Against.</i>
Joyce	Hutchison, G.
Kelly, W.	Duthie
Mackintosh.	Green.

Majority for, 13.

Amendment negatived, and Bill read a third time.

The House divided on the question, "That the Bill do pass."

AYES, 36.

Buddo	Hogg	Parata
Cadman	Houston	Pirani
Carncross	Hutchison, W.	Saunders
Carnell	Kelly, J. W.	Seddon
Carroll	Lawry	Smith, E. M.
Collins	McGowan	Steward
Crowther	McKenzie, J.	Tanner
Flatman	McKenzie, R.	Thompson
Graham	McLachlan	Ward.
Guinness	Meredith	<i>Tellers.</i>
Hall	Mills	Morrison
Hall-Jones	Montgomery	Pinkerton.
Harris		

NOES, 19.

Buick	Maslin	Smith, G. J.
Button	McNab	Stout
Earnshaw	Millar	Te Ao.
Fraser	Mitchelson	
Heke	Newman	<i>Tellers.</i>
Lang	Pere	Allen
Mackenzie, T.	Russell, W. R.	Buchanan.

PAIRS.

<i>For.</i>	<i>Against.</i>
Joyce	Hutchison, G.
Kelly, W.	Duthie
Mackintosh.	Green.

Majority for, 17.

Motion agreed to.

PRIVILEGES OF THE HOUSE.

Mr. SEDDON brought up the report of a Conference on several Bills. [See proceedings of Legislative Council, pages 760, 761.]

CRIMINAL CODE BILL.

7.30. On the motion of Mr. SEDDON, a Conference with the Legislative Council on the amendments made in this Bill was ordered to be asked for; and the following were appointed Managers for the Conference: Mr. Mills, Mr. Collins, and the mover.

LAND FOR SETTLEMENTS BILL.

On the motion of Mr. J. MCKENZIE, the result of the Conference with the Legislative Council on this Bill was agreed to.

NEW ZEALAND CONSOLS BILL.

Mr. WARD moved, That the result of the Conference with the Legislative Council on this Bill be agreed to.

Mr. BELL explained that it was understood that he was appointed one of the Managers for the House on the question of privilege only, and he wished to say that he took no part in the discussion as to whether the House should insist against accepting the amendments made by the Legislative Council. He, of course, agreed, as one of the Managers for the House, with the report, but he desired to absolve himself from being personally a party to the agreement by which an amendment was to be made by Governor's message.

Mr. SEDDON, as one of the Managers appointed by the House, might say that what the honourable member stated was absolutely correct. On the question of policy, as the honourable gentleman stated, he held different views from those of the members of the Government who were conducting the Conference. Still, it was on the question of privilege the honourable gentleman was particularly sent to assist in safeguarding the interests of the House. He must acknowledge the great ability and assistance rendered by the honourable gentleman in that respect, and he wished to say that the honourable gentleman was not responsible for the questions of policy which the Government adopted.

Motion agreed to.

HARBOURS BILL.

On the motion of Mr. WARD, the result of the Conference with the Legislative Council on this Bill was agreed to.

GOVERNMENT ADVANCES TO
SETTLERS BILL.

Mr. WARD said the most material point of alteration in this Bill was the limitation of the amount for which a loan was to be advanced. The maximum in the Bill as it passed through the House was £5,000. The Council decided in the first instance to reduce that to £1,000, but, as a result of the Conference, it was agreed that £2,500 should be inserted in lieu of the former amount, and this had been agreed to. The Council had reduced the amount for which advances were to be made from two-thirds of the value of the security in freehold to one-half, and, as a result of the Conference, they had agreed that "three-fifths" should be inserted instead of "two-thirds" in the case of freeholds. In the Bill as sent up to the Upper House, urban and suburban lands were included, but the Council had struck this out. The Managers for the House endeavoured to have these lands restored, but were unable to do so, and, as a result of the Conference, they had agreed to eliminate urban and suburban lands; and they had also agreed that the provisions for land-bonds should be struck out of the Bill. These were the material amendments, and he moved, That they be agreed to.

Mr. MONTGOMERY was surprised that there had been no voice raised in the House

concerning the conduct of their Managers on the question of privilege. When this question was first introduced Mr. Speaker made a very excellent speech, in which he pointed out that a clear infringement of their privileges had occurred.

AN HON. MEMBER.—You have not heard the report.

Mr. MONTGOMERY said he had heard the report, and the report said the question of privilege had not been touched upon. He had understood Mr. Speaker to say that a clear infringement of the House's privileges had occurred, and there was great applause when he stated they ought to maintain their privileges; and a Committee was appointed by the House to do so, and to object to these amendments on the ground of privilege. They appointed Managers, and it was thought at that time that the main point that would have to be dealt with was the very difficult question surrounding the whole law of privilege. What had been the result? The result had been that the question of privilege had not been dealt with at all by the Conference. There was nothing to show that their Managers had even claimed that it was the sole right of the Lower House to deal with public expenditure. The report showed that this had been left over; but it had not been left over for decision by the Law Advisers in England. What had been done was that the main amendments of the Legislative Council had been agreed to. But he maintained that the right course for the Managers of the House, if they agreed with the Managers of the Council, was not to agree to the amendments of the Council, but to say that if they would withdraw those amendments the Government would send them down by Governor's message in the form agreed to by the Conference. As it was, the House had recognised that the Council had some right to make the amendments, and he stated clearly that the position its Managers took up was that there was a recognised right on the part of the Council to make amendments. He understood that the House had placed gentlemen of high legal attainments on the Committee as Managers in order that they might be in a position to consider whether or not the amendments might be made, and whether the privileges of the House were to be maintained, and to do their best to prevent the Upper House from insisting on the principle it had acted on. The result had been that the Upper House had made amendments and those amendments had been agreed to. In former cases—in 1871, when the Payments to Provinces Act case was under consideration, and in 1881 in connection with the Pensions Act, and in other cases—the Upper House had withdrawn their amendments and these were sent down by Governor's message. Now the House had agreed to insert the Council's amendments, and had raised no protest against their making amendments; and he said the result of the Conference had been that the privileges of the House had been put in a worse position than they were in before. They stood now in a most peculiar and anomalous position. The Con-

stitution Act did not define the privileges of the Lower House in relation to the Legislative Council, and the Parliamentary Privileges Act of 1865 made it worse by saying that both Houses had the same privileges as the House of Commons. In other cases of dispute between the two Houses which had been decided the Upper House had got the worst of it. In one case that was referred Home, Lord Coleridge decided against the Upper House; and in 1882, in the case of the Pensions Bill, which was sent Home to the great authority on parliamentary law, Sir Erskine May, he decided against the Upper House, but he did not decide what were the privileges as between the Lower House and the Legislative Council at all. This had never been decided, and they were now in the same position, or perhaps in a worse position than they were in before. He maintained that the duty of the Managers was to have stood by the privileges of the Lower House. He was sorry they had not done so, for they had lost an opportunity of determining once and for all the whole parliamentary law on the subject. He thought the least they might have done was to have referred the question Home, as was done in 1882, for decision by the Home authorities, so that they might know exactly for the future what their position was. Every year that they agreed to amendments such as these made by the Upper House they lost ground with regard to privileges on money Bills. Leaving the question of privilege, he would say a word on the amendments in the Advances to Settlers Bill. He was glad to see that the Colonial Treasurer had at length agreed to the amendments which he and other honourable members advocated when the Bill was before the House. He was one of those who had voted for the second reading of the Bill, and he did so believing the principle of the Bill was a good one, but, as their efforts to make the Bill a safe measure in Committee had been unsuccessful, he had voted against the third reading, because he thought, however good the principle of the Bill might be, it was not in a safe and workable form. He was therefore very glad to see that the Legislative Council had made very important amendments in the Bill, and he ventured to say that, whatever the Ministry or the House might think, there was no doubt the country would agree with every one of the amendments of the Legislative Council. These were the amendments: They had reduced the amount to be lent in each loan from £5,000 to £2,500. Many honourable members thought that was a wise amendment to make. Then, the Upper House had taken away the power to lend money on town lands. Both these amendments were insisted on by many honourable members in the House. Then, the amendment reducing the amount of the advance from two-thirds to three-fifths, and the amendment doing away with the land-bonds—these amendments were all proposed in the Lower House; and he did not think it was fair to the Lower House to refuse the same amendments to them and afterwards accept them from the Legislative

Council. He was, however, glad that these amendments had been at last brought in, but he was sorry they had not gone a little further in reducing the total amount of money to be lent, as he had himself proposed. If these amendments had been carried in the Lower House in Committee he would have voted for the third reading of the Bill, and he hoped that the next time they had a Bill of this nature before them the Colonial Treasurer would accept reasonable amendments, especially when they came from his own side, and were moved with the object of making the Bill a safe and a workable one.

Mr. BELL said the position stated by the honourable gentleman was no doubt a correct one. The position which the Managers for the House took up at the Conference with the Managers for the Legislative Council was to maintain the privileges of the House, but they were unable to come to any agreement. They insisted on their privileges, and refused to abate them one jot; and the Managers for the Legislative Council also stood firm, and refused to accept the position taken up by the House. The question then arose whether there was to be a deadlock, or whether the Government legislation was to pass this session. If the Government desired that the legislation passed by the House this session should become law, then it was necessary to meet the Legislative Council upon the question of the merits of the amendments. Upon that question he (Mr. Bell) did not take any part. They did not waive the privileges of the House, as Mr. Speaker would agree, but they considered that it was time the privileges of the House should be determined once and for all, and they were prepared to leave the question to be decided by the Committee of the Privy Council. That was the course adopted in Queensland. He would do the Premier the justice to say that not until it was decided that there could not be an agreement as to the privileges of both Houses did the honourable gentleman consent to discuss the merits of the amendments, though at a later stage the question arose as to whether such a decision should be final if either House decided to submit the question to a higher tribunal. As it was then too late to suggest how a decision as to the privileges of both Houses should be obtained, the Conference proceeded to discuss the merits of the amendments. The Managers for the House insisted that there should be a distinct understanding that the present proceedings were not to establish any precedent, and that the privileges of the House were maintained. The House would see that the only course open to the Managers was either to say to the Legislative Council that they were prepared to abandon the Bills, or to say, "We will submit the question of privileges to some higher tribunal, and for this session only will we allow this course to be taken." The honourable member for Akaroa has suggested that they might have adopted the device of the Governor's message. Well, he would be no party to that. It appeared from the Constitution Act that the Governor had

power to suggest amendments to make legislation clear, but he protested against an assumption by the Crown of power to interfere by amendment in a statute of a character that would alter a policy measure. That being so, it would be the far more open and straightforward course for the House to say, "We ourselves are the guardians of our privileges, and nobody else shall interfere. We waive none of our privileges, and we maintain our rights, but in order that the legislation of this session may be safe we will accept the amendments so far as we can." That was the course the Managers took, and in his opinion, and, he trusted, in the opinion of Mr. Speaker, it was strictly in accordance with many constitutional precedents which were to be found in the records of the House of Commons.

Sir R. STOUT did not intend to discuss the question of privileges on these various Bills. So far as the Advances to Settlers Bill was concerned, the House could claim its privileges in respect to clause 39, because an almost identical case with this arose in 1888, in connection with the Irish Land Purchase Act of that year. Both Lord Chancellor Halsbury and Lord Ashbourne held that the Lords had no power to alter a clause which was the converse of this. Clause 39 allowed new claims to come under the Bill, while the proposed amendment in the House of Lords was to exclude new claims. It seemed to him that in the amendments made by the Legislative Council the privileges of the House had been interfered with. With regard to the argument of his colleague the honourable member for Wellington City (Mr. Bell), that this matter should not have been settled by Governor's message, but ought to be settled by the House maintaining its privileges—

Mr. BELL wished to explain that the reason he rose to speak when the Consols Bill was referred to was to explain that, though he signed the report, he did not agree to that particular course. The honourable gentleman evidently did not hear him.

8.0. Sir R. STOUT said he was not going to argue that point. He was going to speak on the merits of the settlement affecting the Advances to Settlers Bill. They had in the Bill, instead of accepting one-half as the limit of advance as the Council suggested, adopted three-fifths. He might also point out that the proportion of three-fifths was to settle the licensing question, and a limit to three-fifths was to settle the advances-to-settlers question. It was a blessed word, like the word "Mesopotamia" of old; but he did not think it would settle the matter at all. What he rose more to object to was this: Urban and suburban lands had been left out of the Bill. He did not think the Managers for the House should have given way on that point. He thought, if the Bill was to be a real Bill, and was to give advances to settlers, settlers in towns and suburbs had as much right to get assistance as settlers in the country districts, and he could not understand why the Council's amendment with regard to

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that point should have been agreed to. He was not going to deal with the wider question of whether or not the privileges of the House had been invaded in some of these Bills. To do that would require more than the half-hour limit which the House had unwisely put on honourable members, because it would necessitate his referring to some long extracts from the Journals of the House of Commons, the English *Hansard*, and several textbooks. He would only say this: that he for one would vote against this agreement as affecting the Advances to Settlers Bill. He thought it was utterly wrong. He thought it was indefensible, and it was contrary to what was stated in the House. Honourable members heard it stated in the House that this was not to be a class Bill; but if it were accepted as it now stood agreed to by the Managers for the House it would be a class Bill. It did not give any aid to small settlers in towns—that was, to the artisan class. They were practically excluded from its operation. Nor did it give any aid to gardeners or any others living in the suburbs, who were just as much entitled to such aid as what might be termed settlers or farmers. Therefore he would vote against the agreement to this compromise. As to the Consols Bill, he would not say anything about that, because he did not regard the point as being very material. As to the Harbours Bill, he thought the Council was within its right to reject that clause—that was, assuming the Council might reject a taxing clause. Therefore he would not say anything more about that. But, as to the last Bill, he would repeat that he did not agree with the amendment excluding urban and suburban lands, and would vote against it.

Mr. SEDDON would refer honourable members to the section in respect to which it had been contended that the rights of the House had been given up—namely, section 89 of the Land for Settlements Bill. In that section honourable members would find the following:—

“‘The Land for Settlements Act, 1892,’ is hereby repealed; but all directions of the Governor to the Board shall be deemed to be made under this Act, and may be proceeded with under this Act, and all proceedings or other matters begun or undertaken under that Act may be continued and perfected under this Act.”

Under that it was merely machinery, and being simply machinery it did not affect at all vitally the privileges of the House. After carefully going into the matter, the Government, as leading the House, advised that the House should concede the power to the Council to amend that clause. That having been conceded, and acting under advice, and having carefully considered the matter, the House accepted the responsibility.

Sir R. STOUT.—No.

Mr. SEDDON said Yes; because the House agreed to the amendment made by the Legislative Council, and he thought Mr. Speaker agreed, so far as that clause was concerned,

that the privileges of the House were not at all invaded. That being the case, the Managers were limited to the other clauses which were objected to. The House, of course, supported the Speaker, and he was quite satisfied that the Speaker would be the last man in that House, and the last man in the colony, to allow the privileges of the House or the rights of the people to be taken from them, and with his experience and, as honourable members knew, with the great care with which he watched the rights of the people, honourable members felt they were safe in the course which was then followed, because there was a difference between the honourable member for Wellington City (Sir R. Stout), Mr. Speaker, and himself upon that point. However, that being conceded, the honourable member was consistent in still maintaining his position. At the same time, that point was not before the Conference, so that he thought the House should now simply deal with the question as it was before the Conference, and with the attitude of the Managers for the House on the matters which were before the Conference, including the question of upholding the privileges of the House. Coming to the question of privilege first, the honourable member for Wellington City (Mr. Bell) had told the House what had taken place—namely, that, after the question of privilege had been argued, and when authorities had been quoted,—which authorities, he maintained, supported the position taken up by the House and by Mr. Speaker in respect to the question of privilege,—still, the Managers on behalf of the House found that there was no chance whatever of the Managers on behalf of the Council agreeing that the Council was wrong in endeavouring to maintain the amendments made. The next question which arose was, whether or not they should go back to the House and tell the House that a deadlock had occurred, that the whole of the legislation should be set aside, and that the people should be deprived of the advantages which the proposed legislation would give to them; or whether, on the other hand, the Managers of each branch of the Legislature should retain, as it were, their relative position, and not concede one jot, and, holding that position, still go into the question of the merits of the proposed amendments. The honourable member for Ellesmere could not have been in the House when the report was read. The first paragraph of the report stated,—

“The Managers appointed by the House of Representatives to conduct the Conference upon the Land for Settlements Bill, the New Zealand Consols Bill, the Harbours Bill, and the Government Advances to Settlers Bill have the honour to report that they met the Managers appointed by the Legislative Council. The Managers of the Council and the House have to report that they have been unable to agree as to the privilege claimed by the House. Considering the late period of the session, and the exigencies of the position, it was agreed to consider the amendments of the several Bills on their merits. This proceeding

shall not be drawn into a precedent or held to be a waiver of the privileges claimed by the House."

He thought, with this proviso, the rights of the people had been in no way jeopardized. He would be the last to give way one jot on this question, or to give away rights which had cost them so much to obtain for the people. Every care was taken; but seeing that there was an opportunity of giving to the people the advantage of this legislation—which they were entitled to—they did not consider the question of holding over the privilege phase of the question to be an insuperable difficulty. It would, he believed, have been acting according to precedent which they had before them as having occurred elsewhere, but it would have been, to his mind, a very reprehensible proceeding on the part of the Managers for the House, had they taken up that position. He might go further in this respect and say that, had what was first suggested occurred,—had they referred this question of privilege to the Judicial Committee,—it might have been contended that the proposed legislation was novel in its character; it might have been held that Home precedents did not meet the case. He claimed for the members of that House, and for the people they represented, that they had their rights, and they must claim those rights. The circumstances, as far as the Old World was concerned, were in many instances not in point. The matter was still left open. If he might have been allowed to advise, he would have said that at the present time, just at the end of the session, it would be inadvisable to enter into a course which he would indicate. He believed the time now had come when they were perfectly justified in laying down definitely, for the guidance of those who might occupy those benches hereafter as representatives of the people, what were the rights and privileges of the people, and what were the rights of those who were nominated to positions in the Legislative Council.

Sir R. STOUT.—You will have to do that by Act.

Mr. SEDDON admitted that would be necessary, and he believed that was the course they must follow. When we compared our position and the circumstances which surrounded these cases with the precedents which were established in the Old Country they were somewhat different. He gave great credit to the honourable member for Wellington City (Mr. Bell). Although the honourable gentleman took very little time, the cases selected were analogous, and were almost unanswerable, in supporting the position taken up by Mr. Speaker and by the Managers on behalf of the House, notwithstanding that there was some difference, and the Managers on behalf of the Council were not slow in taking advantage of the differences. Two questions raised—which had not been settled, but which ought to be settled—were with regard to the power of the Council to deal with a clause in a Bill in the position of a money clause, without dealing with the whole Bill—that the Council should have a right to

strike that clause out and allow the rest of the Bill to remain. That was a power that the Managers for the House had not conceded, but their position had been clearly maintained by them. At the same time, authorities had been quoted by the Managers for the Council that threw very great doubt as to whether the Managers for the House were right. This was a matter that ought to be set at rest—it applied to some of the amendments made, and to some of the Bills now under consideration,—as to whether or not the Council could not amend machinery clauses, having thrown out the particular money clause of the Bill. The fact of the matter was that the Managers for the House had conceded nothing. So far as their privileges were concerned, they had left them intact. He was therefore somewhat pained to hear the remarks of the honourable member for Ellesmere, which might lead the House to infer that they had not jealously guarded the rights of the House. Had the honourable gentleman carefully weighed the concluding paragraph of the report, where it was said this was not to be taken as a precedent? They had waived none of the rights or privileges claimed by the House, and it was not for the honourable member to say that the Managers for the House had not carefully conserved its rights and privileges. He thought he might reasonably contend that the honourable member had allowed his feelings to outweigh his better judgment. His sympathies were with the Legislative Council, and with every amendment made by the Council, for the honourable gentleman had told the House so. What were his words? He had said, "The amendments made by the Legislative Council are beneficial." Was this guarding the privileges of the members of the House? To whom were they to look for their conservation? He felt he was right in saying that the minority in this House were represented in another place, and that when the majority's views had been conceded in another place they were upbraiding themselves and those who had been managing the affairs of this Conference in the interests of members of the House. As to the honourable member for Ellesmere, he could only say he would put his conduct in juxtaposition to that of the honourable member for Wellington City (Mr. Bell), who had been against the Government on every line of policy in these measures, but who, when it came to a question of privilege, upheld the privileges of the House. That honourable member was there, and did his duty, and did it well: when it came to a question of policy, as stated to the House, he withdrew, but even then the report submitted to the House bore his signature. This was a proper position to take up when dealing with questions of such magnitude as were involved in the matter now before them. The honourable member for Ellesmere said that if the Colonial Treasurer had only come down in the House as he had had to come down at the Conference in all probability there would have been no necessity for a Conference at all.

Sir R. STOUT.—Hear, hear.

Mr. Seddon

Mr. SEDDON.—“Hear, hear,” said the honourable member. Did not that prove very clearly and conclusively what he had said—that the minority in the House had a majority in the Council, and that even when a question of the privileges of the House was involved they lent their support to the Council? There was no doubt about it. He spoke plainly, and said they did give that support, and probably if that support had not been given there would have been no need for a Conference, no necessity for the appointment of Managers, but they would have given the people much more perfect measures than would be given when these Bills became law. That was his contention. The question had been raised with regard to the advances to be made upon urban and suburban lands. He at once admitted that the Bill as it was sent to the Council with a limit of 5 per cent. as regarded urban and suburban lands was a measure which should have been passed, and that the people in the towns should have had the advantage of cheap money equally with those who were settlers in the country. That was his contention at the time the Bill was first introduced, and he had not departed from it. Even in giving way now for the purpose of getting this Act on the statute-book, they were conceding nothing. He believed it was a blot upon their legislation to make this distinction, but they knew that what led to that was the fact that when the Bill was passing through the House the advancing on urban and suburban land was only carried by a very narrow majority. Knowing that to be the case, and taking advantage of that, the members in another place were probably led to the conclusion they arrived at when they insisted on striking out urban and suburban lands. Those members of the House, therefore, who voted on that occasion against the Government and against the Bill were responsible for the present situation in respect to this question, and that responsibility must devolve upon them, just as the responsibility would devolve upon those who, rightly in his opinion, voted against advances being made on mining property, on machinery, or to manufacturers. He thought they were quite right in rejecting that, and he thought those who moved in that direction only did it to help to kill the Bill in another place. They had gone on until it came to the stage which he had described; and the question was, Were the people of this country, who had been labouring under difficulties for years, and who had had to pay enormous rates of interest, to lose the opportunity of having the rates of interest paid by the struggling settlers reduced, and of giving them cheaper money by using the credit of the people for that purpose? Were they to lose that, or should they for the time being—as was done by the amendment—prevent the towns from getting the same advantage as was given to the people in the country? Having viewed the matter carefully, he had come to the conclusion, with those on the Government benches, and with those who managed on behalf of the House, that they could concede that for the present, and get

this Act on the statute-book—allow it a time to work, to prove that it worked satisfactorily. That would be of beneficial effect not only to the people of the country, but to the people of the towns, because it would have a tendency to lower the rate of interest. That being conceded, he trusted that honourable members who represented the towns in the House would fully understand why the Government had given way upon the point, and that, in so doing, they did that which ultimately would be a benefit to all. Then, he desired to point out to those who represented urban constituencies that they had other money-lending branches under the Government. There was the Government Insurance Department.

Sir R. STOUT.—Up to half.

Mr. SEDDON.—The honourable member was mistaken. They had a Bill before the House; and in that Bill—

Sir R. STOUT.—Where is it?

Mr. SEDDON might say to the honourable gentleman that it had not yet gone aloft. In that Bill, acting under the advice of the Insurance Commissioner, they asked that the amount that could be advanced should be increased. As the law now stood, advances could be made upon urban, suburban, and rural lands up to one-half, and it was proposed to increase that by the Bill referred to; therefore there would still be provided machinery for making advances upon both urban and suburban lands.

8.30. That being the case, the legislation they were passing this session was not wholly confined to, nor did it wholly give advantages to, the people in the country. The measures had to be read together; and if they were passed—and he believed they would be passed—they would find that they would prove beneficial. What would be said by the country if they allowed the prorogation to take place without accepting the amendments, after the trouble they had taken over these measures? What would be said by those who had been looking forward to the passing of this measure for relief when they found that the difference was as between this £5,000 and £2,500 in the amount to be advanced, and as between two-thirds and three-fifths of the security offered? The men who wanted assistance at a lower rate of interest had not had an opportunity of getting advantages that others had had. What answer would they get if, on going back, they said that, owing to this difference, this relief had not been granted? He said that the hopes and expectations of these people would be dashed to the ground. They would not understand the niceties of the honourable member for Ellesmere and other members of the House. They would not understand such nice questions. They would look at the legislation, and would ask if their representatives had done their duty to them and to the country. They on that side of the House had honestly done their duty to them, and maintained the privileges of this House; and, with every confidence, he asked the House to agree to the motion.

Mr. MONTGOMERY rose to make a personal

explanation. What he had said was that he was in favour of the motion being withdrawn and the matter being settled by a Governor's message.

Mr. SAUNDERS said that during the last few weeks he had been so anxious not to occupy any time in that House that he had sat dumb like a lamb before her shearers; but as the leader of the House had just occupied a whole half-hour in explaining the very simple amendments proposed by the Legislative Council there appeared to be little use in his practising so much self-restraint. Like the honourable member for Ellesmere, he had wished to see amendments in these Bills in the direction taken by the Council, and he believed that every amendment the Legislative Council had made was an improvement. He was very glad indeed that they had made these amendments. He did not want to make a lawyer's speech if he could, but there was one great fact in connection with these amendments which he thought they all ought to recognise, and the Premier especially. He thought the Premier in his remarks was rather mistaken as to his position in the House at the present time. In his present position he had everything to gain by encroaching on their rights and liberties, and nothing to lose. He did not look upon the honourable gentleman as the guardian of the liberties of this House. Like other great lovers of power, he was far more likely to encroach upon the rights of the House than to defend them. He was very much more in the position of Charles I. than in that of Pym and the Long Parliament. He thought the Premier and the lawyers who had spoken on this subject had really lost sight of the very great point to be considered in connection with these amendments. The point was this: that this House itself had given up the important duties and privileges of the Representative House. He did not care twopence about a trumpery piece of privilege of this kind, but they had given up their great privilege and their highest duty, which was that of guarding the public purse. The House was no longer the guardian of the public purse; and, having given up this most important function, they ought to feel very thankful that the other House was discharging it for them. If the Premier had sat on that side of the House as member for Kumara, as he once did, he would have said, in regard to these proposals, "Perish the Bills! let us maintain the privileges of the House." Now he said these Bills were more important than our privileges; but he (Mr. Saunders) thought the privileges they had given up in the House, in saying "Ditto" to everything the Premier proposed, and in not guarding the public purse, were of greater consequence than this; and he thought that in their entire dereliction of duty the Council had come to their help, and saved the privileges of the country.

Mr. LAWRY said it seemed to him that they were never going to have anything from the opponents of the Government but repeated lamentations of modern Jeremiahs. The honourable member for Wellington City made

a sneering allusion to the two-thirds. He said the question of two-thirds was brought into every question before the House.

Sir R. STOUT.—Three-fifths.

Mr. LAWRY.—Well, as the honourable member had referred to the three-fifths, he might say that there were two-thirds who occupied a considerable amount of time of the House, and the two-thirds were the honourable member for the Buller and himself. It seemed to him that the speech just made by the honourable member for Selwyn showed an entire misconception of the whole case. The House had never given up the privilege in connection with the public purse. He (Mr. Lawry) utterly denied the premises the honourable member had taken up. He utterly denied that one single shilling of addition had been made to the public indebtedness by the legislation alluded to. He was reading Shakespeare a few minutes before, and what he had just heard was most ably represented by Shakespeare, who had more knowledge than he (Mr. Lawry) could boast of:—

Nature hath framed strange fellows in her time:
Some that will evermore peep through their eyes,
And laugh, like parrots, at a bagpiper.

Sir R. STOUT.—What about parrots?

Mr. LAWRY had seen very good imitations of parrots in that House, and when he made that statement he would like them to understand that he did not mean it to have any personal signification. He utterly denied that the proposals of the Government in regard to the Advances to Settlers Bill were calculated to add one single shilling to the public debt of the colony. They might take the case of Mr. William Aitken, a gentleman in Auckland, a very large land-agent, who through his agency brought, say, £5,000 into the country. What did he do with that? He advanced it to settlers under deeds of mortgage. Was that not adding to the debt of the colony as much as any of the proposals in this Bill? The cold-water party in that House had subordinated everything to the cold-water policy, but what he was stating was absolutely sound logic. If a settler took up a bush section, valued at £200, and got £150 advanced upon it to assist him in turning the wilderness into a smiling homestead, he was giving security for the money advanced. The honourable member for Selwyn got up and, as he understood him, talked about having sacrificed his principles as a member of the House; but he was sacrificing the interests of the House by not realising the situation. He (Mr. Lawry) was very glad that the compromise had been effected: because he did not want the Government to have any justification for retaliating on the Council. He said this without fear of contradiction: that if the Bill of the Government had been thrown out the Government would have been justified in flooding the Council, and in putting in a majority there to carry their proposals. The senior member for Wellington City said that the Council had done wrong in throwing out the power to lend on security of urban and suburban lands. He (Mr. Lawry) said, notwith-

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standing that he was representing perhaps the smallest electorate in the colony, which he could ride all round in half an hour—notwithstanding that he might be speaking against their interests, he said that the voice of the country went out at the last general election and indorsed what was foreshadowed in the speeches of the Premier and the Minister of Lands on this question. He said without fear of contradiction that the question of urban and suburban securities never entered into the matter at all. It was a question of advances to settlers to enable them to clear bush, to open up roads, to build bridges, and generally to develop the country. He had told his constituents at Farnell that it would not affect them at all, but that he understood that the proposal of the Government meant that it was to develop the bush districts of the North, the roadless North, the bridgeless North, and such land as that in the Forty-mile Bush. He thought the country would realise that the Government had brought down measures calculated to advance the colony by leaps and bounds without increasing the debt by a shilling. When it was said that the Consols would be increasing the public debt, it must be considered that unless the Consols were taken up the debt could not be increased, and there was nothing in the measure which declared that the people were bound to take them up. They might with equal logic say that the public debt would be increased because the people invested their money in the savings-bank. The first man who had ever mentioned the matter to him was one of the strongest opponents the present Government had. He was a brother professional of his honourable friend the reasonable member for Auckland City (Mr. Button). He wished a great number of members who were on the same side as he was as reasonable as that honourable gentleman. He referred to Mr. S. Jackson, a lawyer in Auckland, of the firm of Jackson and Russell. He believed his arguments were irresistible, but he believed there was no necessity for them at all, because without them the resolution would be agreed to on the voices.

Mr. G. J. SMITH said there appeared to him to be one difficulty in connection with the amendments. Section 25 excluded urban and suburban lands; and the power of the Board to determine the classification of the lands was taken away in section 43. It seemed there would be some difficulty in the classification of land. He only wished to record his dissent from the exclusion of urban and suburban lands, and he would ask that that question should be put separately.

Mr. WARD, in reply to the honourable member who had just spoken, would like to point out that the vital point he had in view in connection with urban and suburban lands would, as the Premier pointed out, be met by the Government Insurance Bill, the proposed amendments in which were now before the House. They authorised an extension from £5,000 to £10,000, and an advance on two-thirds under certain conditions. He ventured to say that

the experience of the working of these advances to settlers at 5 per cent. would be that the Government Insurance and Trust Departments would have to look to a much larger extent than hitherto to urban and suburban securities for suitable investments.

An Hon. MEMBER.—That might be struck out.

Mr. WARD said he fancied not. The difference between the two measures was very material. It had been mentioned at the Conference by some honourable members that the two Bills occupied an entirely different position. It was pointed out that the Government Insurance Department had to earn its moneys; its investments had to be made in such a way as to enable them to earn money for its shareholders: whereas it had been pointed out that money under this Bill was for entirely different purposes; and he ventured to say that the other place would not deal with it in the same way. That, however, remained to be seen; but, even so, he did say that the fact of the Advances to Settlers Bill placing money at the disposal of people in the country would, to a large extent, enable the Insurance and Trust Departments to lend money on city and suburban properties. He would like to say to the honourable member for Ellesmere that it was quite refreshing to hear that honourable gentleman pat himself on the back when discussing this matter. Had that honourable member's amendments been carried in Committee, instead of having to accept a reduction to £2,500 what would the result have been? He suggested £500, if he (Mr. Ward) remembered rightly.

Mr. MONTGOMERY.—I voted for the £5,000.

Mr. WARD said, at any rate some honourable member in the House suggested that £500 should be the amount; and another mentioned £1,000. Now, supposing the House had carried these amendments, what would have been the result? It would have been an indication to those in another place, and they would have acted quite rightly in suggesting, as the House thought right to fix £1,000, an amendment to reduce it to £500, and the opponents of the Bill in the House would then have said they acted very sensibly. It was a difference of opinion. Those who thought it right to retain the £5,000 had agreed to accept what was considered a fair compromise—namely, a reduction to £2,500. He was very glad the honourable gentleman's amendments had not been carried in Committee, because it would have been a clear indication to the other House to make further reductions and alterations, which would have made the result of this scheme uncertain and hazardous, and unless the scheme were based on sound lines it would have been very much better for the House to abandon it. He would be only too happy to accept reasonable amendments from the honourable member, or from any other member, but when an important principle was at stake he was not justified in doing so. It was their business to get the Bill through in as complete a form as they could, although they were compelled to make certain concessions in order to get the main prin-

ciple through. He could only say, in reply to the honourable member for Selwyn, that that honourable gentleman had been quite consistent. He had opposed the Bill right through, and it was not surprising he was favourable to what had been done in another place. It would have met the views of those opposed to the Bill if the Bill had been hung up. He would reiterate what the Premier had said—that it would be very much against the interest of the country that this scheme should not have a fair trial, or should be hung up till next session. In the interval they would have had, to put it mildly, very considerable agitation in various parts of the colony on this question. Under these circumstances, the Managers for the House, not having lost sight of its privileges, were quite justified in agreeing to the amendments.

Mr. SEDDON said, as Mr. Speaker was the guardian in the first instance of the rights and privileges of the House, he would ask him whether he considered that the Managers of the House had in the slightest degree prejudiced its privileges.

Mr. SPEAKER said he had already stated his views on the infringement that the Legislative Council had made on the undoubted privileges of the House, and he was of opinion that no advantage was now to be obtained by his expressing any further opinion on the matter of the privileges of the House.

The House divided on the question, "That the amendment in section 25 to insert 'not being urban or suburban lands' be agreed to."

AYES, 43.

Buchanan	Joyce	O'Regan
Buddo	Kelly, W.	Pinkerton
Carnoross	Lang	Pirani
Carroll	Larnach	Russell, W. R.
Collins	Lawry	Saunders
Crowther	Mackintosh	Seddon
Flatman	Maslin	Smith, E. M.
Graham	Massey	Steward
Green	McGuire	Tanner
Guinness	McKenzie, J.	Thompson
Hall	McKenzie, R.	Wilson.
Harris	Millar	
Hogg	Mills	<i>Tellers.</i>
Houston	Montgomery	Carnell
Hutchison, G.	Morrison	Meredith.

NOES, 12.

Buick	McGowan	Stout.
Button	McNab	<i>Tellers.</i>
Duthie	Mitchelson	Kelly, J. W.
Earnshaw	Newman	Smith, G. J.
Hall-Jones		

PAIR.

<i>For.</i>	<i>Against.</i>
Pere.	Allen.

Majority for, 31.

Motion agreed to, and report of the Conference agreed to.

TONGARIRO NATIONAL PARK BILL.

On the question, That this Bill be read a third time,

Mr. Ward

Dr. NEWMAN said he wished to say a word or two to thank the Minister of Lands for bringing in this Bill and passing it. It had been a hope of his for some years past, and was first suggested by him in the House, that these three magnificent mountains, Tongariro, Ruapehu, and Ngauruhoe, should be set aside specially as a national park, like Yosemite, and the Niagara Falls, in America. He thought the honourable gentleman had done a good work by putting this Bill through, and that they would now have a magnificent park of 63,000 acres, or thereabout, containing as many wonders as there were in any national park in the world. There were the glaciers of Ruapehu, the Volcano of Ngauruhoe, and many other things. He thought the future generations would be glad indeed that they had passed the Bill. He hoped it would go successfully through the other Chamber, and that the colony would possess for ever this great national park.

Mr. J. MCKENZIE would also like to say a few words. This was the third time he had tried to pass the Bill, and he was glad to find he had now been successful in getting a national park. He thought he would not be doing justice to the Native chief, Te Heuheu Tukino the younger, unless he said that he had assisted him very materially to at last bring the other Natives to give their consent to this Bill becoming law. Honourable members must know the great difficulty there was in getting a Bill through the House when the Natives objected. It was their opposition that had delayed the Bill during two previous sessions. But this year the Native chief, the grandson of the original grantee, came down and assisted him very materially in getting the Bill through by getting all opposition from the Natives removed. He therefore thought he should not be doing what was right unless he acknowledged the valuable assistance this Native chief had given in the passing of the Bill.

Bill read a third time.

HOSPITALS AND CHARITABLE INSTITUTIONS BILL.

Mr. REEVES, in moving the second reading of this Bill, said the bringing-in of this short Bill had been rendered necessary by the decision given by Mr. Justice Williams in a case between the Southland contributing bodies and the Southland Hospital and Charitable Aid Board. Judge Williams held there that the bodies could not be called upon to contribute to the cost of extending hospitals, the cost of fresh buildings, or the cost of furnishing buildings; that all that the bodies under the existing law could be called upon to contribute to was the maintenance of existing hospitals; and by his decision he had confined the meaning of the word "maintenance" to simply repairs in existing buildings. As a consequence of this decision it had come about that there was something like a deadlock in the hospital districts throughout the colony. Additions to existing hospitals were badly wanted in several districts; fresh buildings were wanted in certain places; and the Hospital Boards had

no power to raise money locally for the purpose. The result was that they were obliged to come to the central Government for funds. Now, the Government, of course, could do something—and it did do something—towards helping the local bodies to bear the burden of hospital buildings; but the Government was totally unable to take upon its shoulders the whole of the cost of additions to hospitals, erecting fresh buildings, and furnishing them. He should think that the applications within the last few months added together would come to a sum-total of about £20,000. To provide this sum was quite beyond the resources of the Treasury. It was therefore necessary to bring in this Bill to enable the local bodies to call upon the contributories to find the necessary funds for adding to existing buildings and fitting them out. That was the main clause of the Bill, and that could be done by extending the meaning of the word "maintenance." The next clause was to clear up a doubt which had been found to exist regarding section 74 of the original Act. The intention of section 74 was, he thought, fairly clear—namely, that where a destitute person passed from one district to another, having been domiciled in district No. 1, and, within a short time after coming into district No. 2, came upon the rates, then the charitable-aid body in district No. 2 should be able to recover the cost of maintaining him from district No. 1, in which he had been domiciled. Owing to the reading of the clause it really did not seem to be at all so clear as was the evident intention of those who framed it. Judge Williams, again the same Judge, held that unless the person applied for charitable aid to the Board of district No. 2 directly he got there the Board of district No. 2 was unable to recover the cost of his maintenance from the Board of district No. 1. The Judge held that if a week or two elapsed after the time in which he came to district No. 2 the whole cost of his maintenance must be thrown upon district No. 2; and it would only be if he applied for charitable aid on the day he arrived in the second district that the Board of that district would be entitled to recover the cost of maintaining him from the Board of the district from which he had come. The unfairness of that was obvious, and it was also obviously in flat contradiction of the intention of the framers of this Act—that was, unless he (Mr. Reeves) entirely misread clause 74. The meaning of that clause obviously was that a district should not have the power to shunt its paupers upon other districts; otherwise there would be undoubtedly a system carried on by the unscrupulous authorities of one district of shunting their paupers upon a neighbouring district and throwing their cost on the rates of that district. For these reasons that clause had been put in. Honourable gentlemen would see that this was not an attempt to deal with the general question of charitable aid. It was simply a Bill containing two necessary clauses to enable local bodies to carry on from now until next session. The Bill had been introduced in consequence of a debate which took place in the

House some two months ago. He had then promised to introduce it. He had kept his promise, and he saw no reason why the House should not pass it, and without very much debate.

Sir R. STOUT said he believed this Bill was necessary, but he hoped the honourable member would agree to the insertion of a new clause to the following effect: "The provisions of section eighty-eight of the said Act shall be at once given effect to." Section 88 provided for the setting aside of 250,000 acres of land as an endowment. Since 1886 nothing had been done, and now that eight years had elapsed they had a right to ask that that should be given effect to.

Mr. BUCHANAN had very little to say, except as regarded clause 2, which might prove very oppressive and intolerable. It did not appear that there was any escape from it. As to section 3, he quite agreed with the Minister of Education that, if possible, the intention of this clause should be given effect to, because one of the best methods of keeping down the cost of charitable aid was to relegate those applying for aid to the district whence they came. If that were done, many cases would be struck off from charitable aid of those who were quite capable of maintaining themselves. It was the habit of some of these people to go round to the charitable institutions in various districts, because where they were thoroughly well known they would have to maintain themselves.

Mr. THOMPSON said the honourable gentleman had called the attention of the House to the provision in clause 2; but he thought it was understood that the whole question of local government, which also dealt with charitable aid, was to stand over until next session. Now, at the last moment, within a few days of the close of the session, they had a Bill brought in, which was certainly a very short Bill of one or two clauses, but in one of which clauses power was given to Hospital and Charitable Aid Boards to levy rates not only for those who required assistance, but to erect buildings and furnish them, without any limit whatever. A few measures such as this would be sufficient to wipe the local bodies out of existence altogether. They were taxed up to the very hilt. Taxation was dragged out of the local bodies until their lives were almost crushed out of them. Instead of leaving the matter over until next year to amend the charitable-aid law, which had stunk in the nostrils of the people from the North Cape to the Bluff,—a law that had done more than anything else to pauperise the people of the colony,—at the last moment this Bill was brought in, and they were asked to pass it. Surely members had not lost their senses—to sit quietly and allow a Bill like this to pass without discussion. He had no desire to stand up and oppose the Bill if honourable members were so forgetful of their own interests, and if those who represented local bodies were so forgetful of their interests, as to allow a Bill like this to pass, throwing responsibilities on local bodies as this Bill did; because he ventured to

say there was no local body in the colony which knew anything about the measure. A mine had been sprung upon the House without notice, and they were asked to give powers to local bodies to tax property-owners without limit. There was positively no limit to the amount of rates that might be levied upon property. He did not know what members of the House could be thinking about if they allowed such a Bill as this to pass. The whole thing was simply preposterous. He understood it was distinctly understood that they would next year deal with the whole question of local government. The question of local government must include charitable aid. That reform had been promised for the last two or three years, and now at the last moment this Bill was brought in. Surely the Minister must think that members of the House were so wearied and tired that they would allow anything to pass. For his part, he would do all he could to prevent the Bill from becoming law. He maintained that there was no question but that the people of the colony were taking a keen interest in this question of local government, and it was a question the people of the colony would insist on the Government taking up, not piecemeal, but in a way that would deal with the whole question, and place the charitable aid on a sound foundation. Their system of local government was breaking down. He trusted this Bill would not be allowed to go through. He would move, That the Bill be read a second time that day six months. He had no desire to waste the time of the House, but he did hope that members would give the Bill a happy despatch. The Bill could very well stand over, for no harm could be done before next session, and then the whole question could be dealt with in a proper manner.

Mr. PIRANI trusted that the amendment would not be carried; and, while he fully indorsed everything that had been said by the honourable member for Marsden with regard to the necessity for some alterations in the present system of local government, he did not think they should allow that to stand in the way of necessary amendments in the present law being passed. Very gross injustice had been done in the past in connection with these two matters of hospitals and charitable aid, and he thought the Minister had acted with considerable wisdom in embodying in this short measure the amendments necessary, and bringing it down to the House, notwithstanding the late period of the session. With regard to the 2nd clause, it was impossible at the present time to get anything done to the hospitals, because the Boards had not the funds to carry out the necessary work. The members were the representatives of the local bodies; they were locally elected; and if they did not do their duty the local bodies would find a simple way of dealing with them if they did not carry out their wishes.

Mr. G. J. SMITH said in clause 2 there was no limit whatever placed on the local Charitable Aid Boards, and they could erect the

Mr. Thompson

most palatial buildings if they saw fit. He hoped the House would use its power to oppose the clause being made law at the present time. No doubt every one sympathized with the desire of Hospital Boards to find better accommodation for their patients, but there should be some means of limiting their power of raising money. There should be sufficient safeguards to protect the interests of the ratepayers. If that clause were passed they would not be doing their duty as representatives of the people. He trusted the House would vigorously oppose the clause.

Dr. NEWMAN hoped the honourable member who introduced the Bill would amend clause 2 when the Bill was in Committee. It seemed to give very large powers to Boards to impose rates. Suppose the Hospital Trustees in Christchurch or Wellington wanted to put up a building costing £5,000 or £6,000, they had the means by this clause of raising it without the ratepayers in the outside districts having any voice in the matter. He could not see why hospitals should not be built out of loan, the same as school-buildings and lunatic asylums. If the Minister insisted upon the clause going through, he thought he should see that those ratepayers living in the suburbs should have greater power than they now had. If a Board thought fit to put up a ward costing several thousands of pounds, under clause 2 they had power to do so. He thought any power of that kind to raise money should be spread over a number of years, instead of one year. Out-districts and suburbs would be outvoted in this matter; and if power were given to raise a loan there should be provision for a sinking fund to permit of the loan being wiped out. The Minister had stated that he had received applications for £20,000 for increased hospital accommodation, and that meant that the Charitable Aid Boards could levy that amount if the Bill passed.

Mr. REEVES.—Nothing of the kind.

Dr. NEWMAN maintained he was correct.

Mr. HOUSTON, as a member of a local body, would oppose the measure. For years past they had been trying to get some reform in local government. In 1893 and also this session promises had been made that there would be some change in local taxation. This was simply a change to increase the rates for the local bodies, and already they were suffering under the incubus of charitable aid. As a member of a local body he would oppose the measure.

11.0. Mr. McGOWAN intended to oppose the Bill on somewhat different grounds from those given by the honourable member for Marsden. He thought every member of the House recognised the importance of having proper accommodation for hospitals and charitable institutions throughout the colony. But it was the principle, or rather the want of principle, in the Bill which compelled him to oppose it. The bodies which had the management of these institutions were not elected by the people. They were appointed by the different local bodies; they were not, there-

fore, the direct representatives of the people, and this would put those managers in the position of being able to spend money, and being able to levy that money upon the people, who would have next to no voice in the expenditure. This was a vicious principle, and one which he was sure the House would condemn. He would therefore vote against the Bill.

Mr. CROWTHER said the Bill was of a somewhat serious nature to the local bodies. Most of them had been begging up till this session for sums of money in connection with charitable aid, and they had received no satisfaction whatever. At the end of the session this was offered to them, which, to his mind, was simply a Bill that must elicit the expression, "Thank you for nothing." In Auckland they had recently been turning patients out of the hospital before they ought to be allowed to go, in order to make room for others whom the management were unable to keep out. They had made overtures for grants in aid to enable them to make additions to their hospital, but had failed; and he believed they had failed in almost every other part of the country. Without the Bill they were aware they could spend their own money if they could raise it, but the taxpayers were so heavily laden that they were afraid to ask them. So far as this Bill was concerned, his opinion was there was no necessity for it at present. He said they should go on as they were until next session. They had gone on hitherto as best they could; and they should continue to do so until the Government faced the matter in a systematic manner, so that all should be treated alike, and that they would not have to come every session, one after another, cap in hand, asking the Government what they would kindly do for them. He had no desire to be unduly severe, but the taxpayers took members to task for nothing having been done. If they went back and showed them this Bill they would say, "Thank you for nothing." He thought it would be advisable to let the Bill drop for this session.

Mr. MEREDITH regretted he was not in a position to support the Bill. He represented an electorate containing several counties, and amongst all the local bodies in those counties that contributed towards hospital and charitable aid there was a strong and widespread feeling of dissatisfaction. Such being the case, it would be wrong for him to support the Bill. The feeling in his electorate was that the Government should introduce a comprehensive measure dealing with the whole question, and decentralise charitable aid so as to enable local bodies to administer it in their own districts. He did not wish to go into the question as to the hardship large centres of population might be called upon to submit to in consequence of the administration of charitable aid by the local bodies. He knew that poor people would gravitate to the large centres. That question would be easily settled by granting a special subsidy to the large cities. But this was not the time to bring down the present Bill; it should stand over till next session.

He objected more particularly to the 2nd clause, which gave to the Central Boards increased taxing-powers. The taxpayers were at present strained to their utmost tension by contributing towards charitable aid. He therefore sincerely hoped the Minister in charge would understand that his opposition arose not out of any personal feeling, but out of a sense of duty to his constituents.

Mr. REEVES said by the Standing Orders a Minister was put in a very uncomfortable position. When an amendment like this was moved he had either to hold his tongue when misstatements were being made about it, and run the risk of having the Bill killed for want of information, or else speak to the amendment and lose the right to reply. In either case he was put in an unfair position. That, however, was a minor matter. What he had to point out was this: This was not a measure which could stand over. There was a deadlock now with regard to the hospital accommodation. It was not a question of one, or two, or three, or four districts, but there was scarcely a district which was not in direct need of fresh buildings or extensions of existing buildings. It was clearly the intention of the Act that in regard to extension of hospitals half the cost should come out of local money, and the other half be contributed by the Treasurer. But in drawing up the Act it was so drawn that a Judge of the Supreme Court had been able to decide that local bodies have no power to rate for their half of the money to be spent on hospital buildings. This had been going on while the wants and requirements and needs and desires of the localities had been piling up one on top of the other, till at last there was a deadlock. The position was totally unworkable, and the hospitals were in the very direst need of additions and extensions. It was not a question of respect to him, or the Government, or the Bill, or the hour of the session; it was a question of humanity. He asked the House in the name of humanity not to let the Bill be hung up. Those who killed the Bill took upon themselves the responsibility of killing human beings. It was not a question of killing the Bill, but of killing men and women. He said that standing there as the responsible Minister charged with the administration of the department. It was not for him to try to alarm the House by wild words, but he was telling the House what he knew to be the truth—namely, that if the Bill were blocked men and women would die, and the health and comfort of hundreds of others would be seriously affected. If the House chose to laugh, as the honourable member for Marsden laughed, at the prospect of human beings being killed, the House might laugh, but in killing the Bill they would kill men, women, and children. The House would do so if they thought right to do it, but he was not going to take the responsibility of it without standing up and warning the House of the meaning of its action. Hospital extension was absolutely necessary in New Zealand at present. The Government had not the money, nor would it be right to

take it for hospital extension; it was never the intention of the Act to do so, and would not have been a right intention if it had been so. The whole intention of the Act was that half the cost should come from the central Exchequer and half from local rates. That intention they meant to carry out by extending the meaning of the word "maintenance," so as to get round the decision which restricted the meaning of the word. There was no difference in the Bill as to the amount that could be raised by the local body in rates. The power they had they would have now, and, if honourable gentlemen in Committee considered it right to put any limit on the sum that might be raised in each district under the Bill, that could be done. Let it be done in Committee, and, at any rate, let not the fact of there being an amendment be an excuse for obstructing, blocking, or killing the Bill, because he could assure the House that it was absolutely necessary, in the interests of human life, that this Bill in some form or another should become law this session. It would not prevent the bringing-down of a comprehensive measure next session. How could it? This was not a Bill which dealt with the hospital and charitable-aid system. It was a Bill dealing with hospitals; and he could promise the House that next session he would bring down a Bill dealing with the whole question. The question of hospital and charitable aid was one question, that of hospital buildings was another, and this Bill simply enabled local bodies to raise half the money required to carry out any hospital extension, and he asked the House to take the responsibility off his shoulders of any deadlock in connection with hospital buildings, because there was human life at stake. He might tell honourable members, as Minister in charge of the department, that some such Bill as this was an absolute necessity, and he therefore hoped the House would allow it to go to Committee, and any reasonable amendment in Committee would not be refused by him.

Major STEWARD was surprised to find, on coming into the House, an amendment had been moved against the second reading of this Bill, as he expected it would go through as a matter of course. It seemed to him that it would have been obvious to every member of the House that the amendment in the original Act proposed by section 2 ought to be passed. He was aware that difficulty had arisen in connection with hospitals for some years past. They were entitled to expend their money in the maintenance of existing buildings, but if they required to extend their buildings in any shape or form it did not come within the provisions of the Act as it at present stood. It was an absolute necessity that the amendment now proposed should be passed, and he could not conceive how any honourable gentleman could take objection to the remaining section, No. 3, which dealt with the question of persons who became chargeable on hospitals. It was only a matter of common-sense that this provision should be agreed to. He had been exceedingly surprised, on coming into the House, to find

that "this day six months" had been moved on the Bill, as it seemed to him in every sense a necessary measure.

Mr. GREEN was very much surprised at the last two speeches. He had heard the Minister tell the House that if the Bill was not passed the House would be responsible for the lives of human beings; but certainly that would not apply to Dunedin, although additions and improvements were undoubtedly required there; and so far as he knew nothing had occurred in any part of the colony to require legislation during the last twelve months; but, if anything had ever occurred to justify it, no doubt it was a law case in Invercargill four or five years ago.

Mr. REEVES.—It has occurred.

Mr. GREEN said if it had occurred the Minister should take the responsibility. The Minister was surprised that there should be such opposition raised to the Bill; but the fact was, as honourable members knew, the general taxation was very largely increased, and the local bodies had had to raise all the moneys that the local authorities could possibly pay, the taxpayers being now burdened with rates as high as they could pay, with the present low prices of stock and produce ruling in the colony. No doubt there was a great necessity for the extension of buildings in some places, and he was aware that there was not any power for the Boards of Trustees to raise money for this purpose; but he took leave to think that, wherever the Board of a district thought the expense not too great, there the money would be raised. If the position was as it had been described by the Minister, it was his bounden duty to make provision for these institutions; and he was of opinion it was the bounden duty of the Government to make provision in this direction rather than in some directions which had appeared in their estimates this year, because, while no one in that House felt, or was likely to express, a stronger desire in the matter of roads and bridges to open up the country and benefit settlers in country districts than he did, he was quite convinced that such institutions ought to be given consideration, and that they were, under certain conditions, of greater importance than even the making of roads and bridges. This session there had been a very large increased provision made for roads and bridges, and more provision made for them than for hospitals. This Bill had been described by the honourable member for Waitaki as a very small one, and the honourable member could not understand why there should be any objection to it. Of course the great objection was that numbers of people were of opinion that they were already taxed to their utmost limit, and that they could not afford to pay any more taxation.

Mr. REEVES.—Are we never to have any more buildings?

Mr. GREEN.—That is for the honourable gentleman to say.

Mr. SEDDON said that in regard to this matter the local authorities were only too ready to assist, but on account of the interpre-

Mr. Reeves

tation of the law given by the Judge there was no power given to the Board to make a levy for the purpose of maintenance. It was on account of that interpretation that the difficulty had arisen, and surely the House would not be so unjust as to prevent a Charitable Aid Board from assisting when it was quite prepared, as stated by the Minister of Education, to pay a fair amount towards the cost of the extension of buildings and accommodation required. The local authorities were prepared to contribute a penny or a halfpenny, as the case might be, in rates, and they desired to do what was right.

Sir R. STOUT.—On the capital or annual value?

Mr. SEDDON said it depended upon what Rating Act they worked under. In some cases the local bodies rated on the capital value, and in others on the annual value. That was a Committee question, and when the Bill was in Committee it could be dealt with. To delay its passage now was unreasonable. They had had deputations from Canterbury, Auckland, and Wanganui asking for this power. The amount to be levied could be limited, and a maximum fixed. The Bill meant that additional burdens would be put on the Government, and consequently on the taxpayers; and, as the law stood at present, there was a deadlock. He would suggest that they should allow the Bill to go into Committee. The Government were compelled to ask for an amendment of the law in the direction of giving the local bodies power to levy a small rate. In some districts that power would not be exercised at all, as they could afford to do the work out of the ordinary rates. That was the position; and when the Bill was in Committee they would be able to make some adjustment on the question, and, if some reasonable amendment could not be made to meet the wishes of honourable members, he would be quite prepared to adjourn the Bill until they could draw up some clause that would satisfy honourable members. He had been present at the deputations that had waited on the Minister of Education, and had read the reports of the Inspector of Hospitals, and in the case of some hospitals there was a dire necessity for something being done, and they would not object to the Bill. He would ask the House to let the Bill go into Committee, and also to clear other Bills off the Order Paper.

Mr. FRASER said, after the promise of the Minister to accept amendments in Committee limiting the scope of the Bill, he would support it. He would do so for the reason that he knew something about these institutions, having been connected with them since the Act was passed in 1885. The law as it stood at present was not on a proper footing, and the erection of necessary buildings was delayed. He did not think they should have laws which they were obliged to break; yet the Boards were continually forced into this position. Amendments could be made in Committee which would meet most of the objections, especially the one with regard to limiting the

amount of the rate. He did not intend to say anything further, as he presumed the Bill would be committed, and then would be the time for discussing it.

Mr. McNAB intended to support the second reading, but he would not detain the House long. He came from that part of the colony where the difficulty first arose, as it was at Invercargill that the learned Judge first pointed it out. They generally liked to see both sides receive fair-play, and, although he did not agree with those who were opposing the Bill, still he did not think it should be stated, because the Minister in charge of the Bill did not feel quite pleased with its reception, that honourable members would be responsible for the lives of the people in the hospitals if the measure did not pass. He would like to tell the House the circumstances under which the difficulty arose. After what had been said, honourable members would be surprised to hear that the argument in this case before the Judge took place on the 2nd December, 1889, and the judgment was given by

11.30. that Judge on the 13th January, 1890, so that it was very nearly five years since the decision was given. He thought it was hardly fair to taunt honourable members now who opposed the Bill with being responsible for the lives of those who died in the hospitals.

Mr. REEVES said this state of things had grown up gradually.

Mr. McNAB said it had culminated in the decision of the Judge on the 13th January, 1890.

Mr. REEVES said it originated then.

Mr. McNAB said that if the honourable gentleman would read the case he would see that the origin of it took place with the beginning of the facts which culminated in the Judge's decision.

Sir R. STOUT also could not understand why there should be any opposition to this Bill. The object of the Bill was very plain. It had been known for many years that the Hospital Boards could not get possession of sufficient money to pay for what was termed "hospital maintenance." One of the most important things, he submitted, was the maintenance of hospital property, and the local bodies ought to have power to erect buildings, and additional buildings if necessary. Now, the Judge who heard the case to which reference had been made gave his judgment, he thought, on a rather narrow view of the subject: he thought "maintenance" meant maintaining the existing buildings, and not the maintenance of a hospital. He (Sir R. Stout) did not understand why honourable members objected to this Bill. The reason why it was brought in was perfectly apparent, and quite right. They could not expect the General Government to give money out of public funds for the purpose of erecting hospitals. They must raise such money locally, and the best course to take was not to limit it to any amount, but to give power to the local authorities to borrow for a short term—say, five or six years—in order that the moneys required for putting up the buildings might be

spread over that period, so that principal and interest would have to be paid, say, within a term of five years.

Mr. CROWTHER.—But we are not allowed to borrow.

Sir R. STOUT said power for that purpose could be put in the Bill in Committee. He could not understand why the outlying districts should object to contribute to the hospitals in the towns, seeing that they insured for their sick proper and reasonable hospitals being erected for that purpose. The fact was that just as many sick people came in from the country districts relatively to the population as from the towns, and, in fact, more. Of course in some hospital and charitable-aid districts there were small hospitals in the outlying districts; they had, for instance, a hospital in the Wairarapa, although that district was included in the Charitable-aid District of Wellington, and there might be cases coming from Wairarapa to Wellington, for in this central institution they had a large staff and every convenience they could expect for the treatment of diseases, and the people would be properly attended to in it. He thought it was a fair charge to put on the local bodies to meet this expenditure; they could not expect that the central Government could pay for all these local burdens. There seemed to him to be a tendency on the part of some honourable members to demand that everything should be put on the central Government—that it should find all the money that was required for roads, bridges, and for every conceivable thing—water-races and so forth.

Mr. THOMPSON.—But the people find the money.

Sir R. STOUT said Yes, the people found the money out of loans. By the system of borrowing he proposed, they would cast the burden on the local people, who wanted hospitals, and he did not know that it was an unfair burden.

Mr. CROWTHER.—Their credit is at an end.

Sir R. STOUT said their credit would be revived, inasmuch as this was the era of cheap borrowing; there would be no trouble in getting everything they wanted cheaply.

Mr. GUINNESS.—You said we should not borrow.

Sir R. STOUT had said that if they borrowed for this purpose it should be for only a short period, and in five or six years the people could repay the amount borrowed. He did not think the limit named by the Premier was too high. If they put a halfpenny rate on the county for a hospital there would be an outcry against it. He understood the Premier to suggest that if a sixpenny rate were imposed in the towns there would be an equally strong outcry against putting on such a rate for hospital purposes. He suggested that the Minister should keep to his Bill as it now stood, and insert a new clause in Committee providing that the money that required to be expended might be spread over, say, five years. He was glad to think that, so far as section 3 was concerned, that seemed

to be universally agreed to, and he thought it was only fair.

Mr. BUCHANAN said surprise had been expressed that there should be such opposition to this Bill. Now, the honourable gentleman who had just sat down was the framer of the Charitable Institutions Act which was now upon the statute-book, and if he had not realised now he never would realise that what had set the most of the local bodies—or, rather, the majority of the ratepayers—upon edge throughout the colony was that they had no real representation, no real control over the expenditure.

Sir R. STOUT.—They have.

Mr. BUCHANAN said they never had, and they never would have until the present Act was wiped off the statute-book. They found themselves mulcted in all directions, because the administration of the Act was in the hands of people who were not directly responsible to them. It was therefore no wonder that the Minister that night had found this determined opposition against his Bill. He had only one word more to say: How was it, if the situation had become so desperate, that there had been this delay in bringing the measure in? They had now been in session nearly four months, and there was surely no reason for delaying it until the last week or fortnight of the session.

Mr. REEVES would have introduced it a month ago if he had had a chance.

Mr. BUCHANAN said the Government had control of the Order Paper, and it was astonishing that they should have the Bill now before them under the circumstances detailed by the Minister.

Mr. G. J. SMITH found it necessary to vote against the Bill—at all events, against section 2, which conferred a rating-power to an almost unlimited extent; and, in view of the extent of rating for hospitals and charitable aid being so heavy in the city districts, he felt he could not consent, so far as he was concerned, to any additional burden being placed on the ratepayers. Now, the Minister in charge had referred to the fact that the Government had to provide money for hospitals. He was a member of a deputation which had waited upon the Minister for Public Works, asking for some assistance for the Christchurch Hospital. Unfortunately they were not able to get that assistance; but he would remind the House that, while Christchurch and Wanganui could not get anything of this description,—not to mention Invercargill or Auckland,—Dunedin had been very favourably treated. It had had a considerable amount given to it by way of grant to enable it to put up its hospital, and he found on the estimates for this year they had these appropriations: "Heating wards, Dunedin Hospital, £750." Then, on the public works estimates: "Dunedin—Completion new surgical wing, £700"; "Dunedin—Female refuge, additions, £700": making a total of £2,150 as Government assistance. He thought that if the Government could find money to send down to the southern capital it should find something for Christ-

Sir R. Stout

church to put up a wing there, and possibly for some of the hospitals in the more necessitous parts of the colony. He would not detain the House longer. He regretted he could not support the Minister in this Bill.

Mr. REEVES said, all right; it meant killing more people in Christchurch.

Mr. G. J. SMITH said that, as pointed out by the honourable member for Mataura, if it had taken the Minister from 1890 up till the present time to prevent people from being killed, he did not see the necessity for passing the Bill that night. He could not consent to any further taxation being imposed upon the ratepayers.

Captain RUSSELL would very much like the Minister to explain what he meant by killing the men, women, and children throughout the colony. The remark frightened him so much that he went out and got the Inspector-General's report, and had read through his remarks on the various hospitals. He could not see that under the present system people were being killed at any hospital. In fact, almost every hospital was well spoken of. They knew that the population of New Zealand was, unfortunately, not increasing; they heard of a large exodus to Coolgardie and elsewhere; and yet he found from the report there were continued additions to the hospitals. Nearly all through the report they saw references to additions to the hospitals. Yet, as he said, while the population was not increasing, the hospital accommodation was. Where, then, was the urgent necessity for this Bill? It was this kind of speech which, as far as he could judge, caused every one to wonder what was really wrong; the inference being that if they were not led into passing the Bill they would individually and collectively be had up for manslaughter.

Mr. J. W. KELLY said that, while he sympathized very much with the honourable member for Marsden in his remarks with regard to the promise made by the Ministry concerning a reform of the Charitable Institutions Act, he really must support the second reading of this Bill. He assured honourable members there was an absolute necessity for it so far as Invercargill was concerned. Dr. MacGregor, in his reports for the last few years, had condemned in very strong terms their hospital buildings. It was a very serious matter at Invercargill, and he hoped this Bill would be carried, even with a limit. They had got nothing in the nature of hospital accommodation, and could not possibly get it, owing, as the Minister stated, to the decision given by Mr. Justice Williams in this case. He appealed to honourable members, if they did not wish the House to vote the money for hospital buildings, to give an opportunity to people who were badly in want, and were willing to tax themselves a little more to provide hospital accommodation for the sick. He would have much pleasure in supporting the second reading of the Bill.

The House divided on the question, "That the word 'now' stand part of the question."

AYES, 85.

Allen	Mackintosh	Reeves
Carnell	McKenzie, J.	Russell, W. R.
Carroll	McNab	Saunders
Collins	Millar	Seddon
Duncan	Mills	Stevens
Earnshaw	Mitchelson	Steward
Harris	Montgomery	Stout
Hutchison, W.	Morrison	Ward
Joyce	O'Regan	Willis.
Lang	Parata	<i>Tellers.</i>
Lawry	Pinkerton	Fraser
Mackenzie, T.	Pirani	Kelly, J. W.

NOES, 29.

Buchanan	Hall-Jones	McLachlan
Buddo	Hogg	Meredith
Buick	Houston	Newman
Button	Kelly, W.	Smith, E. M.
Carncross	Larnach	Smith, G. J.
Flatman	Maslin	Tanner
Graham	Massey	Wilson.
Green	McGowan	<i>Tellers.</i>
Guinness	McGuire	Crowther
Hall	McKenzie, R.	Thompson.

PAIRS.

<i>For.</i>	<i>Against.</i>
Cadman	Duthie
Pere.	Te Ao.

Majority for, 6.

Amendment negatived, and Bill read a second time.

COUNTIES VEHICLE-LICENSING BILL.

Mr. SEDDON, in moving the second reading of this Bill, said it was simply to give power by Order in Council to extend the present Act, which had worked in a most satisfactory way ever since it had been brought into operation.

Mr. TANNER said, in order not to put the Ministry in any difficulty as to his position, he would move, That the Bill be read a second time that day six months. There were a number of new members in the House who were not there during the sessions of 1892 and 1893, and who were probably not conversant with the history of this measure. During the session of 1892 a Bill was introduced into the House which was called the Westland Counties Vehicles-licensing Bill, which gave power to a number of County Councils on the west coast of the South Island that were in a somewhat impecunious position to aid their revenues by imposing a tax on vehicles.

Mr. SEDDON said the honourable gentleman had evidently not read the Bill.

Mr. TANNER said, fortunately he had read the Bill of last year, and this year's also, and knew exactly what he was speaking about. He was about to say that last year the principle of the Act passed in 1892 was extended, and a number of counties in the northern part of the Province of Auckland, through their members, requested that the provisions of the Act might be applied to themselves. A Bill was drafted which provided that those powers might be given to the County Councils in the northern

portion of the Auckland Province; it was passed under the title of "The Counties Vehicle-licensing Act, 1893," and those counties were accordingly satisfied. During the discussion that took place last year some member of the House—he forgot who it was—suggested that it would be an excellent thing if the Bill were so extended in its operation as to embrace every county in the colony, and at that point he (Mr. Tanner) entered a strong protest against it. He was, fortunately, successful. The result was that a number of counties to which the Bill would apply, most of them being hilly and broken counties, and very difficult country for the making and maintenance of roads, were inserted in the schedule which was attached to the Bill; but the rest of the colony was not affected. Of all the counties in the colony there was only one in the interior of the South Island which at the present time was under the operation of the Act. He might be allowed to point out, for the benefit of a number of new members in the House who were not aware of the fact, that there was such a difference between the various portions of the colony with regard to the road-making that he was justly entitled to claim that certain portions of the colony should be exempted. He had no objection whatever to the inhabitants of various counties in the colony asking for these powers to be conferred on their County Councils if they wished to be taxed in the manner in which he believed the inhabitants of the northern counties of the South Island and particularly the Buller County were taxed—namely, £2 10s. for a pair of light wheels up to £12 10s. per annum—a local tax which had elicited strong expressions of disapproval from the farmers who were compelled to pay, and which led to a special resolution being passed at the Agricultural Conference held in Wellington lately, calling upon Parliament to limit the operation of the Act of last year. If the inhabitants of the counties wished to place themselves under restrictions of that kind he was quite willing that they should do so. But he would point out that in the Province of Canterbury matters were very different. From the level nature of the country, and from the almost inexhaustible supplies of shingle in the river-beds, the roads, he supposed, were in a better state of efficiency than in most parts of the colony, and a proposal of this kind, to license vehicles running upon the roads, would cause a general feeling of popular irritation. He felt so strongly on this subject that he should oppose the Bill in every possible way. If it was fortunate enough to get to Committee he should do all he could to get Canterbury exempted from its operation. He had had occasion during the last election contest to point out to some of the ratepayers in his district that a Bill of this nature would subject them to a local tax of a very annoying and irritating character, and he found there was a general feeling of relief that the operation of the Bill had not been extended as was originally proposed in the Act of 1893. He considered they were dealing with a subject which

Mr. Tanner

demanding more serious and earnest consideration than the House was inclined to give to it. They had already passed one Bill that evening which, if it became operative, would impose local taxation to a large extent upon the people, and here was another taxing Bill within a few minutes. The other Bill was the Hospitals and Charitable Institutions Bill. He knew there were many honourable members in the House who looked upon that Bill with disfavour, including himself, for he thought the subject should not be dealt with in this piecemeal fashion, but in a comprehensive measure. He felt that the House was not justified at this late period of the session, when the number of hours to the end of the session could almost be counted, in passing two Bills in a few minutes—at any rate, in less than half an hour. He desired to enter his strong protest against the forcing of this kind of legislation through the House. The Bill had been in print for some days, but the bulk of honourable members had been too much occupied with Committee-work, and looking up a number of other subjects, to thoroughly comprehend what was proposed in this and some other Bills to be found on the Order Paper. If they allowed this Bill to get through, and the various County Councils seized upon it as a means by which they might replenish their coffers, he felt quite certain that most of the country members would hear of it again, and in no very favourable terms, from their constituents. For instance, there were honourable members from South Canterbury—Pareora, Rangitata, Ellesmere, Selwyn, and Ashburton districts—to whom the passage of a measure of this kind must be a matter of great importance. They, like himself, would have to meet their constituents. Amongst their constituents were large numbers of small farmers, and at the present time the position of the farming and agricultural population, especially the small holders of land, was not one of such a brilliant character as to justify the House in passing in the course of one evening two Bills which imposed additional taxation upon them. In his own district there were many small holders of sections up to twenty acres, but all had their vehicles to run their produce to the neighbouring city, and it would come upon them as a disagreeable surprise when they found that every year they would be compelled to put their hands in their pockets and pay a license which, if this Bill were passed—which he trusted would not be the case—would amount, in all probability, to £3 or £4. They often had discussions in the House about the advisability of repealing the tea and sugar duties, or on cognate subjects, and taking off what were after all some trifling imposts in comparison with the revival of such a barbarous relic of medievalism as this. This was of more consequence to the people of the colony—or, at least, to that class who were compelled to keep vehicles—than the sugar duty could be, for this Bill would come upon them with a crushing weight. He was not prepared, under the circumstances, to give his

support to the measure, but would do his best in the other direction.

Mr. McNAB also intended to oppose this Bill. It was only the strong opposition which he had to the principle of the Bill which compelled him at that late hour of the night and at that late period of the session to say anything which would detain the House even for a short time. He thought, if he pointed out to the House the peculiar application which this Bill would have, the House would hesitate before it brought it into law. At the present time there were two enactments which dealt with the licensing of vehicles in counties and Road Board districts. First there was the Counties Act, which provided that all vehicles plying for hire should be licensed. In the Public Works Bill which they recently passed there was a provision for the local authority to make regulations providing for imposing a yearly license-fee on any vehicle or machine engaged in heavy traffic. Therefore there was at the present time power given to the local authorities to enforce licenses for any machine plying for hire, whether carrying passengers or goods, and the local bodies were able to impose license-fees on all machines carrying heavy traffic. Did they want to make the people to pay a license-fee who only had machines to carry very light loads, or who were using light-running buggies on the public roads? He thought, if the country knew they were legislating in that direction, the country would cry out very loudly against it, because he thought it was pressing particularly on a section of the people who were not doing a very heavy trade upon the roads. Already all those who used the roads very heavily had to be licensed. This Bill appeared to him only to reach those persons who only occasionally used the roads. If the provisions of the Bill were such that those alone would be licensed who did not pay rates, then, he thought, the position could be defended. He thought, if an exemption were made in the case of those who paid rates, there might be some justification for passing the Bill; but in the form in which it was at the present time, being the revival of an Act which contained the sections he had mentioned, he felt it to be his duty to oppose the Bill strongly. Already the country settlers suffered under sufficient restrictions without Parliament pressing any more burdens upon them. They were not crying out for burdens, but they were crying out for relief. They were crying out for bread, and he was afraid the Government were casting them a stone.

Mr. SEDDON said honourable members might be entirely misled by the honourable member for Avon and the honourable member who had just spoken. If this were not the close of the session, and their supporters were not helping them to kill their Bills by "three months" and "six months," he might say the Government were getting on very rapidly, and were getting very much nearer home. This was only No. 4 on the Order Paper for that day, and no further work could be done that night.

That was not a very good day's record. There were no objections taken against this Bill at all except what were Committee objections, and objections which, he might say, were entirely unfounded. If the honourable member had looked at the original Act, or read this Bill, he would have seen that it was only by Order in Council that the Act was brought into operation. If that was not clear, the honourable member could make it clear, or the Bill could be made to be brought into operation by special resolution of the local authority. That was the intention of the Bill. If the local body of the district, who were the representatives of the ratepayers, desired that they should have this by-law, why should they not have it? It was permissive, and it was beneficial. If the honourable gentleman wished it should be subject to a vote of the ratepayers, he had no objection to that. The district of the honourable member for Avon verged, as it were, on several Road Board districts, and some difficulty might arise in consequence; but why should the honourable gentleman, because of the peculiar situation of his district, deprive other counties of the benefit of this legislation? The honourable gentleman was most selfish in his objection to the Bill. He would tell the House the scope of the Bill. First of all this measure was to be brought into force by the Governor in Council empowering the local authorities to make any of these by-laws. At the present time there were people getting their living on the roads—using miles and miles of roads, and paying nothing whatever for repairing them. They were plying for hire. This Bill would entitle the county to compel the owners of such vehicles to pay license-fees. In some districts there were toll-gates, which was acknowledged to be a barbarous and most expensive way of collecting money. This Bill abolished altogether the necessity for toll-gates. He would point out to the honourable member for Mataura that a County Council, in making these by-laws, had the power of exempting the ratepayers if it thought fit. The Bill was entirely permissive. The honourable member for the Buller interjected that a fee of ten guineas might be charged. He might mention that there were people in the Borough of Westport who had eight- and ten-ton wagons, and who carried produce from Westport to a place at some distance, using thirty miles of the county roads, smashing bridges and cutting up the roads, and who paid nothing whatever to the county funds. This Bill was for the protection of the country districts and the ratepayers. If the honourable member for Avon had consulted him or read the Bill he would not have moved the amendment. The Government had very good reason to complain of a surprise motion like that on a very useful measure. If the Bill was read a second time he would be quite prepared to amend it so as to make it clear that it was entirely permissive, and that full powers should be given to the local authorities, if they thought proper, to exempt ratepayers. He wanted to make it a good and workable measure. It was, in the

interest of Canterbury and other parts of the colony, absolutely necessary to get the Bill on the statute-book.

Mr. BUCHANAN hoped the honourable gentleman would not persist in attempting to pass the second reading of this Bill. He was sure that members of the House would very much object to any further facilities for taxation in the country districts, which was already, as he well knew, very heavy. This was but another plan by which temptation would be put in the way of local bodies to further harass the unfortunate ratepayers. The honourable gentleman had given an instance of heavy wagons of ten tons going from Westport to the Lyell; but he knew very well that the County Council whose roads were injured by the passage of these heavy wagons had power, through their by-laws, to limit the weight carried and to regulate the width of their tires. And, after all, whose work were these wagons doing? Why, in most instances, the work of the country settlers; and as soon as the carriers were taxed they would necessarily have to raise their rates in order to pay their way. The same argument applied to this as to tolls. It might be said it was optional; but what would happen? One local body would begin to tax, and then would come retaliation all round. They could not possibly prevent a local body from adopting the Act, and, as soon as one did, then the others would be compelled to do so in self-defence. They knew how easy it was to set local bodies as well as ratepayers fighting, and they did not want to see this Bill on the statute-book. The Premier knew very well that the Bill of last year was designed to meet the necessities of the gumfields, where there was no rateable property, and where it was necessary to provide some means for raising revenue; and in outlying country districts, where there was much Native land, the same necessity existed. But as for applying it to ordinary country districts, where the land was mostly rateable, there was not the slightest necessity for it, and he should therefore oppose the Bill.

Mr. FLATMAN was afraid he could not support the Bill. He thought it would be far better to bring in the old toll system straight away. He could not see how it could work well. There were adjoining counties. This year they had passed the Levels County Act, and that county had a market-town—Timaru—which belonged to the settlers north as far as Geraldine; consequently they would have to pass through Levels County to get to Timaru. Now, the Levels County might adopt this Act and the Geraldine County might not, and, consequently, the one county would be paying the other one's rates while not using its roads very much. He doubted very much whether by-laws could be passed so as to exempt certain ratepayers, and therefore they must either all be taxed or none. He remembered how this kind of licensing acted in the Old Country when he was a boy. At one time a man could not ride in a spring-cart if he had not as much money as his neighbour, but had to be jolted on a pair of trusses; because springs were taxed.

Mr. Seddon

He did not think they wanted to go back to that state of things, and he thought it would be much better to establish tolls at once than to adopt this Act. He would like to see his way to support the measure, but he could not support a Bill of this kind.

Mr. BUDDO thought there was very little use for this short amendment at all, and wanted to know what particular district required it. They had provisions in the various Acts already passed for nearly every case that could come under such a system as this. There was a provision that had been mentioned by the honourable member for Mataura, giving full power regarding width of tires, and the weight of load to be taken on vehicles. Then, again, the Counties Act very clearly defined the position with regard to this question. He thought it undesirable to put this Bill on the statute-book. Probably it would injuriously affect the small holders, who would have more vehicles carrying on business than the holders of large areas of land. He presumed it would be said they could very well guard themselves, having the voting-power, or, at least, being the more numerous; but if it was enacted by a local body that these vehicles should be licensed he had no doubt the small holder would suffer. This was also entirely opposed to the system already in vogue among local bodies, of rating for the purpose of keeping their roads. There was also the other side of the question that had not been entered into. He did not think the measure would be very much use to the local bodies, and certainly would be less use to the ratepayers, because if the carriers had to pay a license they would charge it on the freight, and therefore the ratepayers would have to pay all the same. Why they should put such a measure on the statute-book he did not know. It must be to affect some district in particular; and, if that was so, why not have a local Bill to deal with it, instead of a general one?

Mr. R. MCKENZIE was somewhat surprised at the Premier introducing this Bill without any remarks. Efforts had been made during the last two years to put a similar Act in operation in the district he represented, but every County Council there found that its by-laws under that Act were *ultra vires*. They had been tried in Court on several occasions, and the County Council got the worst of it. He had no doubt this Bill was brought in specially to enable the County Council of the Buller to make legal by-laws. The Minister of Lands could, no doubt, give an elaborate explanation of the operation of the Bill in the West Coast counties. The honourable gentleman was there a few months ago and travelled through the four West Coast counties, he and another gentleman, who was an ex-member of this House, and made themselves liable for something like sixty or seventy guineas for licenses. No doubt the Minister of Lands, if he considered the question, would know how the thing worked on the West Coast. The operation of the Act there was this: that for a four-horse coach you had to pay ten guineas to every county. The

honourable gentleman had travelled through three counties, and found he was liable to something like sixty or seventy guineas. He (Mr. R. McKenzie) had introduced a deputation to him, trying to get that Act repealed. The Minister of Mines went down shortly afterwards by the mail-coach, and after he arrived at Westport he had occasion to go to Charleston with the same coach. On the Charleston Road the coachman had not the contract for the mails, and when he came back the tax-collector was waiting to collect ten guineas from him for being away with the coach some five or six hours without a license. That was the way the Act operated in that district. Any one who wanted to go from the Buller County to Inangahua had to pay £2 10s. as a fee for a single buggy, and for a buggy and pair some £5. He had no doubt if this Bill was brought into operation it would work like that all over the colony. He had several letters and petitions sent him on the matter,—which he had presented to the Government,—asking him to get the Act on the statute-book referring to the four West Coast counties repealed. These four counties had been made the scapegoat of the colony during many years for experimental legislation. The Government had promised a Local Government Bill next session, and, if they were anxious to have this Bill put on the statute-book, that would be the opportunity for it. There had been sufficient provision made in the Public Works Act in connection with this matter to last for a year, and therefore it was a mistake to bring this Bill forward at present. They should reconsider the question, and withdraw the measure from the Order Paper.

Mr. O'REGAN would have much pleasure in voting against the second reading of this Bill. If he were the Minister he certainly would hesitate to pass such a measure. It seemed to him to be simply tinkering with legislation. If the Government were driven to straits for the purpose of providing revenue for local bodies, then why in the name of common-sense did they not revert to the tollgate system? That, obnoxious as it would be, would be preferable to this. A few years ago they had on the West Coast what was called the gold duty, and, although he could not say that he looked upon the gold duty as being an equitable means of providing revenue, it certainly was preferable to anything the Premier had propounded since its abolition. He might say there had been no more sturdy opponent of the gold duty than the Premier. Time after time he had spoken and voted against its retention, and finally, mainly by his efforts, it was abolished. Since then the local bodies on the West Coast had been in a state of impecuniosity, and the Premier had repeatedly promised to provide some substitute for it; but, instead of seeing that something substantial was done, he had given them nothing but mere scraps, such as the Bill now before them. The Premier would be far more logical if he went back to the tollgate or to the window-tax; neither of them would be more oppressive than the vehicle-tax. It was ridiculous, and he could assure honourable

members that there was no more obnoxious thing on the West Coast than the imposition of a vehicle-tax by the local bodies. He ventured to say, if the question were put to the people, nine-tenths of them would vote against it. The most preposterous cases had arisen since this provision had been availed of by the local bodies, a few samples of which had been related to the House by his honourable friend the member for the Buller. He would certainly vote against the second reading, and he hoped the majority of the House would reject it.

Mr. MILLAR said he would support 2.80. the Bill if it applied to Borough and County Councils, because he knew one borough which owned a large extent of main road that was entirely used by country settlers. They had four miles of this road, and the ratepayers of the borough were compelled to maintain it. It was only under such a system as this that the counties could be made to maintain these roads. When the ratepayers of boroughs were taxed to keep up these roads, he thought it was high time that some such equitable system as this was imposed for the purpose of compelling the counties to assist in maintaining these roads.

Mr. CROWTHER said the last speaker had entirely met his circumstances. The Premier had said that the injuries caused by vehicles travelling over the roads were paid for out of county rates, but the last speaker had shown that it was possible for the reverse to be the case. This was one of those things which must exist; why, then, should they interfere in the matter? They should let the counties and boroughs work together, according to the situation and circumstances that existed. Why should the Governor in Council indicate and regulate their duties? As had been said by the last speaker, the borough authorities had to go into Road Board districts for road-metal for their streets and footpaths, and a Board in his district had made regulations that vehicles were not to go over the roads unless they had tires 4in. wide. Seeing that all these regulations had prevailed, and that the counties and boroughs were working together according to their circumstances, why should they introduce such a measure as this? It did not seem to suit the boroughs, and according to some members it did not seem to suit the counties, and therefore the measure did not seem to be required.

Mr. J. McKENZIE was very much surprised that members from the West Coast should object to this Bill. They had been continually applying to the Government to keep up the bridges and keep the roads open; and, if they objected to any taxation of this kind, how could they expect the colony to maintain the roads for them? He was afraid they were in the wrong box. If honourable members would look at the estimates they would see large provision there made from the general revenue of the colony to maintain main roads on the West Coast, and also to put bridges in repair, and assist them in all sorts of ways; and, if they objected to things of this sort,

he was afraid they would not get the money. Complaints had been made to the Government during the last year about the heavy wagons used over those bridges—wagons which were too heavy for the bridges in that part of the colony—and the Government were informed that these wagons were in danger of going through the bridges; and, as honourable members must know, the Government had assisted to repair some of these bridges until the House met, and until a further vote could be taken to maintain the bridges and the roads. He thought it was fair to the local bodies that this fact should be recognised. What better position would honourable members be in if the Bill were thrown out? Throwing the Bill out would not help them a bit. The Bill was permissive; and, in his opinion, it was very hard upon a large number of ratepayers that they should be compelled to pay rates and get no assistance from a number of people who used these roads. In many cases sawmill proprietors and others had wagons which were continually using the country roads for the purpose of taking away timber, lime, and so forth, and they paid nothing at all for the maintenance of the roads they went over. The Government would not bring the Act into force until such time as the County Councils and local bodies asked them to do so, and it was entirely in their hands to do what they thought right in the matter.

Mr. MASLIN intended to vote against the second reading of the Bill, because he did not see how it could be amended to make it an acceptable measure. If restricted to County Councils it would not be so objectionable, but every Road Board district and town district where the Counties Act was not in force had power to levy a tax under this Bill. In one part of his district there were five Boards, and, if the Bill passed, each one of them would have power to impose a tax on vehicles which passed through the Board's district to get into town. It was a measure to tax farmers and every other person who used the roads, and he thought it decidedly objectionable, and would vote against it.

Mr. McGUIRE would give his hearty support to the Bill, because he considered it was in the interests of the settlers. The settlers had suffered very severely through heavy wagons laden with timber and other goods passing over their roads; and he should support the Bill.

Mr. SEDDON said he intended to make it very clear that the Bill was permissive.

The House divided on the question, "That the word 'now' stand part of the question."

AYES, 31.

Carncross	Hogg	Mills
Carnell	Houston	Mitchelson
Carroll	Joyce	Morrison
Collins	Kelly, W.	Parata
Duncan	McGowan	Pinkerton
Earnshaw	McKenzie, J.	Reeves
Fraser	McLachlan	Seddon
Hall	Millar	Smith, E. M.

Mr. J. McKenzie

Stevens
Steward
Thompson

Ward
Willis.

Tellers.
Lawry
McGuire.

NOES, 25.

Allen
Buchanan
Buddo
Buick
Crowther
Flatman
Graham
Green
Guinness

Hall-Jones
Heke
Lang
Mackenzie, T.
Maslin
Massey
McKenzie, R.
Meredith
Montgomery

O'Regan
Russell, G. W.
Saunders
Smith, G. J.
Wilson.

Tellers.
McNab
Tanner.

PAIRS.

For.

Cadman
Larnach
Mackintosh.

Against.

Duthie
Harris
Kelly, J. W.

Majority for, 6.

Amendment negatived, and Bill read a second time.

IN COMMITTEE.

Mr. R. MCKENZIE moved to add the following new clause: "Any vehicle licensed in any county, town district, or borough will be exempt from paying any license-fee in any other county, town district, or borough."

The Committee divided on the question, "That the clause be read a second time."

AYES, 11.

Allen
Buchanan
Duncan
Earnshaw

Graham
Maslin
McNab
Montgomery

O'Regan.
Tellers.
McKenzie, R.
Tanner.

NOES, 35.

Bell
Buddo
Buick
Carnell
Carroll
Crowther
Flatman
Fraser
Green
Hall-Jones
Hogg
Houston

Hutchison, G.
Kelly, W.
Lawry
Mackenzie, T.
Massey
McGowan
McGuire
McKenzie, J.
McLachlan
Meredith
Mills
Mitchelson

Morrison
Parata
Pinkerton
Seddon
Smith, E. M.
Smith, G. J.
Stevens
Ward
Willis.

Tellers.

Joyce
Millar.

PAIRS.

For.

Button
Duthie
Harris
Kelly, J. W.
Lang
Te Ao.

Against.

Steward
Cadman
Larnach
Mackintosh
Reeves
Carnaross.

Majority against, 24.

Clause negatived.

Mr. MONTGOMERY moved to add the following new clause: "This Act shall have no application to the Provincial District of Canterbury."

The Committee divided on the question, "That the clause be read a second time."

AYES, 14.

Allen	Flatman	Smith, G. J.
Bell	Hall-Jones	Tanner.
Buddo	Maslin	<i>Tellers.</i>
Duncan	McNab	Buchanan
Earnshaw	Meredith	Montgomery.

NOES, 31.

Buick	Kelly, W.	Mitchelson
Carnell	Lawry	Parata
Carroll	Mackenzie, T.	Pinkerton
Crowther	Massey	Seddon
Fraser	McGowan	Stevens
Graham	McGuire	Ward
Green	McKenzie, J.	Willis.
Hall	McKenzie, R.	
Houston	McLachlan	<i>Tellers.</i>
Hutchison, G.	Millar	Morrison
Joyce	Mills	O'Regan.

PAIRS.

<i>For.</i>	<i>Against.</i>
Button	Steward
Duthie	Cadman
Harris	Larnach
Kelly, J. W.	Mackintosh
Lang	Reeves
Saunders	Collins
Te Ao.	Carncross.

Majority against, 17.

Clause negatived.

Mr. MILLAR moved to add the following new clause: "All powers granted under 'the Counties Vehicle-licensing Act, 1893,' and this Act, to Town Boards, Road Boards, or County Councils may be exercised by any Borough Council."

Clause agreed to, and added to the Bill.

Mr. FRASER moved to add the following new clause: "The word 'vehicle' in 'The Counties Vehicle-licensing Act, 1893,' shall not include any gig, spring-cart, or similar class of conveyance."

The Committee divided on the question, "That the clause be read a second time."

AYES, 13.

Allen	Flatman	Smith, G. J.
Buchanan	Hall	
Buddo	Mackenzie, T.	<i>Tellers.</i>
Duncan	McKenzie, R.	Hall-Jones
Earnshaw	Montgomery	Maslin.

NOES, 23.

Bell	McGowan	Parata
Buick	McGuire	Pinkerton
Carnell	McKenzie, J.	Seddon
Carroll	McLachlan	Stevens
Crowther	McNab	Willis.
Joyce	Meredith	<i>Tellers.</i>
Lawry	Millar	Mills
Massey	Morrison	Tanner.

PAIRS.

<i>For.</i>	<i>Against.</i>
Button	Steward
Duthie	Cadman
Green	Ward
Harris	Larnach

Lang
Saunders
Te Ao.Reeves
Collins
Carncross.

Majority against, 10.

Clause negatived.

Bill reported, with amendments.

Mr. SEDDON moved, That the amendments be agreed to.

Mr. DUNCAN moved, as an amendment, That the amendments be agreed to that day month. He thought that would give honourable members time to think over the matter.

Mr. BUCHANAN seconded the amendment of the honourable member for Oamaru, and wished to enter his emphatic protest against a trumpery Bill, which the Premier must know should not be put on the statute-book, and, if it were, would be a burlesque on legislation, forced as it was through the House at that hour of the morning. The Premier had all through the session driven members beyond endurance, without either reason or justification. He (Mr. Buchanan) had done his best in the interests of his constituents to prevent the Bill from being passed, and, having done so, could do no more.

Mr. SEDDON asked if it was fair that those honourable members who had been there all the time endeavouring to make the Bill a good workable measure should now have their work postponed for a month. He did not think it was fair, and it was not his fault that they had not gone home three hours before. He had accepted all reasonable amendments, with a view to getting the Bill through, and he could not help it if the honourable member for Wairarapa would make a burlesque of the matter. It was a pity that at a certain time in the morning the honourable gentleman got into the frame of mind he generally did, and the only solution that he could suggest would be that if there were an attraction that would take the honourable gentleman out of the House earlier in the evening they would not be troubled with him, and he would not then be taking part in what he called a burlesque.

The House divided on the question, "That the amendments be considered forthwith."

AYES, 17.

Carnell	McKenzie, J.	Seddon
Hall	McNab	Stevens
Joyce	Millar	Willis.
Lawry	Mitchelson	<i>Tellers.</i>
McGowan	Morrison	McLachlan
McGuire	Parata	Mills.

NOES, 12.

Buick	Maslin	Tanner.
Crowther	McKenzie, R.	<i>Tellers.</i>
Earnshaw	Montgomery	Buchanan
Flatman	Smith, G. J.	Duncan.
Hall-Jones		

PAIRS.

<i>For.</i>	<i>Against.</i>
Cadman	Duthie
Carncross	Te Ao
Collins	Saunders
Houston	Mackenzie, T.

Larnach	Harris
Reeves	Lang
Steward	Button
Ward.	Green.

Majority for, 5.

Motion agreed to.

Amendments agreed to.

On the question, That the Bill be read a third time,

Mr. DUNCAN said he had now entered a fair protest against this Bill, and it was because the small boroughs had brought this into operation for the purpose of levying taxation on the country settlers; and it would have the effect of setting country against town, and there would be no end of worry and trouble over it. In the Road Boards it would be worse still, because wherever they moved they would be confronted with toll-gates or policemen to arrest one if one had a vehicle that was not licensed. He considered it a bad Bill, and quite uncalled-for, and it should not go on the statute-book. That was his honest conviction. If the Bill were passed it would create no end of trouble in the country.

Mr. HALL-JONES quite agreed with the remarks of the honourable member for Oamaru. This Bill was not required by the country. He had opposed the Bill in Committee, because he saw the effect of it would be this: In certain localities they might adopt the provisions contained in this Bill, but if they did they would force the adjoining local bodies to do the same, and the result would be that no vehicle of any description would be allowed to travel through the country without being licensed. He was sure the people did not desire that. He had also to protest against such Bills as these being brought down at so late a period of the session. They were now within a few days of the prorogation of Parliament, and they ought not to bring in any more legislation of this kind. They should now only deal with what was absolutely required by the country, and if there was nothing more important to be placed before them than Bills like this the sooner they made an end of it the better, so that the session might close.

Mr. SEDDON said they had done very little in the last four hours. If he thought the Bill was a trumpety one, they might be certain he would not ask the House to agree to it; but this Bill was wanted by many of the counties, and many honourable members knew very well it was wanted. They had made it permissive, and power was given to revoke by-laws if any local body wished to do so. There was full power given to the Governor, by Order in Council, to do that, and there was provision made that the majority of the ratepayers could stop the by-laws coming into force. With those safeguards what was there to fear? They would find that the Bill would work well, and there would be no friction if it were once passed. As regarded bringing the measure down at the end of the session, there were many other Bills, which were just as important, which were brought down at as late a period. This

Bill was proposed at a much earlier period of the session, and the Government had been twice asked during the session whether they were going to push it through or not. They had promised to do so, and were now twitted because they were keeping faith. If he had not done that, the next thing he would have been twitted with would have been with having broken faith with the House. If Canterbury had been exempted there would not have been a word said against this Bill. He did not think one part of the colony should say that unless legislation suited them no other part of the colony should have it. He did not think that was a fair way of dealing with legislation. There might come a time when Canterbury would want special legislation, and then honourable members from other parts of the colony might say they were not prepared to give it to Canterbury. He did not believe in such narrow and circumscribed legislation.

The House divided.

AYES, 15.		
Carnell	McLachlan	Seddon
Hall	Millar	Stevens.
Lawry	Morrison	<i>Tellers.</i>
McGowan	O'Regan	Joyce
McGuire	Parata	Mills.
McKenzie, J.		

NOES, 18.		
Allen	Fraser	Smith, G. J.
Buchanan	Maslin	Tanner
Buddo	Massey	Willis.
Buick	McKenzie, R.	<i>Tellers.</i>
Crowther	McNab	Flatman
Duncan	Montgomery	Hall-Jones.
Earnshaw		

For.	Against.
Cadman	Duthie
Carncross	Te Ao
Collins	Saunders
Houston	Mackenzie, T.
Larnach	Harris
Reeves	Lang
Steward	Button
Ward.	Green.

Majority against, 8.

Motion for third reading negatived.

The House adjourned at seventeen minutes past three o'clock a.m.

LEGISLATIVE COUNCIL.

Tuesday, 16th October, 1894.

Duke of York's Son—First Readings—Third Readings
—New Zealand Consols Bill—Criminal Code Bill
—District Court Judges and Stipendiary Magistrates—Public Works Bill.

The Hon. the SPEAKER took the chair at half-past two o'clock.

PRAYERS.

DUKE OF YORK'S SON.

A message was received from the Governor transmitting a copy of a despatch received

from the Secretary of State for the Colonies, dated 22nd August, 1894, conveying to the Council the sincere thanks of Her Majesty the Queen for their loyal congratulations upon the birth of a son to the Duke and Duchess of York.

FIRST READINGS.

Tongariro National Park Bill, Ministerial Residences Sale Bill.

THIRD READINGS.

Stamp Bill, Water-supply Bill, Abattoirs and Slaughterhouses Bill, Dairy Industry Bill.

NEW ZEALAND CONSOLS BILL.

A message was received from the House of Representatives intimating that it had agreed to an amendment in this Bill received by message from the Governor, and transmitting the same for the consideration of the Council.

On the motion of the Hon. Sir P. A. BUCKLEY, the amendment was agreed to.

CRIMINAL CODE BILL.

A message was received from the House of Representatives desiring a Conference on the subject of the Council's amendments in this Bill.

On the motion of the Hon. Sir P. A. BUCKLEY, the Hon. Sir G. S. Whitmore, the Hon. Mr. McLean, and the mover were appointed Managers for the Conference on behalf of the Council.

DISTRICT COURT JUDGES AND STIPENDIARY MAGISTRATES.

The Hon. Mr. MACGREGOR.—In moving the motion of which I have given notice, I do not think it will be necessary for me to take up much time. The motion is one which I think, at all events as to the greater part of it, will commend itself to the members of the Council. The first part is, "That in the opinion of this Council it is essential to the impartial and fearless administration of justice that (a) the tenure of office of District Court Judges and Stipendiary Magistrates exercising extended jurisdiction should be during ability and good behaviour, and not, as at present, during the pleasure of the Executive." Now, it will be remembered that last session when the Magistrates' Courts Bill was before the Council a clause was inserted providing a system of appointment of Magistrates such as is indicated in this motion, and the Bill passed through all its stages, this clause receiving after some discussion the sanction of the Council. Afterwards, however, the Government thought it would be an anomalous thing that Stipendiary Magistrates should hold office during ability and good behaviour whilst District Court Judges were to hold office at the pleasure of the Executive; consequently the clause, after the Bill had been recommitted for the purpose, was struck out. The clause, however, that I now suggest is, I think, generally admitted to be an eminently desirable one. There is no reason at all, that I can see, why any distinction should be made between Supreme Court Judges

and District Court Judges and Stipendiary Magistrates exercising extended jurisdiction. It cannot be said, I think, that the duties devolving upon Supreme Court Judges are of any greater importance to the community than the duties of these Judges. In point of fact, infinitely more people are affected by the decisions of the Stipendiary Magistrates and District Court Judges than are concerned in the decisions of the Supreme Court Judges. The amount of money, measuring the matter pecuniarily, that is concerned in the proceedings of the Magistrates' Courts annually is very much larger than the amount passing through the Supreme Court; and the District Courts and the Magistrates' Courts as a whole, I am sure, touch the great bulk of the people more nearly than the proceedings of the Supreme Courts; and it is just as necessary in the cases of these District Court Judges and Stipendiary Magistrates as in the case of a Supreme Court Judge that we should have the Magistrates independent of the Executive of the hour; and it is a well-recognised principle of English constitutional law that the Judges should be independent. With regard to the state of matters in the other colonies, it is a remarkable thing that in New South Wales, Victoria, and Queensland, and also in South Australia, the County Court Judges, who are practically the same as our Stipendiary Magistrates, and have no greater jurisdiction,—in some cases not so great as our Stipendiary Magistrates have,—are all appointed during ability and good behaviour. I do not think any good reason can be urged why the same rule should not be applied in New Zealand. As to the second branch of the question, as to the salaries of Judges and Magistrates, it is this: "the salaries of such Judges and Magistrates should be adequate, and should not be liable to be reduced during the term of office of the Judge or Magistrate receiving the same." The same considerations apply to this matter of salary, and I do not think any one can suggest any reason why these District Court Judges and Stipendiary Magistrates should not receive salaries adequate to the important work intrusted to them. We know that these officials, in most cases, have very heavy work indeed—probably very much heavier work than that of the Judges of the Supreme Court; and as to the abstract proposition that they should receive adequate remuneration, I do not think any one would dispute it. When we come to the remaining branch of the motion, however, "That in the opinion of the Council the salaries at present paid to District Judges and such Magistrates, and especially the former, are wholly inadequate," it will be necessary for me to mention what the salaries are that are paid at present. The salaries in New Zealand, I find, of District Judges average about £500. One District Judge—certainly the oldest, District Judge Ward—receives, I think, £900. The others receive—one £550, and the rest £500. Now, I do not think that any one can suggest that £500 is an adequate salary for a District Court Judge. These District Court Judges in

all cases, I think, exercise the functions of Stipendiary Magistrates as well. They have very wide districts over which they travel, and their duties are exceedingly onerous; and I do not think it will be suggested that, inasmuch as men have been got to take these salaries at present, that is a sufficient indication that the salaries paid are sufficient. That, I think, is not a fair inference to draw, and not a proper doctrine to set up. The question is, whether or not these men are receiving proper and adequate remuneration for the work they do and the services they render, and not as to whether we can get men to do the work any cheaper. In the Australian Colonies much larger salaries are paid, and retiring-allowances are also made: in New South Wales, £1,000; in Victoria, £1,500; in Queensland, £1,000. In England County Court Judges get £1,500 a year and a pension. I move the motion as a whole standing in my name, and I hope the Council will agree to it. It is a very important matter, and a matter that I myself have long considered to be one requiring the attention of the Legislature, and I hope the Government will give it the attention it deserves.

Motion made, and question proposed,—" (1.) *That in the opinion of this Council it is essential to the impartial and fearless administration of justice that (a) the tenure of office of District Court Judges and Stipendiary Magistrates exercising extended jurisdiction should be 'during ability and good behaviour,' and not, as at present, during the pleasure of the Executive; (b) the salaries of such Judges and Magistrates should be adequate, and should not be liable to be reduced during the term of office of the Judge or Magistrate receiving the same. (2.) That in the opinion of the Council the salaries at present paid to District Judges and such Magistrates, and especially the former, are wholly inadequate.*"—(Hon. Mr. MACGREGOR.)

The Hon. W. DOWNIE STEWART.—I may state that I very heartily approve of this motion. The impartial administration of justice should be an object, I think, which this Legislature should keep steadily in view; and all persons in the community are interested in justice being administered not only with ability but with absolute impartiality. The independence of the English Bench since the passing of the Act of Settlement has been the subject not only of approval, but, I may say, of admiration. The Supreme Courts in these various colonies through the independence of the Judges have, I think, administered justice with satisfaction to the community. I have never been able to understand why District Court Judges, whose duties are very onerous, should not be placed on a footing of perfect independence. We know that in this colony, as well as in some of the other colonies, the Government have been brought into conflict with private citizens, and it is very well said that justice should not only be administered free from what may be termed partiality, but free from the appearance of partiality. When the Government are brought into conflict with

private citizens I think the Judges should be absolutely free, so that there should be no possible control moving them to give judgment in a case except on its merits. I entirely agree with the honourable gentleman when he says that the amount of work performed by the District Court Judges, as well as by the Magistrates, is not only very considerable, but is much in excess in importance of that discharged by the Judges of the Supreme Court. I think the Government should take immediate steps to place the District Court Judges on the same footing as the Supreme Court Judges, and I regret that this was not done last session in reference to the Stipendiary Magistrates. With regard to the remuneration of District Court Judges, of course I am not prepared to express any opinion, because if persons choose to accept a position of that kind with the salary attached to it they have no reason to complain. If the salary is insufficient, the public, apart from the Judge, are interested in seeing that men of ability are placed on the bench, and that can only be secured by proper remuneration being paid. I believe that one Judge either petitioned the Legislature this session or intended to do so to have the tenure of office put on a more satisfactory footing; and I think that, in this colony as well as in others, it is of the utmost importance that the judicature should be on the most independent footing possible. I shall have much pleasure in supporting the motion.

The Hon. Mr. SHRIMSKI.—Sometimes these officers take office without knowing the amount of duties they will have to perform. They take the position at a very low salary, but subsequently find the work they have to perform is far beyond the income they are receiving. Very likely that has been the case of the Judge who petitioned the House the other day. He probably found that his work was so great and his salary so small that he was justified in making the application.

The Hon. Mr. BOWEN.—I am glad the honourable gentleman has brought this question forward, if it is only to get a vote of the Council upon it. At this late stage of the session we cannot expect that anything will be done, but I think it is satisfactory that the Council should express its opinion that the liberty of the subject depends upon the independence of the Courts of justice. There is no reason that the tenure of office should not be the same in the case of the District as of the Supreme Court. It was said by Burke that the whole complex machinery of the British Constitution was a machinery to get twelve honest men into a jury-box. What he meant, of course, was that the liberty of every one depended upon the independence of the Courts. I am glad this opportunity is given to the Council to express its opinion on the subject.

The Hon. Mr. REYNOLDS.—I have great pleasure in supporting the motion, and think it is of the greatest importance that our Stipendiary Magistrates and District Court Judges should be totally independent of Government

Hon. Mr. MacGregor

control. They have certain judicial functions to fulfil, and if it is suspected that they do not fulfil them properly or are under coercion by the Government of the day the Courts of justice will lose public confidence. With regard to the second part of the motion, I think we must admit that the salaries of the Stipendiary Magistrates, and also of the District Judges, are far too low. I think £450 has been quoted by the Hon. Mr. MacGregor: that is not sufficient for any District Judge. At that salary no man who is qualified to fill that position could possibly be got in the colony to fulfil his duties satisfactorily. He would be kept constantly worrying himself as to how he could support his family. This should not be. A Judge's mind should be entirely free to attend to his duties, instead of continually having his mind unduly taken up with financial anxiety how to keep out of debt and maintain his house. This applies also to Stipendiary Magistrates, who have to keep up a certain position, and ought to be looked up to by the public. I trust that the Government will give favourable consideration to the motion, and that the matter will be attended to during the recess.

The Hon. Mr. KERR.—The Hon. Mr. MacGregor in his motion implies that justice has not been impartially and fearlessly administered in the past, and therefore I think it is a reflection on District Court Judges and the Stipendiary Magistrates. That is the inference, to my mind. I think the District Judges and Stipendiary Magistrates of New Zealand are too high-spirited and independent and intelligent men to be influenced by any consideration, whether they occupy their position during good behaviour or during the pleasure of the Executive. I do not think this would make any difference whatever in the administration of their functions. It has been stated that District Judges receive from £900 to £500 a year. I am not prepared to say whether this is a proper salary for a man occupying that position or not; I should have no objection to raise the amount if it were considered necessary to do so; but what I take the greatest exception to is maintaining the Magistrates in office for all time during ability and good behaviour. I know, in my part of the country, in regard to the Magistrates for Reefton, Grey-mouth, Hokitika, and Ross, some have been dispensed with through want of business, and I think that two Magistrates are now doing the work of the whole Coast. If in other districts the population fell off, and business fell off, the Executive would have no power to remove the Magistrates. They would have to keep them on with their high salaries until they had committed some fault, or until they were too old to administer their duties. I think, therefore, it would be better that this motion should not be proceeded with. As I have stated before, I cannot see that the tenure of office will make any difference to the class of men who occupy these positions now. If their salaries are found to be inadequate, let them be increased. If we look round we shall find many men in the employ of Government, occupying

the highest and the lowest positions, who are underpaid. Even the Ministers of the country are receiving, I believe, no larger salaries than some of their Under-Secretaries. I think that, if we consider that these men are receiving too little, their salaries should be increased, and to those who are receiving only a few shillings a day a little more should be given, so that they may be able to live comfortably.

The Hon. Sir P. A. BUCKLEY.—Sir, this opens up a very large question, and I am not at all sorry that my honourable and learned friend has brought the motion forward. In the first place, I should like to say one word in regard to the insinuation made by the Hon. Mr. Reynolds, in saying that Magistrates ought to be independent of the control of the Government. Let me ask that honourable gentleman if, during his experience, he has ever known the Government to interfere in the administration of justice, or if any Government would dare to do anything of the kind. These men have accepted these positions, and they knew perfectly well what they were doing; and it is not from this or from any Government that they are receiving their salaries. They accepted office with a full knowledge of their responsibilities and duties. I have had some experience with regard to some of these Magistrates, and I am bound to say that in some cases they are inadequately paid for the work they do. Some, I am sorry to say, are not exactly what you would expect. They have administered justice to the best of their ability, but they are out of date; and to continue these men in office "during good behaviour" would be an outrage on the colony. I will not refer to any one in particular. We all agree that there can be no doubt whatever that one of the greatest bulwarks of our liberty is the pure administration of justice. My honourable friend referred to Stipendiary Magistrates with extended jurisdiction, and District Court Judges, but I go further and say that there are no harder-worked men than the Supreme Court Judges, or any men who are worse paid for their work.

An Hon. MEMBER.—Oh!

The Hon. Sir P. A. BUCKLEY.—My honourable friend seems to doubt; but let him look at the Chief Justices in Australia: their salary is more than double that of our Chief Justice, and I undertake to say that our men are quite as good as any Judges in any part of Her Majesty's dominions. The question of the status of the District Judges involves a large question of policy. I am of opinion, and I have held that opinion for a long time, that the time is fast approaching when we should do away with our District Judges altogether; and when we give extended jurisdiction to superior men we shall have no necessity for District Judges. The Stipendiary Magistrates whom we hope to obtain will be sufficient to carry out the important work, and the Supreme Court will be able to perform its functions with far greater ease. My natural inclination has for some time been to try to secure for the large centres trained lawyers as Stipendiary Magistrates,

and if we get these men at reasonable salaries I should be in favour of the abolition of the District Courts. We have been fortunate in securing one or two, and I am sure the Council will know to whom I refer. Nothing could be better than the way in which their duties have been performed, particularly by one man. I think, myself, the question is one of very great importance, and requires very serious consideration, and I am quite satisfied that none of these men—I mean, of those who are suitable for extended jurisdiction—is anything like adequately paid. But before we can increase their salaries in the present position of affairs I think, at any rate, we ought to have superior men. I am entirely in sympathy with the motion, but it is one that requires far greater consideration than the passing of a resolution in this Council.

The Hon. Mr. REYNOLDS.—I wish to explain that I did not accuse the present Government, or any other Government, of exercising any jurisdiction over the District Judges or Stipendiary Magistrates. If the honourable gentlemen, however, thinks that the cap fits, by all means let him put it on.

The Hon. Sir G. S. WHITMORE.—This is a subject which may be treated from two different points of view. The honourable gentleman says, to begin with, that he thinks the District Court Judges and Stipendiary Magistrates should be independent of Government control. There are very few who will not agree with him, provided that they are carefully selected. I differ from my honourable friend the Attorney-General, who says that he thinks the Stipendiary Magistrates should be trained lawyers. I think the most successful Magistrates we have had in the colony have not been trained lawyers. I need not go much further than my honourable friend opposite, Mr. Bowen; the present Stipendiary Magistrate at Christchurch; the present Stipendiary Magistrate at Dunedin, Dr. Giles; and many others, with whose names the Council will be familiar, who have quite satisfied the public, and who have done very useful work. The second point is as to salaries. I do not think that in this Council we can very well afford to express any very distinct opinion on that subject, because we cannot do anything effective. What is the use of saying that these men are inadequately paid, when we cannot adequately pay them? Of course, as a mere matter of opinion, I do not think that they are sufficiently paid. I think it was a very shameful thing reducing the salary of the Governor, and I think the Ministers of the colony are disgracefully paid, and I think more consideration should be paid to the Judges of the Supreme Court. I am also inclined to think that we have reduced the salaries of some of our most valuable Civil servants to an absurd sum. When pinching off these few thousands a year, and giving little sums away for roads and bridges, we are quite forgetting that far more important than any roads and bridges is the proper administration of justice, and of the government of the colony. With the honourable

gentleman, I shall be glad to see these gentlemen better paid; but, on the other hand, they suffer with a great many people who do work which they are not adequately paid for. But, as regards the first part of the honourable gentleman's speech, that brings me to another subject. The Attorney-General asked just now what Government had ever interfered with the District Judges. It was not so long ago—it will be in the memory of a great many members—that the Government did interfere in the grossest manner with a District Court Judge, and if it had not been for the action of this Council I doubt if he would have been on the bench to-day.

The Hon. Sir P. A. BUCKLEY.—It was not this Government.

The Hon. Sir G. S. WHITMORE.—I never said it was this Government; but the honourable gentleman asked if any Government had done so. I say it has been shown that a Government could do that, and what has been done once may be done again. I say, at all events, that District Judges ought to be entirely beyond the control of the Government of the day; and, assuming that the Government is to give extended jurisdiction to the most valuable of the Stipendiary Magistrates, I say these Magistrates should be made as independent as possible. It is pitiable to see to what extent at this moment Stipendiary Magistrates find themselves compelled by the circumstances of their position to waive their own opinions and to do things they really ought not to do. I must say it would be for the benefit of the whole community if, at all events in large places, where the interests are greater, the Stipendiary Magistrates were made as independent as possible of political influence: and they are certainly not to-day. I do not say there has been any interference with them. I do not wish to say anything offensive to the honourable gentleman; but for a number of years—pretty nearly a generation of time—I have watched the actions of gentlemen holding these positions, and I absolutely know that they have very often been constrained to act as they would not have willingly acted because they were afraid of offending the Government; and offending the Government in these days means offending a person who may be very humble, but for the moment has a little political influence, and the sort of way in which this person is supposed to state the merits or demerits of an official is a matter of serious consideration to those who hold these appointments. I shall vote for the honourable gentleman's motion; but the question of salaries we cannot interfere with. I have no objection to say that their salaries ought to be increased; but we might say so from now till ten years hence, and it would make no difference unless the temper of the country altered. It is all very well to say that Civil servants get certain salaries; but their salaries are continually being reduced. I have in my mind a gentleman who for twenty years has been serving the Government in one of these positions, and his salary is £150 less than it was twenty years ago. Taking

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amounts of £50 here and there off these public servants has the worst possible effect, and I do think it is anything but beneficial to the administrative service that it should continue. I have seen the thing going on continually for years and years, and therefore I should be very happy if the resolution of my honourable friend were carried, if to a certain extent it should have the effect of making these officers more independent than they are at present.

The Hon. Mr. KELLY.—While keeping steadily in view the interests of these judicial officers, we ought not to lose sight of the effect on the pockets of the taxpayers. With regard to adequate salaries, what is an adequate salary? Some persons with double the amounts these gentlemen receive would not consider them adequate; and in considering these special cases we must also consider the whole of the Civil servants, and whether those who hold equally responsible positions are getting adequate salaries. This is a very large question indeed, and I do not see, myself, what particular good would follow from our passing a resolution of this sort. It is a question of money, and one that would be more appropriately dealt with by the other branch of the Legislature. With regard to the position of these officers, it is said that their dependent positions must affect their decisions, and that they cannot act fairly and impartially. To my mind, that is a most unfair reflection to cast upon these officers. The mere fact of increasing a man's salary does not make him a better Judge: that depends on the quality of his mind. Some men with very small salaries may be better Judges than those getting larger ones. It is simply a question of the intellectual capacity and fitness of the man. And a Judge requires more than a technical knowledge of the law: he requires a judicial mind and common-sense, which many men who hold high technical qualifications do not possess. Look at the position we should be placed, in supposing this were given effect to. A man is appointed for life; we cannot dismiss him, and we cannot reduce his salary. We may have to do away with the office, and we cannot do so without giving him an equally highly-paid position, or else giving him very large compensation. If this question is to be dealt with at all it should be dealt with in a general way. These gentlemen took office knowing what salary they would get, and I think they had no reason to complain, unless the Government have not kept faith with them. If any injustice has been done to any particular officer I should be glad to afford redress; but, in increasing the salaries of these officers and appointing them for life, we must bear in mind the circumstances of other officers, the financial condition of the colony, and the large number of persons living in the colony whose incomes have been reduced by the low price of produce.

The Hon. Mr. FELDWICK.—I do not propose to address myself to the resolution at all, because the question is one upon which, after listening to all the arguments, the Council will

be very glad to avoid coming to any decision. I therefore move "*the previous question.*"

The Council divided on the question, "That the question be now put."

AYES, 19.

Bonar	Montgomery	Shrimski
Bowen	Morris	Stewart
Buckley	Oliver	Swanson
Grace	Ormond	Whitmore
Kenny	Reynolds	Whyte
MacGregor	Richardson	Williams.
Mantell		

NOES, 13.

Acland	Jennings	McLean
Barnicoat	Kelly	Peacock
Bolt	Kerr	Pharazyn
Feldwick	McCullough	Rigg.
Jenkinson		

Majority for, 6.

Motion agreed to.

The Council divided on the question, "That the resolution be agreed to."

AYES, 25.

Acland	McLean	Shrimski
Barnicoat	Montgomery	Stewart
Bonar	Morris	Swanson
Bowen	Oliver	Taiaroa
Buckley	Ormond	Walker, L.
Grace	Pharazyn	Whitmore
Kenny	Reynolds	Whyte
MacGregor	Richardson	Williams.
Mantell		

NOES, 8.

Baillie	Kelly	Peacock
Feldwick	Kerr	Rigg.
Jenkinson	McCullough	

Majority for, 17.

Resolution agreed to.

PUBLIC WORKS BILL.

IN COMMITTEE.

Clause 171.—Government to make crossings to give access to lands.

The Hon. Sir P. A. BUCKLEY moved the following addition to the clause: "Provided that not more than one crossing may be demanded in respect of each property, unless the frontage to such property to the railway exceeds one mile in length, in which case one crossing shall, on the application of the owner of such property, be given for each mile of frontage; but no additional crossing or crossings need be given in the event of the land being, or having been, subdivided after the construction of the railway."

The Hon. Mr. PEACOCK moved, as an amendment, That the words "one mile" be struck out, and "sixty chains" inserted in lieu thereof.

The Committee divided on the question, "That the words proposed to be omitted stand part of the clause."

AYES, 22.

Acland	Buckley	Kelly
Bolt	Feldwick	Kerr
Bowen	Jenkinson	McCullough

McLean	Reynolds	Stewart
Montgomery	Richardson	Swanson
Oliver	Rigg	Taiaroa
Ormond	Shrimski	Williams.
Pharazyn		

NOES, 3.

Barnicoat Mantell Peacock.

Majority for, 19.

Words retained, and proviso added to clause.

Bill reported, and read the third time.

The Council adjourned at five minutes to five o'clock p.m.

HOUSE OF REPRESENTATIVES.

Tuesday, 16th October, 1894.

First Readings—Midland Railway Contract Bill.

Mr. SPEAKER took the chair at half-past eleven o'clock a.m.

PRAYERS.

FIRST READINGS.

Railways Authorisation Bill, Westport-Ngawau Railway Extension Bill.

MIDLAND RAILWAY CONTRACT BILL.

Mr. SEDDON.—Sir, there is a great amount of interest being taken in the measure which I now ask the House to consider. The Government, in this Bill, ask the House to deal with a most complicated and difficult question. There are very few members of the House now who were here at the time the construction of the Midland Railway was first mooted, and it will be necessary for me to give a brief history of what led to the proposals being made, and of the formation of the company and the initiation of the work. First of all, I may say that in 1884 there was found to be great necessity for making some provision for the tourist traffic, and a connection between the east and west coast. One of the principal reasons was that a produce- and mineral-carrying railway was required, so as to bring from the west coast to the east our coal, timber, and other products, taking back from Canterbury its products, and at the same time facilitating a closer communication in the way of traffic generally. A Commission was appointed, and that Commission reported upon this work—as to its payable character and other details—and an Act was passed giving power for a contract to be made. A contract was made, and representatives of the syndicate were sent to the Old Country. A company was formed upon their representation, supported as it was by the documentary evidence, and by the report of the Commissioners, and the other information which had been collected by the representatives of the syndicate who were sent Home. This contract was entered into, and in it there was the alternate-block-of-land system, which was that by the State giving one-half the value of the construction of the line increased value would be given to the alternate blocks, and the

State would be repaid for the land that it had given away. I think nothing would explain the position better than the position of that case, with its several divisions, we see upon the table of the House. That marked "a" would belong to the company, "b" would belong to the Crown, "c" to the company, "d" to the Crown, and so alternately the blocks of land would be laid off, each alternate block within a fifteen-mile limit being given to the company. That was in the first Act—that of 1884. Subsequently, when the new contract came to be made, it was found that there had been a serious omission in the first Act, inasmuch as by the alternate-block system the colony had given inferentially the right to select large areas of auriferous land; but, while the alternate-block system was a perfectly right thing to be permitted, it simply meant that some of the gold-workings would be included in the alternate blocks, and to have allowed this would have been against the public interest. The company under the first contract might, in my opinion, have selected tracts of country upon which the colony has spent large sums of money in water-races and other goldfields works. There was at the same time a disadvantage to the company even in the alternate-block system on the east coast. For it would have had to take the land along the railway first, and this land was of very inferior quality. When the second Bill came before the House, under which the second contract was framed, then the alternate-block-of-land system was abandoned, and the company was given power to take land within the area and to make their own selection; and in respect to the lands on the west coast they had the right to deal with timber, but had no right to interfere in any shape or form with mining operations. Of course there was a good deal of communication between the colony and the company, and, to my mind, the company had the best of the bargain. That is my impression, and I do not think there is any doubt about it. At the same time, had the company adhered to the original contract I have no hesitation in saying that the colony would have had to come to the rescue, and to take such steps as would have prevented the company from securing the auriferous lands which were within the fifteen-mile limit. Otherwise there would have been a serious conflict as between the miners and the company, and as between the Government and the company. Under the circumstances the Legislature stepped in and altered the law, and the new contract was entered into. Very well. As time went on the company proceeded with the work of constructing the line from Brunnerton to Reefton, and it completed that line, which is a very good line indeed, and, I think, is paying fairly well, and has been a great boon to the West Coast. The company also proceeded to construct what is known as the east coast connection—that is, commencing at Stillwater, and going *via* Lake Brunner and Jackson's, and at the other end from Springfield to Paterson's Creek. The

line has been finished to Paterson's Creek at the Christchurch end, and as far as Jackson's at the west coast end of the line, and that shortens the distance somewhat between the east and the west coast. I may say in the construction of the line from Stillwater to Jackson's the company asked the colony to permit a deviation. The deviation diverted the line from the west to the east side of Lake Brunner. The company claimed that the deviation would cost no more to construct, that it would be no longer, and that the grades upon it would be much better than they would have been on the originally surveyed line. Parliament, in its wisdom, thought fit to permit this; and I considered Parliament made a serious mistake. I opposed that deviation, as I thought the original line ought to have been maintained; and I think so still. However, Parliament thought fit to grant the deviation, and the line now constructed is upon that deviation. It was found that that construction did not cost less—it cost more—and when it was constructed it was found to be longer than the original would have been. It certainly taps a little good land, but that land is not Crown land; and at the same time I believe myself, as a tourist line, the beauties of the lake would have been seen better from the west branch, and the line is now deprived of that advantage. As a mineral-carrying line also I do not think myself it is in any way a better line. But what I urged then, and what I urge now, is this: that the breaking of the original contract then, over that deviation, gives the company some justification, in my opinion, to claim an extension of time, because Parliament knew that it would require to be surveyed, and in the laying-off and surveying of the old line everything was prepared, and the work could have gone on. Now, Parliament having said that a deviation was to be granted, and the deviation having been made, I am of opinion that the company has a reasonable claim to an extension of time, owing to Parliament having sanctioned the deviation to which I refer.

Sir R. STOUT.—When did they agree?

Mr. SEDDON.—In 1890 there was an Act passed, and you will see there the conditions upon which this was granted. The company, I may say, for the concession, spent some two thousand and odd pounds in constructing a road so as to give connection between the railway, Lake Brunner, and the lower part of Westland. They were also bound to place a steamer on the lake. That was the concession granted to the colony in connection with this deviation, and I think that concession was a reasonable one. The company complied fairly with what was stipulated, and there was an end to that transaction. We then come to another question, and that is the question of the tunnel which was to be made at the Otira Gorge, or the Abt system. It was found on examination that, from the nature of the country through which the railway had to go, the tunnel would be very expensive to construct, the country being exceedingly

broken. Then came the question as to whether the construction would stand, and that was a somewhat difficult question to decide. Of course, the slides that took place there made it hard to say what the effect might be in some of those narrow points, and there was also the question of the Abt system, and the question of putting the line on a lower level than the tunnel. However, these are matters of detail which were settled by engineers to whom the matter was referred. The fact, at all events, is that representations were made to the Government prior to the signing of the contract, as I have already mentioned. This was a change that was expected to arise, and provision therefore was made accordingly. The company submitted their proposals to the Government, and the Government took the advice of the best engineers they could get—the matter was submitted to Mr. Maxwell, the late Commissioner of Railways; and ultimately the Abt system was approved. In this, great delay took place on account of the company having to make new surveys, which took a very considerable time. However, this was done; but, having made the change from the tunnel and from the original plans to the Abt system, the question comes in as to whether or not the company could on these grounds claim an extension of time. I simply refer to it for the purpose of showing to the House the position. I am not advising the House to do anything but take a common-sense view. From some experience I have had in regard to contracts I look upon these questions that have been submitted to Ministers as leading to the further question whether under the circumstances they would be in a position to refuse an extension of time. But then, I say,

12.0. it goes beyond the Minister. There are conditions in the contract that would go beyond the Government altogether. I refer to certain matters which, in case of dispute, are to be referred to arbitration, and I know that in cases of arbitration the Government always goes to the wall.

An Hon. MEMBER.—The company have asked for it.

Mr. SEDDON.—I have no doubt the honourable member for Wellington Suburbs has not the slightest doubt that, failing a satisfactory settlement, the company will claim all the rights and everything which can be claimed within the terms of the contract. At all events, the Abt system was conceded. The company went on with its work, and finished the line as far as Jackson's. I may say that at this stage the company's funds were exhausted, and they applied to Parliament for a concession and for a new contract. The company have not kept anything back from the Government. They have been very open to the colony, and have told the colony their financial position. A most unfortunate position it is, I say, for the company. Circumstances, of course, at the initiation were very much against them—what they had to pay for raising their money and not having in the first instance sufficient capital. However, the fact remained that when they

had taken the line to Jackson's they could proceed no further. They then appealed to the colony. The demands first made, I need scarcely repeat, were such as could not be entertained by the colony. I think the lowest amount asked for the construction of the line from Paterson's Gully up to Jackson's was some three-quarters of a million. Last session the House went into this matter. The whole matter was referred to the Public Accounts Committee, and the Committee went very fully into it. If honourable members will look at the evidence they will see what was claimed by the company, and they will see on what grounds it was claimed. They will see how these claims were met. Ultimately the Committee reported that debentures in lieu of land-grants should be offered, and that the original contract should be maintained—that was, including the Nelson connection. The company were to construct the whole of the lines of railway mentioned in the original contract, but at the same time they were to receive debentures in lieu of land-grants. That was the position taken up by Parliament last session. These conditions were offered to the company. If honourable members look at the correspondence they will find that the decision of the House was communicated to the company, and the company replied to that communication. The difference this session is that the company have asked to be relieved from making what is known as the Motueka-Reefton connection. I may say on that point that, that being a departure from what was recommended by the House last session, the Government had to satisfy itself first as to whether or not the company had made every reasonable effort to raise sufficient money to complete the whole contract in terms of the recommendations of the House last session. After that inquiry, I say here, knowing as I do every detail in connection with the company and its financial position and what it has offered to do, that it is not in a position to carry out the original contract and to construct the Motueka-Reefton Section, thus completing the Nelson connection. For me to formulate and to support this Bill, leaving out as it does the Nelson connection, after what I have done, and after what has been done in reference to this railway, I say is a most painful thing—it is almost a humiliating position to be placed in. There were the hopes and expectations of the people of Nelson and Reefton as to that connection; they have waited for it for years. They have had no settlement going on, and they have had very little expenditure taking place—only some £60,000 odd. Now suddenly we are called upon to ask Parliament to agree to the abandonment, at all events for the time being, of that communication. I say this: that, notwithstanding that it is painful for me to have to do it, I look upon it simply as a matter of duty—that, under the extraordinary circumstances in which we are placed, duty compels me to advise the course which I am advising. In the proposals, I may say, the Nelson-Reefton connection is not altogether abandoned:

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it is left open for further negotiation, and there is a completion at all events to one point, which will shorten the distance between Reefton and Nelson—I refer to the completion of the line to a point at Norris's Gully. In this line you will have a workable piece of line, upon which an expenditure of £90,000 has taken place, and that is all that the good people of Nelson will receive for having their land-settlement stopped for ten years. So far as they are concerned, for some years to come there will be nothing done. Further, there is this to be taken into consideration: The company is not in a position to do it, as it cannot get the money. It may be argued, and will be argued, that as regards the land-grants that portion of the line has received less, proportionately, than other portions of the line. The expenditure on the other end of the line would be greater; and what weighs with me, and what weighed with the Government, is this fact: that the amounts to be paid are fixed by the original contract, and are scheduled, so that it cannot be said that you can fairly claim in that respect that the company should not receive the amount so fixed. Now, the amounts are fixed in a schedule, and the company claim to have received a profit on the land, and, so far, their transactions show that they did receive a profit on the land granted, but when the thing is completed to a larger amount I question very much whether there will be a very large profit to them. However, that is the position, I think, put very fairly in this respect. The next part is the Bill that is now before the House, and what has led to the Bill being introduced. I may say that the company notified the Government that they could not complete the whole line, but that they were prepared to complete the connection between Paterson's Creek and Jackson's on certain terms. They asked that £618,000, by way of debentures, should be lodged with the Public Trustee, and stated that this amount would pay interest for fourteen years at the rate of 4 per cent. on the £1,250,000 required to complete the line between these two points, and which said amount the company are in a position to raise.

Mr. BUTTON.—Would that open it to Springfield?

Mr. SEDDON.—That completes the line from Brunnerton to Springfield. It is urged that this £618,000 would pay more than 4 per cent. for more than fourteen years on the £1,250,000. A computation was made showing that if the sum were lodged immediately it would do so. But if honourable members will look at the Bill they will find that we have not agreed to that. Under section 5 the company first of all, within two years, has to complete the line to Norris's Gully, and I may say that after that completion we pay nothing at all upon it. After it is completed it is to be handed over to the colony without payment of anything whatever. That is practically giving to the colony what has cost the company about £60,000. Out of the amount already spent we have given away in land-grants land to the value of

£30,000, so that we may say we shall receive in round numbers about £60,000 of what has been spent by the company after they have completed the line. We shall be told, probably, that we are getting a line which it will not pay the company to work. I admit that it will not pay the company to work it, but I say, with our railway staff at the Nelson end, the colony can work it without any extra cost whatever. It will also bring trade to the other Government railway, and will shorten the distance to Reefton. In that respect it will be a great advantage to the colony, and we are therefore getting a concession in the company handing over that constructed piece of line free of cost. Then, as regards the line from Jackson's to Springfield, the company is, in lieu of land-grants, to receive 34-per-cent. debentures to the value of £618,250. I wish honourable members to mark this: that the debentures are to be issued and delivered as follows:—

“(d.) Such debentures shall be issued and delivered as follows: Debentures to the value of two hundred thousand pounds within one year from the date of the new contract, and debentures to the value of a further sum of two hundred thousand pounds within two years from the same date, and debentures to the value of two hundred and eighteen thousand two hundred and fifty pounds upon the said railway between Springfield and Jackson's being completed and opened for traffic:

“Provided, however, that no delivery of debentures shall take place as aforesaid until at least one-fourth of the total amount or value of the works to be completed by the company under the new contract are so completed in terms of such contract; nor shall the second delivery of debentures (to the value of a further sum of two hundred thousand pounds) be made until works to the value of at least one-half of the whole of the works agreed to be completed shall have been completed by the company as aforesaid.”

Honourable members will therefore see that the objections raised to lodging debentures for the benefit of the company in the first instance have been met, and that the present proposed arrangements are in favour of the colony; because, if you divide £1,250,000 by 4, you will see that you are getting more than the value of the works done by the company; and then we have a safeguard, in regard to the expenditure on the work constructed, to the value of the debentures. Not only that, but you will see that the moneys you give will not give them more than 4 per cent. for the fourteen years claimed in the way that we propose to give this money. I make this clear in order to meet the arguments used outside, because it is said that we are asking to give more money to the company than they in the first instance stated was required. If this money had been lodged—this £618,000—immediately after the contract was signed it would have paid more in fourteen years than 4 per cent. Lodging the debentures as now proposed would not pay more than 4 per cent.—in fact, it is under. I hope I have made that clear to

honourable members, because it is a point that has been raised, and it might be raised again. The next question, after having placed the contract fairly before the House, is, What are the advantages that can be claimed for the colony for conceding what we are conceding by the present proposals? I say the question of encouraging tourist traffic by the construction of this line has greater weight to-day than when the Stout-Vogel Government agreed to construct the line; and every argument that was then used by what was known as the Canterbury party—and at that time they were a united and formidable band—every argument then used stands quite as good to-day, and indeed has greater force, because as the years roll on there is greater advantage to this colony from the tourist traffic, New Zealand is being better known with regard to its capabilities, its scenery, and its position by tourists. Its advantages have been taken further afield, and by these means there is much indirect advantage. I may say that not only to Canterbury and the West Coast is there an advantage as regards the tourist traffic, but the Otago scenery on the West Coast is known world-wide. In addition there is the North Island scenery, the Rotorua geysers, and the other class of scenery which we have in the North Island, and tourists who come to New Zealand to see the scenery on the West Coast would assuredly pay the North Island a visit. I do not think there is a single person in this House who will not admit the great advantage to the colony of fostering and encouraging tourist traffic. There is another phase of the question, as regards the carrying of mineral products and timber, and the advantage of the connection between the east and west coasts. I say that it will be a great advantage. There are parts of Canterbury, and other parts of the South Island, that would be fed directly from the coal-mines. The argument that we have now harbours and shipping competing against the railways successfully might obtain as against the North and some parts of the South Island, but, as regards Canterbury, and right down to Oamaru, I say that the coal put direct into the trucks from the mines could be taken at a payable price and landed at the places I have indicated. In that respect the arguments in favour of the line are as sound as the day the proposal was first made. There is also another advantage which might be gained, and that is this: If it was wise to make railway connection between Otago and Canterbury this proposed connection between the West Coast and Canterbury would have greater force; if it was wise to construct a line between Wellington and Auckland, then I say it applies with equal force that the east coast of the Middle Island should be connected with the west coast. Then, there is also to be taken into consideration that there will be work found for two thousand men. We have at the present time a steady drain from the colony, and I am compelled to admit it. We lost one hundred and forty-four of our population last month, more than what came to the colony. If there

is anything that pains me more than another it is that, while we have such a beautiful country as this, which offers so many opportunities to our people, we should be losing our population. If you will only pass this Bill, and let this company go to work. I say that the Otira Gorge will be a second Coolgardie. It will stop men from leaving us with their few pounds, their stout hearts, and their bone and muscle, for they are going now away to make Australia; and I say if you pass this Bill they will stop in the colony. Wellington would receive an advantage from the construction of this line. And every representative in this House will agree that it is a great loss to the colony for us to be losing our population. When work is to be given to the unemployed by the expenditure of this £2,500,000, I venture to say that there is not a man in this House who should oppose the finding of work for these toilers. I say that the farmers and producers of Canterbury and other parts of the colony would benefit by the work being put in hand. They are getting extremely low prices for all kinds of produce. There is nothing more profitable than markets near home, and the effect of having two thousand men at work to feed with their own products would prove a great advantage to the unfortunate farmers of Canterbury, who have been suffering for some years past. That may be regarded as a small matter by some members of the House, but if they put half the money earned by the men into Canterbury it would prove very beneficial to the farmers. I claim this also as of paramount importance, not only to that district but to the whole colony: that if we fix the matter on the lines laid down in this Bill it means that we shall set free five million acres of Crown lands for settlement purposes.

An Hon. MEMBER.—The land is useless.

Mr. SEDDON.—I say the land is not useless. I say there is a large tract of land in Canterbury; there is a large tract of land in Nelson; and a large tract of land south of Westland, known as the Whanganui Flats, from about ten miles below Ross, right down almost to Okarito, which is as good grazing-land as you can get in any part of the colony.

An Hon. MEMBER.—You want a roof over it.

Mr. SEDDON.—We do not want a roof over it. There are other places that require roofing nearer home. If some honourable members were to go and see the grass on those lands to which I have referred to they would say that there was no better land than that about the Whanganui Flats, almost to Mount Hercules, and that this land is capable of maintaining a large population. During the last ten years the settlement on the West Coast has been almost stopped; and five million acres would be set free if this Bill were passed. The people of Nelson, Canterbury, and Westland have had land locked up for the last ten years, and they are only asking now in this Bill that the land should be set free; and that is one of the advantages that I claim under the present proposal. It is not fair nor just to those in that part of the colony that Parliament should

refuse to allow this land to be set free for settlement purposes. Now we will take the alternative. I said in my speech that an extension of time would be claimed. I gave the reason why, for I know that the company will claim—in fact, it has already claimed—an extension of time, and, as I told the House, if the matter goes to arbitration I am almost confident that the extension of time will be conceded.

An Hon. MEMBER.—Why?

Mr. SEDDON.—Because of the alterations that have been made in the contract. There are the deviation and the Abt system.

Sir R. STOUT.—That is not an alteration.

Mr. SEDDON.—Why, from the fact of the company coming to Parliament and petitioning Parliament, and from the fact that we have this year discussed and last year discussed this matter, and that concessions have been made pending further proposals, if the question went to arbitration on that ground alone we might reasonably expect that the company would succeed in obtaining some consideration. Sitting on these benches and dealing with this question, in which the honour of the colony is concerned, I say that if we deal harshly with the company, and do not give them fair concessions, we shall injure the good name of New Zealand. I for one will not be a party to that. The names of the gentlemen connected with this company in London, and of those who went to London to float the company, are those of well-known men; and after the position taken up, supported as it is by documents and evidence, I say that it would seriously affect the credit of the colony if the Government did not give the company fair treatment. That is my contention.

12.30. Well, then, there may be—we will say that probably there will be—an extension of time granted; there will be a greater or less concession given in the way of extension of time. If, on the other hand, an extension of the contract time were refused, and the Government commenced to deal with the land, what would follow then? An appeal to the Supreme Court for an injunction to prevent the colony from dealing with the land within the area.

Sir R. STOUT.—How can they get an injunction against the Crown?

Mr. SEDDON.—Well, I am not so well versed in law as the honourable member; but, at all events, there is a contract in existence, and the land for the time being is kept from being dealt with by the Crown. Government cannot sell or lease, except for mining purposes, an acre of land within the contract area until such time as the company has done its work, and then they can claim their land-grants on the land-certificates.

An Hon. MEMBER.—What if they do not do their work?

Mr. SEDDON.—If they do not do their work all things must come to an end, and, I suppose, so will this contract; but it would not come to an end if there was any reasonable ground for an extension of time, and to

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commence to deal with lands as though the contract had expired wholly by effluxion of time must inevitably lead to litigation, and damages would be claimed. That is what I contend. Now we come to the question of litigation as between the company and the Government. We have had in the history of the colony litigation on contracts. The litigation on the Brogden claims will probably not soon be forgotten; and in that matter what had the colony to pay?

An Hon. MEMBER.—It won.

Mr. SEDDON.—Yes, it won; but what did it cost us, and what would this cost? Members should look at it from a reasonable standpoint, and if possible litigation should be avoided. Then, supposing the company had completed its work on the land-grant system, we should be bound to give the full value in land, no matter if it took the five million acres, and I believe on a fair reading of the contract the Government will have to modify the price in the schedule till the company has practically got the £618,000 in land. If I were bringing in a Bill for the first time to the House to agree to such terms as these now before us the House would no doubt reject it, but we must take the position as we find it, and it is simply a variation of the contract made in 1884 and 1888, which has been several times amended, and now we come to a final arrangement, which will, in my opinion, if granted, settle once and for all this very difficult question. Now, I say there is an objection, and I ask, where is that objection coming from, and what is underneath and behind it? I have heard it said by honourable members, "Why should the Midland Company contract be entered into? If we can knock out these proposals, and keep Canterbury, Otago, and Auckland together, we are bound to force the construction of the Otago Central Railway and the completion of the North Island Trunk. The Canterbury people must go with us, and we will have a good big loan." These were the arguments used. I do not think the honourable member for Wellington Suburbs will deny that he is favourable to the purchase of the Manawatu Railway, so that when they put the whole of these together there will come about what should be avoided, and what, I say, as far as this colony is concerned, has been a serious blot in the past, for which we are suffering to-day in having to pay the interest on a huge loan for the construction of works out of that loan-money. Now, I say those who are against borrowing, those who are with the Government for a self-reliant, non-borrowing policy, must support this Bill if they are at all consistent. Now, I must repudiate that this is fresh borrowing decidedly and openly—

Mr. ALLEN.—So will New Zealand have to, if we go on like this.

Mr. SEDDON.—I will show the honourable member in a few minutes what has been going on very steadily for the last ten years in other parts of New Zealand, and then, I think, he will admit that great injustice has been done to the parts of the colony more particularly

affected by this proposal. I cannot believe for a moment that there are many members here who would desire to inaugurate such a borrowing system of policy as I have described, to bring about advantage to their own particular district by doing a grievous wrong to another part of the colony. I hope there are very few—I hope there are no members in the House who would do this; but I have simply told the House what has been stated to me, and I may say I heard one member make a statement to the effect I have now mentioned. I will now take the comparative expenditure in the several parts of the colony during the time this Midland contract has been proceeding, and will give the figures to the House. I say that if honourable members are open to reason at all, if they are prepared to do what is fair and just, they ought to support the proposals of this Bill. I will take first of all the expenditure out of loan in the provincial district from the 1st of April, 1886, to the 31st March, 1894, and also the value of the land granted in connection with the Midland Railway.

Sir R. STOUT.—Why take 1886?

Mr. SEDDON.—The honourable member ought to know the time of the contract.

Sir R. STOUT.—The contract was not signed in 1886.

Mr. SEDDON.—Good gracious! A syndicate went Home in connection with the contract authorised by the Act of 1884. The first contract was signed in 1885, and legalised by the Act of 1886; the second contract was made in 1888: thus 1886 is the mean. If I took the expenditure from 1884 it is all the more against you.

Sir R. STOUT.—No.

Mr. SEDDON.—Oh! but it is. I have only gone over the time of the present contract. I have not taken an unreasonable date; but the further I go back the worse it will be for the other provincial districts. I am interrupted by the senior member for Wellington City, perhaps purposely, but I shall give these figures. The Auckland District has had expended out of loan £1,085,813, Hawke's Bay has had £196,871, the Wellington District has had £931,114, Taranaki has had £95,760, Nelson £191,000, Marlborough £91,800, Canterbury £268,173, whilst Westland has had £232,717, and Otago has had £1,053,327. Now, in round numbers, what has been the expenditure out of loan? In Auckland a million, in Wellington £931,000, and in Otago £1,053,000.

Mr. EARNSHAW.—Where is Southland?

Mr. SEDDON.—That is included in Otago. And, now, what has Canterbury had? The total amount by land-grants for the ten years is £184,753. That is all her expenditure on this railway under the land-grants. Nelson has had in value £38,743, and therefore, between the two, there is a little over £200,000 in land, and in Canterbury £268,173 out of loan. The total altogether for Canterbury for the ten years is £452,956, for Auckland a million, for Wellington a million, and for Otago a million. And, again, what have we provided this year on the estimates—the public-works esti-

mates? For Auckland £167,000, for Wellington £147,000, and for Otago £165,000; and all that you propose here, specially during the next two years, is £200,000 for Canterbury, Nelson, and Westland, when the other three provincial districts have—since the Midland Railway contract was entered into—had £3,000,000 sterling out of loan. This £618,000 is to be spread over four years, and that means annually £150,000, while we have on the estimates for this year £167,000 for Auckland, £147,000 for Wellington, and £165,000 for Otago. I say, speaking so far as one can see for the next four years, you will find the same expenditure voted for the other provincial districts; and, this being the case, why in all reason should we refuse to do what is just and fair to those parts of the colony to which this Bill specially applies, which, I say, have suffered for the last ten years? For my part, I will be no party to that, and if honourable members are just they will not refuse to deal out even-handed justice to all parts of the colony, and should not refuse to accept these proposals to carry this Bill, and once for all to end a matter which, if not dealt with now, must lead the colony into great and serious trouble. I feel assured that the honour of this colony is, as it were, at stake in regard to this transaction—that what we are doing is watched very carefully, and that we should not for a moment lightly treat our honour, or allow it to be sullied, and sullied it will be unless we meet the company fully and fairly, and do justice to these parts of the colony, and say in the spirit of honesty it is our duty to open the lands there for settlement—those districts have suffered for the last ten years, and shall suffer no longer.

Sir R. STOUT.—I do not know that I have ever heard a more misleading speech than that delivered this forenoon. It is not only misleading, but I cannot understand how the honourable gentleman makes so many blunders in facts. If he had taken the trouble even to read the short synopsis of the history of the contract which appeared in D.-2 of session 1887 he would not have fallen into so many blunders. Let me, in the short time allowed to me by our wonderful rules, give a short history of how the contract arose. Sir, it was originally intended by the public-works policy—and I am speaking first of the Canterbury Section—that the railway should be made right through the Middle Island; and that railway was proceeded with, and had got up to a certain point in 1881. In 1881, however, a new system of railway-construction was started in New Zealand: that system was called “the land-grant system”; and an Act was passed authorising companies to be formed and to obtain land-grants up to a certain amount. This East and West Coast Railway—though not known then as the East and West Coast Railway, because it was to go by Reefton in a different direction, and join a line to be made from North Canterbury—was included in the schedule to the Bill. Certain railways have been made under that land-grant system. The Manawatu Railway is one, and that was also

included in the schedule; but, so far as the land-grant system is concerned, it had been suggested in this colony so far back as 1868, and proposals had been submitted to Parliament for a contract for a railway from Nelson under the land-grant system before the public-works policy was brought down to the House. We come back now to 1884. Negotiations had been going on between several gentlemen for the formation of a railway under the land-grant system of 1881, and an Act was passed in 1884 making certain concessions different from those in the Act of 1881, and, though these concessions did not really amount to very much, there was a difference in the amount of land to be given. Instead of being a third it was to be a half; and it had this great distinction: Under the Act of 1881 the land was to be valued, and it might be valued so low as 1s. an acre. Some of the land included in the five-million limit is not worth 1d. an acre—it is merely glaciers and mountain-tops. However, the minimum price fixed by the Act of 1884 was 10s. an acre, and no land could be valued at less. A contract was drawn up and signed between certain gentlemen residing in Christchurch—Messrs. Chrystall, Scott, and others. They went to London to see if a syndicate would take up their contract; but the syndicate declined to take up the contract unless certain further concessions were made. These further concessions came before the House in 1886, and if honourable members will look at the statute they will see the concessions that were asked and the concessions that were granted. The further concessions that were granted were, first, as to selection—that the lands were to be selected; secondly, as to interest during the contract; running-powers; and a deposit of £150,000 on the assignment of the contract. These were all the concessions that were further granted by the Act of 1886. Then, the honourable member has said that provision was not made in the Acts of 1884 and 1886 to safeguard the goldfields interests.

Mr. SEDDON.—Hear, hear.

Sir R. STOUT.—Provision was made to safeguard the goldfields interest even in the Act of 1884.

Mr. SEDDON.—No.

Sir R. STOUT.—The honourable member may say “No,” but the Act states this: “No land now used for mining purposes.” That is surely wide enough.

Mr. SEDDON.—That was land which the Law Officers held to be occupied at the time as mining claims.

Sir R. STOUT.—What law does the honourable member refer to?

Mr. SEDDON.—I refer to the advice of the Law Officers.

Sir R. STOUT.—The clause also says, “or which shall be known gold-workings, shall be deemed Crown lands under this Act.” However, so far as the Act of 1884 was concerned, the company would not take up that contract, and so far as the Crown was concerned that contract was practically at an end. Then, under the Act of 1886 another contract was

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drawn up, and honourable members will find it in D.-2, page 4, of the session of 1887, and in that contract no one can say that mining interests were not safe-guarded. There was provision for reserves in the draft contract of 1887. That contract, as drawn up in 1887, safeguarded the mining interest absolutely. There was no doubt about that; and in the contract there was power, under the Mines Act, to make reserves, and I believe a Proclamation was issued by the honourable member for Tuapeka to that effect. Then, again, this talk of arbitration, I simply say, has been used as a lever to get further concessions. That contract was sent to England, and the company declined to accept it, but they said they would accept it as a basis, and they wanted a further modification, that further modification being that the Abt system should be adopted; and the value of this concession was to them something like £470,000. I am giving the figures of the former Under-Secretary for Public Works, Mr. O'Connor. They asked also that the alternate-block system should be abandoned, which meant a concession to them of £500,000 or £600,000 more. The total of the concessions asked for by them in the new contract of 1888 were worth, I believe, no less than one million. Do honourable members know what the abolition of the alternate-block system meant? Under the alternate-block system they were not allowed to select a single acre within the five millions of the reserves until the alternate blocks had been taken up. The alternate blocks faced the railway, and were to have a one-mile frontage, and extend fifteen miles back, and they were bound to take the steep mountain-sides and glaciers. Much of that land was not worth 1d. an acre. And what then happened? They came to Parliament in 1887; and a further contract was made—in fact, the only contract that has been made by the company. It was made on the 3rd August, 1888. What did that give them? It gave them the right to select land anywhere within the five-mile area they pleased, with the result that they took up the better country, and on the east coast they had magnificent tracts of land, and on the east coast going across the mountain-range they took pastoral land which we know afterwards they were enabled to sell at something like 35 per cent. advance on what it had been valued at when they took it. They picked out the eyes of the land; the land left to them now is bush-land, and the west coast land would take more to road—to make approaches to it—than practically it is worth. The new contract was made, and these enormous concessions were given to them. The Crown has a right to select, I think, 750,000 acres for mining purposes, and out of this area I understand that up to the present only some 300,000 have been selected. What do they want now? They have got this land, they have picked out the eyes of it, and on the land they have sold they have got an advance of 35 per cent., and now they come to the House and say, "We do not want any more land. We want you to give us £618,000 in cash—that is,

that you are to buy our rights from us"; and that means that the colony is to raise a loan in London at 3½ per cent. It simply means that we are to buy up what are called their land-rights for £618,000, and we are to set aside altogether the construction of the Nelson end. This is the further concession they ask from the first contract made, and from the second contract made in 1888. That is the difference between the concessions; and we come to this: that the concessions already given to this London company are not less than £1,000,000. Now this new concession is proposed, and we have another half-million. That is what I object to. Why should we allow this company to violate its contract? I say that the honour of the colony is at stake, and that this contract should not be violated. I say the honour of the colony is pledged to this Nelson end just as much as it is to a syndicate in London. Therefore, if we are to keep the honour of the colony, we have a right to say to that company, "Carry out your contract to the letter closely," and to keep them to their contract. That is the way we should perform our part of the contract; but to say that we are to buy them off and make these further concessions—what does this mean? It amounts to the sum of £618,000; and we are to give them that for what? For the making of a line that will not cost more than one million of money, and then the line is not to belong to the colony at all, but to the company. That is, we are to give this company £618,000 to make a million pounds' worth of railway, and then that million pounds' worth of railway is not to belong to us, but to the company. If the original contract had been carried out on the alternate-block-system the result would have been that, instead of giving the land on the east coast, the company would only have had alternate blocks along the line. Now, it is clear that the new contract has given them much more than they would have got under the land-grant system under the Act of 1881. What do they want now? To have money substituted for land; and does the honourable member think that these sharp business-men in London are doing all this for the monetary benefit of the colony? They are doing it for the monetary benefit of themselves, and they know this fact: that they cannot sell the land for anything like £618,000, perhaps not for £300,000. Therefore they ask for further concessions; and where is the question of honour for them? I am amazed that such an argument was advanced here. Then, the Premier said that if we do not do this we shall have a law-suit; but if the honourable gentleman had looked after the honour of the colony as Minister for Public Works, and had performed his part of the contract, he need not have been afraid of a law-suit.

Mr. SEDDON.—I never said I was afraid.

Sir R. STOUT.—Then, if the Premier is not afraid of a law-suit, what is the next thing to appeal to? Arbitration. But the honourable gentleman says the arbitrator may be an unjust man. That is a peculiar notion

of arbitration, when the whole of our labour troubles are to be solved by arbitration. This is a question for arbitration, and if the colony has wronged this company of a single farthing the colony ought to pay for it. That is the way we ought to maintain our honour, and we ought not to be afraid to leave it to any arbitrator to arbitrate between the colony and the company; and if the colony has done no wrong—and I do not know that wrong has been done—we need not be afraid of any Court, or of arbitration. The next point made was that under the circumstances we are bound to give them a further extension of time in order to complete the work. How are we bound? So far as the deviation to Lake Brunner is concerned, the Act of 1890, which allowed that deviation to be made, said it was to be read as part of the original contract, and there is no provision in the amended contract which bound the Crown to give the company an extended time to perform the work.

Mr. SEDDON.—It is also in the original contract.

Sir R. STOUT.—There is nothing in the original contract binding. It is left entirely to the discretion of the Crown, and it does not bind the Crown to give a single day's extension of time, and it is not for Parliament to give a single day's extension of time merely because this company is not able to perform its part of the bargain; and I say that any Government that gives a concession to a company that is unable to perform its part of a bargain is not looking after the due interests of the colony. The Premier talks about the lands, and says they must be opened for settlement; but does not this House know that at the end of this year, within two months of now, half of these lands can be opened for settlement? What is to keep them from being opened? If there is no extension of time given the lands can be opened up, and if an extension ought to be given to the company it is a question of negotiation between the company and the Crown, and the Crown should say, "We will give you an extension of time if you allow a certain number of blocks to be opened for settlement."

2.30. Another reason urged by the Premier why we should vote this sum of money to this company is that the tourist traffic ought to be developed. I do not deny that the tourist traffic ought to be developed, but I am not yet aware that it is necessary, in order that the tourist traffic may be developed, that a railway should be made to the West Coast. The Premier spoke about the beauties of the Otira Gorge. Sir, the Buller Gorge, I believe, far exceeds the Otira Gorge in every respect, and, if it is necessary to make a railway for the sake of scenery, then the railway between Reefton and Nelson ought to have been made. I have been through the Otira Gorge, and I have been a number of times through the Buller Gorge. I have also been up the Wanganui River, and have seen the gorge there.

An Hon. MEMBER.—Have you seen the Mokau?

Sir R. STOUT.—No; I have not been to the

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Mokau, but I have seen most of the rivers of the colony, and I do not think that any river or any gorge can equal the Buller in its scenery.

Mr. J. McKENZIE.—The Wanganui River far surpasses it.

Sir R. STOUT.—Well, Sir, I have been more than once up the Wanganui River above the Mango-a-te-ao, and it is no doubt very fine, but I do not think it excels the Buller Gorge. It is absurd, then, to say that we should make this railway for the sake of the tourist traffic. I do not know that the railway would improve the tourist traffic at all. If people wished to see the Otira Gorge, the few tourists we have coming to the colony could go by coach; and, as to aiding the North Island, that appears to me to be a very far-fetched idea. Then, the totals of the public-works expenditure since 1886 in the several provincial districts was given by the Premier, and he stated that very little had been expended in Canterbury. I quite admit that, and the reason is very obvious. Canterbury has had railways made from the north to the south, and did not require any further railway-construction; and it was a most unfair and absurd suggestion to make that the country should judge the making of these railways by the amount of railway money expended since 1886 in the various provincial districts. If you were to go back to the foundation of the colony, that would be a fair thing to do, and to say, even according to the population, what had been spent in the various districts. If that were done I do not think Canterbury would be placed in the unfair position stated by the Premier; and I have yet to learn that in a level country you have to spend as much money in developing the country as you have to do in a mountainous country, which takes a great deal of money to open up. If you take the West Coast—Westland County, for example—it has had more public-works expenditure, according to its population, than any other district in the colony.

Mr. SEDDON.—No.

Sir R. STOUT.—Yes, more than any other district in the colony; and the reason is obvious. It is a very difficult country indeed in which to construct public works. It has no agricultural lands, and has no products for carriage by railway. It has no wool. It is really a mineral country, and you cannot expect the same results from railways in that country as you can from an agricultural country. There is therefore no argument to be got by quoting these figures. They are also misleading: they only deal with facts since 1886. They do not pretend to be exhaustive, and they are of no value whatever in considering this question. Then, the honourable gentleman says, "Well, if this proposal is not accepted, what are we to do?" Sir, I do not know that it is necessary for us to suggest a counter-proposal if we do not accept this one; but I will tell the honourable gentleman what I think we ought to do: We ought to maintain our contract. That is what we ought to do, and if the company then is unable to fulfil its contract with the colony it

will be for the colony to consider what is the next best thing to do. There are a great many things that might be suggested. Why, if this land is so valuable as the honourable gentleman says it is—I do not think it is, but if it is so valuable, why have we not set aside land permanently as an endowment for the making of this railway? I should have no objection to that; and every penny that came out of the land after the surveys had been paid should go to form a fund for the purpose of making this railway. And if the land can be settled on, if it is valuable land and has valuable timber upon it, as I believe it has, considerable royalties might be obtained from the timber. But if it be land suitable for settlement, let it be permanently set aside for the making of this railway. I have no objection whatever to that. But I would ask the House to consider what the giving of this large sum of money means. This colony will have to pay a little over £20,000 a year for all time. That is what it means. If you add this £20,000 a year every year for making the railway, see what a promise you would make. Even when the line is made you will not have the railway in addition to the expenditure of your money—this £618,000; you get nothing in return. It is simply a bonus given for the making of the railway. You have to buy the railway back again, if you wish to get into your own lands, by giving this enormous sum of money to the company. This will not satisfy the company. The company will come to this Parliament again and again, and will demand that this Parliament shall either purchase the line or grant some other concession. Ever since this question has been raised the company has continually been asking for more, and this will not end the asking. Then the honourable gentleman passed on to say that if we do not wish to launch into a big loan to finish the North Island Trunk Railway and the Otago Central Railway, we must allow this railway to be made. His argument was this: The North Island Trunk line must stop where it is, the Otago Central must stop where it is, but this West Coast Railway must go on in the hands of this company. I should have thought that that argument was rather against the work going on, if members are to be influenced by what is going to happen in their own districts. The plain fact from the statement of the Minister is that there need be no loan for the North Island or for the Otago Central—that if you give this line to this company, you will not be troubled with any loans for the future. But I really think the honourable member must have been fooling the House, or else he must have been fooled himself, when he talked about this being a non-borrowing and a self-reliant policy. Why, it is the very opposite of that. This is simply a loan of £618,000 given to a private company to make a railway. And I will ask the House, especially the members of the House who came to this House pledged against borrowing, how can they reconcile their professions with voting for the Bill brought in by the Premier? What does it mean? I am not going back upon what has already been

done this session. I am not going to deal with the loans which have already been sanctioned; I am not going to deal with the borrowing that has already been sanctioned this session; and I am not going to point out how the professions of self-reliance and non-borrowing have been cast to the winds. But I ask honourable members this: Are they prepared to go still further in this borrowing direction? Are they prepared to say that to aid this company we are to give them £618,000? I have already pointed out, so far as the equivalent of the land is concerned, that this money-grant is far more than an equivalent for the land. I will undertake to say that if the company thought the land more profitable than the money they would at once have taken the land and not have taken the money. I will say one word more: The honourable member held out a sort of threat. He said that “these important people”—or words to that effect—“in London who floated the company would be able to do something against the colony.” I cannot understand such an argument as that. Nothing will do any harm to the colony if the colony honestly fulfils its bargain. If it has not fulfilled its bargain, then it ought to pay damages to the company for not fulfilling its bargain. I believe that is the honest thing to do. I believe it has fulfilled its bargain; and therefore I cannot see that we should be asked now to make this further concession to the company. I do hope this House will look on this question from a business point of view, entirely free from any bias, and do what is just. And I believe if the House does that this Bill will not pass into law this session.

Mr. GRAHAM.—Sir, I feel a considerable amount of diffidence in rising to follow two honourable members such as the Premier and the honourable member for Wellington City (Sir R. Stout). The speech of the latter gentleman, especially that portion of it delivered before the adjournment, was one of the most brilliant speeches which I have ever listened to—certainly the most brilliant speech delivered in this House this session. And it was very brilliant when compared with the speech delivered by the Premier, in which that honourable gentleman certainly did not do himself justice. I think that was because he felt that the subject he had in hand was one which he was not able to give his whole heart to—he felt he was speaking for a losing cause; and I am quite sure honourable members who are prepared to vote upon this question upon the arguments which they have heard must give their votes against the proposals now made on behalf of the Midland Railway Company. I regret that the course has been followed this as it was followed last session of bringing up a question of so much importance as this at a period so near the end of the session. It was the same last session as it is now: instead of dealing with questions of such magnitude earlier in the session, many of these large questions are left till the last few days before Parliament is prorogued. The Premier in his speech, and also in the Public Works State-

ment, expressed his sympathy with the people of Nelson because he feels bound to leave it out of the new arrangement which he proposes to make with the company. Neither Nelson nor the colony desires any sympathy from the Premier with reference to this matter. All that we require is absolute justice, and that we shall not get if we agree to the present proposals of the company. I have not a word to say against the gentleman who is manager for the company. He is a very able man. It is his duty to do his best for the company, and he has done so. He went into this arrangement for the company, and it is his duty, if possible, to see it carried out. Is it possible that this question has been so long delayed in order to give that gentleman an opportunity of using his influence with honourable members to endeavour to get them to vote in accordance with his views? He has been very busy for a considerable time past; and he has a large number of private friends, both in and out of this House, many of whom would like to do him a personal favour if they can; but I am sure the duty they have to perform to the colony is of much greater importance than that of obliging a private gentleman. I will simply say this with reference to the general manager of the company: that it would have been better for the colony, after he had given his evidence before the Committee, if he had been found accommodation in the large brick building which some honourable gentlemen have described as being situated on the best site in Wellington, until this question had been finally decided by this House.

Hon. MEMBERS.—Oh!

Mr. GRAHAM.—It has been, of course, this gentleman's business to look after the interests of the company to the utmost of his ability, and he has done so: but it is not fair to the colony that a gentleman, trying to get what he can for the company as against this colony, should act as he has done; and I say it would have paid us to have given that gentleman accommodation in the way I have said, because of his remarkable personal influence with some members of this House, and of the means he appeared to possess, as evidenced by the report, of acquiring knowledge of the proceedings of the Select Committee before those proceedings were supposed or intended to be made public. What is this proposal? The proposal is that we should abrogate a contract entered into between a company and the colony to carry out works of very great importance. If we consent to annul that contract we shall be setting up a precedent which will stand up and face us at future times with reference to other contracts. As to what the Premier has said with reference to the concessions which have been made—that they have told against the company—I have no hesitation in asserting, on the other hand, that these concessions have all been in favour of the company. Any concessions which have been made have really been in favour of the company. As has been stated by the honourable member for Wellington City, originally the land-grants that were to be

given as a bonus for the construction of the railway were to be in alternate blocks along the line of railway which the company had contracted to build. That would really have been a benefit to the colony, because the alternate blocks would have been left to the colony, and they would have been so greatly increased in value that they would have been worth much more than the whole of the land would have been had no railway been constructed. As has also been pointed out, another very important concession was made in allowing the company to adopt the Abt system instead of the tunnel system at a certain difficult and expensive part of the work. It was a saving to the company, as has been shown, of between £400,000 and £500,000. I know, of course, that the general manager of the company said that it was, in reality, no saving at all, inasmuch as the railway, even with the concessions, cost the company more than the original estimate. But that really has nothing to do with it. If they had not got this concession it would have cost them so much more. Not only have the company now asked to be relieved of their contract, but they have also asked us to enter into a new contract on an entirely different basis. They have asked to be relieved of constructing some ninety-seven miles, and they have asked to be allowed to construct a shorter line of some fifty-seven miles, from Jackson's to Patterson's Creek, towards which they ask us to give them a bonus of £618,000. That is what it amounts to—a bonus of £618,000 towards the construction of a work the cost of which, it is estimated by the Government Engineer, as will be seen from the Engineer's letter annexed to the report, will be £973,000, or, say, a million of money. This means that we are asked really to give a bonus of three-fifths of the cost of construction. I know the Premier has stated that the company proposes to raise £1,250,000. That is true; but the line is to cost about one million, and Mr. Wilson himself admitted that that was pretty near the estimate. On being asked why he wanted to raise so large a sum more than was required, I think he stated that the company must be on the safe side,—that they must raise plenty of money to provide for incidental expenses and every contingency, because they could not go back to the money-lenders in England. He admitted that the credit of the company was such that they could not expect to raise their money at par. Then, there are all the management expenses and other expenses to be deducted from the £1,250,000. At any rate, the cost of the work, as stated by the Engineer-in-Chief,—a statement which Mr. Wilson has practically confirmed,—is under a million; and we are asked to contribute £618,000, or three-fifths of the value of the work! That means that we are asked to give an amount equal to £10,840 for every mile which they construct, or 12s. 6d. in every pound spent upon work which, when completed, would become the property of the company. It means that we shall increase the debt of the colony by the amount we are going to make the company a present of; and it

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means an everlasting addition to the taxation of the colony of £21,630 to provide interest upon £618,000. For what purpose? To make a present to the Midland Railway Company. The Hon. the Premier, who preceded me, has referred to the history of this measure from what he termed "its inception" in 1884. Sir Robert Stout went back a good deal further, and stated that even so far back as 1868 Nelson took steps in reference to communication by railway between Nelson and the West Coast. Steps were taken and negotiations entered into then to have a line constructed from Nelson to the West Coast on the basis of a land-grant by way of bonus towards the construction of the line. They had made arrangements, and these arrangements were on the point of being successful. They were only prevented from being successful by the unfortunate intervention of the Franco-Prussian War in 1870. In the same year Sir Julius Vogel brought forward his famous public-works policy, which included the construction of the main trunk lines of railway from north to south. And if, as he said at the time, Nelson had resumed her negotiations to construct the line of railway from Nelson to the Coast, it might have clashed with the colonial policy; therefore, at his request, Nelson forewent her right and intention to renew negotiations for the independent construction of her railway to the West Coast, on the distinct understanding that it should be included in the colonial policy; and this was agreed to by Sir Julius Vogel. The money was borrowed for that main trunk line, and it ought to have been built; but, through political intrigues, I might call them, the money was spent on political railways, and consequently the line in question was never constructed. And so the matter went on, until the year 1884, which has been referred to, when Sir Julius Vogel in moving the second reading of this measure, said that, while he was sure that neither the House nor the country would agree to the raising of a loan to construct the railway, the Government had come to a conclusion, and had discovered means by which it could be done on the land-grant basis without placing any additional burden upon the taxpayers of the colony, and, if carried out, would prove to be of immense mutual advantage to the colony and any private company who might undertake the work. That was the beginning of the present arrangement. Afterwards, when the Bill was passed, a preliminary contract was entered into by five citizens of Nelson and five of Christchurch. This had to be done before the first day of the following session of Parliament; otherwise, according to the provisions of the Act, the contract could not have been entered into at all. The people of Nelson and Canterbury then joined together and sent Home delegates to, if possible, get the contract taken up by a syndicate in England. After many vicissitudes, they succeeded in obtaining proposals. Before the contract was taken up by the Midland Railway Company we had proposals made by Messrs. Meiggs and Son, American contractors, to carry out the work. They

offered to carry it out in five years, provided that the colony guaranteed that they would be able to earn a profit of 2½ per cent. on the capital employed in the undertaking. This was rejected, and the proposal fell to the ground. But, as things have turned out, it would have been very much better for the colony if those proposals had been accepted, for we should now have had the railway. The Midland Railway Company then agreed to take up the contract on the conditions laid down in the Bill, provided that certain concessions were made. An Act was passed in 1886, in which certain modifications were made to satisfy the company, and they then accepted the contract, and expressed satisfaction with the bargain they had made. Mr. Wilson says that the company have been deceived. Now, Sir, I do not think it is the company who have been deceived; I think it is the company who have really deceived the colony as to their ability to carry out the contract which they undertook. Nothing was over-painted by the colony; on the contrary, Sir Julius Vogel was always careful not to do that. We were always told that the company was a particularly strong one, and that there was no reason to fear that they would not be able to carry out the contract in its integrity. Mr. Alan Scott, speaking at Christchurch at a banquet on the 21st October, 1886, said,—

"It had been a matter of importance to ascertain the character of the contractors, and he was glad to say he had found they were able and strong, with plenty of backing, and well known for their upright dealing."

Sir Julius Vogel, on the 26th April of the same year, prior to the contract being entered into, said,—

"New company registered, with strong directorate. Shares would be offered to the public after Easter, but the construction of railway was assured whether public took shares or not. The directors were not only so wealthy that they might undertake the work themselves, but they are men of great reputation, and, having satisfied themselves of the feasibility of the scheme, are certain to push it on to a successful termination."

The company had evidently hidden something, or we could not have had representations like this from the men I have named. Sir Julius Vogel, on the second reading of the Bill of 1884, said,—

"I do not wish to say very much as to the prospects of the railway, because, the arrangement being for a private company to make the line, anything I might say might devolve upon the Government a certain amount of responsibility, which it is as well I should avoid."

And, later on in the same speech, he again says,—

"... it is proposed that this railway should be constructed by private enterprise, and that it would not be well for me, on behalf of the Government, to say too much as to what are considered to be its prospects, because it is for those who deal with the Government to form their estimates of the same."

So that there was no deception on the part of the colony. Again, Sir Julius Vogel said, in 1886,—

"I venture to say that there never has been an undertaking entered upon in a more genuine manner than this. It has been taken up by good and substantial men, of high reputation; and it would be impossible for us to get so large a work undertaken with greater security for success than we have in the nature of this company and its surroundings."

We also had a visit to New Zealand by Mr. Brodie Hoare, a director, I believe, of the company, and he was accompanied by a gentleman, now in this chamber—an able engineer who acts, and has acted from the beginning, as general manager for the company, and along with them were a number of other eminent engineers. At a banquet given to Mr. Alan Scott, in Nelson, Mr. Brodie Hoare said,—

"He might say that in London and in the colony he had heard discouraging reports, and when he left London he confessed that he was not without misgivings at the bottom of his heart. He had met croakers here, and a man ready to pour cold water down one's back there, but he was now perfectly convinced that the line could be made, and that when made it would be a great success, so that his firm determination was—so far as in him lay—that it shall be made. . . . His determination would not overcome the difficulties of the Otira Gorge tunnel through the Arthur Pass, or carry the line for twenty-one miles through the Buller Gorge. . . . He had now travelled the length and breadth of New Zealand. . . . If ever a globe-trotter saw New Zealand he had, and he ventured to think there were not more than ten men in that room who had seen so much of the colony as he had. He had not only seen New Zealand, but he had had exceptional advantages, and had conversed with men of all ranks. . . . He had inspected crops, seen gold-mines and coal-mines, and had travelled by rail, by steamer, and coach; whilst the more he had travelled the more convinced had he been of the great resources of the colony, and the great wealth that must pass over the Midland Railway. He believed the railway would not only benefit the towns along its route, but the whole trade of the country. He was also convinced that the whole trade of the colony would benefit the railway."

This was a public statement, be it remembered, made by Mr. Hoare immediately after he had travelled through the country from Reefton to Nelson, when he was accompanied by Messrs. Avigdor, Wilson, Alan Scott, and other able railway engineers; and, although Mr. Wilson said, to the Select Committee here, that Mr. Hoare was simply giving expression to his own opinions, yet, seeing that he was travelling through the country, and took those gentlemen with him as engineers to instruct and educate him as to the advantages or otherwise of constructing the line, and that they did not contradict his statements, we have a right to conclude that he was speaking with those gentlemen at his back. Then he went on to give the

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people of Nelson a lecture on morality. They should have nothing to do with bogus companies, but should only deal with companies like his. He said,—

"Might he add one word of warning? If they wished that railway made, and successfully made, would their newspapers and all of them combine to put in the horsepond any man who wished to float on the English market bogus companies?"

He was perfectly satisfied, at all events, that his was not a bogus company. He said,—

"If a mine such as the West Coast people called a 'duffer' were floated on the English market, what would happen? Well, people would go to him and say, 'Why, this mine your railway was going through you told us was gold-bearing, but it has turned out a "duffer": all these mines must be bad.' This would not be true, but there would be just a convenient amount of truth to hang the lie to. He urged them to use their influence in the interests of what was sound and good. He believed they possessed fields on which it was legitimate to use English capital, but their credit, public and private, should be above suspicion."

This shows that Mr. Brodie Hoare and those with him were perfectly satisfied at that time, at all events, that they had got a good thing. Sir, instead of the colony having deceived the company, I think it is pretty clear that the colony itself was very much deceived by the company, and that the real reason of the company being unable to carry out its contract was its impecuniosity from the very beginning. It was found, previous to last session of Parliament, that the company could not finance its contract on the land-grant basis, and the Parliament of last year came to the conclusion that they would comply with the request of the company and give them interest-bearing debentures instead of the land-grant, on condition that they showed themselves to be in a position to carry out the whole of the contract. The last clause of the resolutions was "That these modifications of the contract"—namely, the giving of debentures in lieu of the land-grant—"be made conditionally on the company having first satisfied the Government that it is in a position to raise the necessary capital required to complete the several railway-works enumerated in the contract." That was on the 2nd October, 1893, and it was communicated to the company on the 13th December, when the Government informed them that—

"On the company satisfying the Government in terms of clause D above, the Government will, during the next session of the General Assembly, be prepared to submit the necessary measure sanctioning the proposed modification of the existing contract, and containing the requisite powers to carry out the same."

The directors' answer to this was as follows:—

"My directors have thought it right to call your attention to this point at the earliest opportunity afforded to them, as they cannot help believing that the intention of the resolution is

that the Government will be content with my company showing by the statement of a good financial house that they can raise the capital necessary to complete the main line from east to west."

This shows very distinctly that the company purposely chose to misinterpret the resolution of the House. Further, to show their impecuniosity, in answer to question 7, before the Select Committee, Mr. Wilson said,—

"It is not a question of the colony's credit, it is a question of the company's credit. The company must be able to show that they have absolute security before the financiers will raise the money. They say, 'If you have this placed at deposit it is all right enough, we will raise the whole capital.'"

And again he said,—

"My Board cabled me to say that it will facilitate matters very much if we can get the money placed in a lump sum in the hands of the Public Trustee."

And, still further,—

"I do not raise the question myself at all. It is purely a question of the financiers stating that they would be able to go to the public with a statement that the £618,250 had been placed by the Government in the hands of the Public Trustee, and that there is therefore absolute security. That is the whole question at issue."

And when reminded that under the land-grant arrangements the company had to do the work before they got the land, he answered,—

"Assuming we had the money we could do that now; but, then, the British public would know that we had not got the money. We have to meet these financiers on their own terms as to how they will provide the money. That is the position we are now in."

That shows pretty well the impecuniosity of the company. I am surprised at the change of front of the Premier. On the 2nd October, 1893, he said,—

"I am not one of those who fear, so far as the colony is concerned, the result of any litigation. I am with the honourable member for Inangahua [then Sir R. Stout] as to non-violation of the terms of contract between the Government and the company; and I do not fear any litigation, or the result of the litigation. . . . If the company would submit proposals accepting debentures in lieu of land-grant, then the Government would submit such proposals for the consideration of Parliament. We have not deviated one jot from that, and we are not deviating from it now, and we have no intention of doing so. . . . You have kept back settlement in the Nelson part of the colony, and all the rest of that district, for over ten years; and you are now going to vary it and say to the company, 'We will have you complete the contract from Springfield to Tere-makau only.' That means, as far as the colony is concerned, a breach of faith. It would not be just, it would not be honourable, on the part of Parliament."

Before the last general election, in a speech delivered at Nelson, Mr. Seddon stated in effect, "Now, we had a number of Liberal candidates

standing together in the Nelson and West Coast Districts, whose interests were identical. If we elected these, and if we stood together, we should get what we wanted." He did not in that speech mention one word about the railway; but a gentleman who got up and proposed a vote of thanks referred to it, when Mr. Seddon replied as follows:—

"Mr. Seddon, in acknowledging the vote, said he purposely refrained from mentioning the Midland Railway that it might not be said that he did so in order to get a vote of thanks. He stated, however, that he had insisted on the original contract, and that the resolution of the House [that is, clause D, referred to] would be the guide of the Government. The time was not now far distant, he hoped, when the embargo would be removed from the land, and it would be thrown open for settlement. In the interests of the colony he said they must stand by the contract."

That is what he said ten days before the general election. Then, when the Minister of Lands was in Nelson, in February last, it was pointed out to him that there was a danger of Nelson being left out, because the company were attempting to raise only a portion of the money necessary to complete the whole line; and these are the words, as reported at the time in the Press, and which I remember he used in answer to a question put by myself as one of the deputation that waited upon him. He said, "The Government intended to insist upon the whole contract being carried out." That is what he said then. Why is there now this change of front on the part of the Government? I am certain the heart of the Premier is not in the question before this House to-day. He has simply brought it forward because of the pressure brought to bear upon the Government. I have seen a communication telling the Canterbury members, in effect, they are to inform the Government that, if they do not agree to the proposals of the company, those members were to desert them. I observe my limit of time is nearly up,—it really does not seem to be half an hour since I commenced speaking,—and I must therefore conclude by recapitulating what the result to the taxpayers would be if this Bill were passed into law. It would mean an addition of more than three-fifths of a million of money to the debt of the colony. It would mean a contribution of £618,250 to a private company towards a work costing about a million, and which, when finished, would belong absolutely to the company. This would be equal to nearly £11,000 a mile by way of gift to the company, with the result of an increased burden upon the taxpayers of £21,630 a year. The company, being, professedly, unable to carry out the whole contract, would, of course, have been fools not to have tried to make the best possible bargain for themselves.

Captain RUSSELL.—I think that every person who has been listening to the debate to-day will fully agree with me in this: that the sooner we change our Standing Orders to allow men whose souls are full of important matter to

have a chance of disburdening them the better it will be for the House when considering any important business that comes before us. It is undoubtedly ridiculous that men like the honourable member for Wellington City (Sir R. Stout) and the honourable member for Nelson City—who made a most excellent speech, without a single word that was unnecessary in it—should not be allowed to put fairly before the House all the arguments which they think it right should be brought forward on a question so important as this is. The Hon. the Premier told us we must deal fairly with the company, that fair-play is bonny play, and that all that is wanted is fair-play to the company, and that he asks us only to deal in a fair way with the company. Is it not our primary duty to endeavour to deal fairly by the colony also? Apart from the question of Canterbury's interests, and apart from the question of the Nelson line, there is the great question of what is best for the taxpayers of this colony; and, in dealing fairly with the company, are we not to be asked also to consider the interests of the taxpayers? The Premier, in speaking, scarcely allowed a word to escape as to the interests of the colony. Though it was but a half-hearted speech, it was the speech of an advocate for the company rather than of the Premier of the colony. What, then, are the principal reasons, according to the Premier, why we should carry on this railway? Sir, it is perfectly ridiculous. The first reason, consequently the best, which the Premier gave why we should spend £618,250 of public money on this railway was that tourists from other parts of the world might come and see the beauties of the Otira Gorge. It is true that he drew a connection between the Otira Gorge and the geysers of the North Island, but what the actual connection was I failed to see, except this: that he thought it was good that New Zealand should spend large sums of money in one particular place, because he hoped, if that were done, other parts of the colony might prosper also. Sir, as a matter of fact, the tourist is not a person who wants to travel at a prodigious rate through the country; and all that we want to do, if we wish to see the effect of the making of a railway upon scenery, and its benefit to the tourist, is to take the Manawatu train and travel through the Manawatu Gorge. There we shall see how the beautiful and magnificent scenery has been entirely destroyed by a railway similar to that which the Hon. the Premier is so anxious to push on primarily to allow tourists to tear at a headlong pace through the beautiful valley which this railway is to be taken through. If he has no better reason than that to urge for the construction of the line he has not much to urge in favour of it. Coming to two or three arguments which he used, it seemed to me that none were sufficiently cogent to be worthy of any serious consideration. He told us that the deviation of the line of railway at Lake Brunner, instead of the original line, was in itself a claim for an extension of the time. I do not imagine that any honourable member would

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be particularly anxious to prevent an extension of time from being granted if the extension of time promised *bona fide* to lead to the desirable result—I will not qualify it by using the word “desirable,” but will say if it will lead to the result of the completion of the line of railway. The question of the extension of time has never been in dispute, and so it was unnecessary that such a point should have been dwelt upon. But bear in mind that the deviation was agreed to so far back as the year 1890, and therefore, as the railway is to be completed within four years of the present time, the question of deviation is really not one of very much importance. Then, again, he referred to the effect of the slides, which would be, he contended, worse with the tunnel than with the Abt system. As has been pointed out by the honourable member for Wellington City, the concession granted by the colony foregoing the right of insisting on the tunnel and allowing the Abt system was one of infinite importance to the company, and, I believe, it will have been distinctly injurious to the traffic over the railway, and therefore to the colony itself. Whether it would have been more difficult to work the railway by tunnel or by the Abt system is not a matter for me to consider. It is nothing to the point for us to consider in the matter of the extension of time, because no person can possibly imagine that the enormous tunnel to be made through Arthur's Pass would not have taken three or four times as long as the construction of the line on the Abt system; and therefore the contention of the company that it has a right to an extension of time consequent upon the permission granted by the colony to abandon the tunnel and go in for the Abt system is wholly untenable. Now we come to the most important point of the whole question. We must clearly bear this in mind: that however much we may desire to do justice to the company, and with every desire to allow every possible concession to them, there are one or two points staring us startlingly in the face. One of these is that from the commencement of this work there was not a sufficient capital to carry it out, and, though we have heard talks of arbitration, and have had allusions made to law-courts, speaking merely as a layman I have very grave doubts whether the company can possibly have any claim which can be fairly established before the law-courts, when it can be shown incontrovertibly that at every period, from first to last, the capital of the company has been insufficient for the completion of the railway. Surely we must all agree that there must be two parties to a transaction, and that, whatever alterations have been made by the colony in the contract which was entered into at one time or another, the proposals have originated with the company, and not with the colony; and therefore that there could be no claim substantiated by the company against the colony on the question of the extension of time or any other difficulty, seeing that the proposals have come from the company, and, whether they did

or did not originate the proposals, after full and careful consideration the company has agreed to the alterations of the contract. The principle, of course, on which the railway was to be constructed was the principle of land-grants, and we are asked now to abandon the principle of land-grants, and to give money for the construction of the line in lieu of land-grants. It was urged in the Select Committee that, so long as the colony gets back the land, it is immaterial whether the company have money or not—that the payment is nothing more to the colony, inasmuch as the land is worth the money which is to be given in lieu of it. But I think that begs the point altogether, because at the inception of the railway it was urged that by a system of alternate blocks being given as the railway progressed the lands would be enhanced in value by every mile of railway that was constructed, and the consequence would be that as soon as a certain portion of the line was open, and the land was settled along that railway, an increased value would attach to the land which was subsequently to be opened up as the railway progressed. We must bear in mind that this was a very important consideration for the colony. It was urged that there would be settlement on these lands by the efforts of the company. I have always been opposed to the railway, and can give my reasons for that opposition, but it was always looked upon that, at any rate, the company would not be simply a company of contractors which was going to make a line of railway, but in reality would be a colonising company, and that its influence at Home would induce persons to come out and settle on the lands adjacent to the line of railway. Therefore I would ask the House to consider this: that, in abandoning the system of land-grants,—as we are now asked to abandon it and to adopt the money payment,—we are abandoning the original intention in making the railway: that the railway should be made, and that there should be settlement progressing along the line of railway as it was carried on. The Premier said, "Knowing all about the position of the company, and its difficulty in raising capital, I know it is unable to complete the Nelson Section of the railway, and we are now compelled to ask the House to abandon that section." Surely if we are to have fair-play—and the Premier has claimed that there should be fair-play—fair-play is that the contract should be carried out in its entirety. We should not proceed, in any Jewish fashion, to exact more than our pound of flesh, but, when a company deliberately enters into a contract for making a complete system of railways from Nelson through Belgrove and so on to Brunner and the eastern coast to Springfield, should it be allowed to abandon the contract which was entered into?

3.30. Does my honourable friend imagine for one moment that, if the proposal which was originally made had been for the making of the railway from Springfield to Brunner, the colony would have accepted such a proposal? Unquestionably it would not. It is not

desirable to inquire into all the circumstances which brought about what was known as the Midland Railway Contract, and it is not my wish to do so. But this is certain: that we know that had the Nelson people believed that the railway from Nelson to Brunner would not have been made their votes would have been cast against its construction. Simply the position was that a contract was entered into, after much agitation, by which the Nelson District was to be connected by railway with the other portions of the colony; and surely it is not fair that the Nelson people should be thrown overboard, and a contract be entered into by the Premier for the benefit of one particular section of the colony only. The Premier told us that the company had, so far, made a profit upon their land,—that they had made a profit of 35 per cent. in excess of the original value placed on the land, but he doubted whether they would be able to do so from the large areas still remaining; and within two minutes, or, at most, five minutes, he went on to say there was a lot of land on the West Coast which was as good as any land in any part of the colony. I interjected, "A great bulk of the land is useless"; and the Premier told us that "there were large areas of land which was not useless, but was as good as in any part of the colony." Supposing that assertion to be true,—I am afraid, however, that the Hon. the Premier does not know as much about land as about politics,—surely that is no reason why the company should not select and dispose of that land instead of coming to the House for concessions in money. Another point, it seems to me, the Premier utterly ignored, or, at any rate, he did not allude to, was as to the benefits the colony was to obtain by the change in the contract. I submit that, whatever benefit the company is to derive from this change of contract, it is our first duty to protect the interests of the colony. And no honourable member yet has stood up and, in speaking upon the subject, ventured in any way to endeavour even to show that the colony is going to benefit by the change of contract. The only attempt was made when the Premier told us that it would provide employment for two thousand men in making the line of railway. It would, of course, be of great benefit that the superabundant population should find profitable occupation; but he must not forget this: that this employment of men can only be carried on by large expenditure—by the expenditure of large sums of money, in this case, which the colony derives no benefit from whatever, because the £150,000 the Premier spoke of as being expended annually in the colony is not expended for the benefit of the colony, although it is true the wages will be paid out of that. But the whole of that £150,000 is to be expended in the construction of a railway not the property of the colony; and therefore it has not been shown in what way the colony will benefit by the alteration of the contract we are now asked to agree to. It is true that he said the farmers of Canterbury would benefit by their produce being conveyed to the West Coast by the rail-

way; but all the produce used on the West Coast grown in New Zealand can be conveyed, and will be conveyed until the railway is completed, by sea rather than by rail, and there is really no argument in what the honourable gentleman put forward. The Premier also told us that the honour of the colony is at stake. I do not see how the honour of the colony is at stake. I believe the honour of the colony is to carry out any contract it enters into, regardless of any loss or profit that may come from it; and if the colony by its Ministers enters into a deliberate contract it is the duty of the colony to carry it out; but it is also the duty of the colony to insist that the other parties to a contract shall fulfil literally also every condition of a contract which both parties have entered into; and, whilst there is no attempt to say that the company are not to do that, we believe it is impossible that the company can say that they can do so. It was a matter for their own consideration before deliberately entering into a bargain, and our honour is not at stake in any way if we offer to carry out to the extremest point every contract we enter into. It was sad to hear the Premier speak of the possible combination of Auckland, Wellington, Canterbury, and Otago for a profligate loan policy if this proposal were not given effect to. I do not believe for one instant that we need apprehend anything of that sort. I remember many years ago, when I myself moved a reduction in the public-works expenditure, in 1885, that the same argument was put forward—that unless we agreed to the making of this same railway there would be a combination of all parts of the colony for a large public-works expenditure. To a large extent it is perfectly true that a madness has overtaken Ministers, who are prepared to plunge to any extent the House would like; but, so far as concerns the possibility of the four provinces forming a combination, if this line is not made, to initiate a loan policy, I dare the Government to go to the country upon a large borrowing scheme. The country is not mad, and this madness of Ministers will pass; and, at any rate, if they appeal to the country I venture to say that the country will not tolerate a large borrowing policy again. Even if it would, there is a power greater even than this House. That is the power of the money-lenders at Home; and, if this colony ventures again to go for a large borrowing scheme in the London market, without a doubt we shall feel the power of the money-lender, and in such a way that no Minister will dare to borrow, so low will be the rate at which the loan will float. I sincerely hope that will be the case, and that what the Premier has told us to-day—that there is going to be a sordid, selfish combination of members to provide money for works that they do not believe to be profitable—will not come about; and I say the sooner the credit of the colony is damned the better, if what he states to be likely should prove true. It was urged that some consideration ought to be accorded to the company inasmuch as from time to time various persons in authority have spoken as to the quality of the land, and the

company has said that they had reason at one time to believe that the land was more valuable than it is now said to be. As has been pointed out by the honourable member for Nelson City, there really is nothing in that, inasmuch as Mr. Brodie Hoare, Mr. Avigdor, and Mr. Wilson themselves travelled from one end of the proposed line to the other, and I know that Mr. Brodie Hoare expressed himself as in the highest degree satisfied with the quality of the land and the prospects of the line, saying he had reason to believe the line would pay handsomely indeed when it was completed. Even supposing that the public men of this colony have expressed an opinion as to the quality of the land, and if the promoters of the company originally were more or less of the opinion I have mentioned,—and by the advisers of the company they should have been quite able to form an opinion for themselves,—there was a Commission appointed in 1883 to report upon the various routes over which the Midland Railway might pass to connect Brunnerton with the east coast. I myself, as a member of that Commission, visited and travelled through the different routes over which it would pass, and at the end of our Commission we reported—I think I might say, in a lucid and extended form—to Parliament on the lines of our observations. The report of that Commission was published *in extenso*, with all the evidence, in 1883, before the contract was signed; and, if any importance is to attach to the utterances of a politician who may wish to have public moneys expended in his particular district, and whatever the reports of public officers may be, I think it is naturally right to expect that the promoters of the railway should have studied the report of the parliamentary Commission appointed to inspect this railway. The Commission was not concerned in reporting on the line from Brunnerton to Reefton, but simply on the line from the east to the west coast. I propose to read certain portions of that report to the House, inasmuch as it shows what the opinion of the Commission was at the time. The report of the Commission was before the promoters, so that they had it to consider, and could see the opinion the Commission formed of the railway. I may say that it was drawn up in as sanguine a spirit as it was possible for competent and impartial men to write in. There was no intention to take a doleful view of the prospects of the railway or of the quality of the land, and the prospect of the success of the railway as a paying venture on its completion was set out, as all those who take the trouble to read it can see. Here is what the Commission said:—

“The West Coast, so far as visited by the Commission, appeared to contain little land suitable for agriculture; though there is a considerable amount of level and terrace land on the Lower Teremakan, Hokitika, and Little Grey Rivers, and all around Lake Brunner, which appears to be of a fair to good quality, and no doubt, if cleared, would grow excellent grass. The climate, however, seems quite unsuitable for the raising of grain. But the most

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important factor in considering the West Coast as a farming district undoubtedly is the dense forest with which the whole country is covered. The present cost of felling and burning the bush is out of all proportion to the value of the land when cleared; and, owing to the humidity of the climate, underscrub and rushes soon appear unless the land is ploughed. Agriculture on any scale beyond the most insignificant is out of the question where the cost of preparing the land for the plough is, as it is stated to be, £50 per acre. The agricultural statistics show that only 14 acres were sown in grain crops in 1882, and 343 acres in green crops and potatoes, although evidence obtained at Reefton shows prices to be such as should prove extremely remunerative, bread, meat, and flour being twice, oats nearly three times, and potatoes five times as dear as at Christchurch."

That is the opinion of the Commission that went to examine the line, and the actual record of the farming operations in 1882 proved that farming, although the prices of produce on the west coast were enormously in excess of prices on the east coast, was there carried on under such difficulties that it was practically impossible to carry on farming profitably at all. Then, we come to the eastern slopes:—

"On the eastern side of the dividing-range the country is far less wooded than on the western slopes, but on those portions which would be affected by any of the proposed routes the land is unfit for agriculture. The valleys of the rivers are rough and stony, and the mountain slopes afford only indifferent grazing for sheep. They cannot support a farming population, and will not produce traffic of any consequence for a railway. The features of the country are similar in all the rivers along which the proposed routes would travel. As soon as the plains and downs are left behind, the country becomes rugged and barren; the valleys are mostly little more than river-beds—either naked shingle, or having a thin covering of soil, liable to be carried away by floods—and the hills exceedingly steep and rough."

This was an impartial statement, written and published before the company signed the contract, and before they commenced work; and therefore the assertion that the company deserve greater consideration owing to the statements of public men is to be discounted by the fact that there was an opinion for them written and published before they entered into the contract, and one which they could have read if they had thought fit, and which it is certain they did read. Then, the Commissioners, in recapitulation, said this:—

"The nature or circumstances of the soil are such that along neither of the alternative lines can it be looked to for the support of a population earning a subsistence from either pastoral or agricultural pursuits; and, although metals other than gold probably exist in many places, we have no reason to suppose they can be found in such quantity or quality of ore as to become or many years of any commercial importance,

or likely to afford employment to a population of any magnitude."

And then the final words of the report summed up the whole position, and to any person who will read them they should be of great importance in a careful consideration of this question. They are as follow:—

"The benefit to be derived by the colony, as a whole, from the connection of the east and west coasts by railway, apart from the commercial and other merits attaching to the construction of any particular line, is a matter demanding due consideration, and the Commissioners can imagine a state of things which might justify the construction of a line irrespective of the direct financial return ordinarily demanded from an investment; but there does not appear to us any monopoly of the trade in either coal or timber, or any other circumstances to render it necessary for produce to be carried over the proposed line at a lower rate than such as will pay at the present wear-and-tear, maintenance, wages, salaries, and a fair percentage on the capital expended on its construction, and full interest in the immediate future. It would be manifestly unfair to provide the community settled round Christchurch with cheap coal and timber at the cost of the taxpayer living elsewhere, and unsound policy to interfere with industries already in full operation by bringing others into existence through the aid of carriage unremunerative to the State.

"That at a future date the coal and timber of the west coast, if nearly as extensive as we were led to suppose, must become of enormous value to the country we feel assured; but it would be the height of unwisdom to commence any line depending entirely for its success on these products until reliable information has been obtained as to their area and available quantity. And, in addition to recommending that a detail survey of the Arthur's Pass route be made, we would urge most strongly that a survey of the forest-lands and coal-bearing country of the west coast be also made, with a view to determining their extent and probable duration, and the more valuable areas being permanently reserved from sale; so that, instead of falling into the hands of speculators, they may become a source of wealth to the colony, as well as revenue for the railway.

"After considering the whole of the foregoing conclusions and opinions, we most respectfully report to your Excellency that, on account of its being the shortest line between the centres of production and demand, we recommend the route by Arthur's Pass as the most suitable; but the most sanguine view the Commission can take is that there is no prospect of the traffic paying more than working-expenses on the completion of any of the alternative lines. No commensurate indirect results can be anticipated from the expenditure of so large a sum as would be necessary for its construction, and not for as many as ten years or more can full interest on the cost be hoped for."

That, Sir, is a summary of a very long and exhaustive report upon all the circumstances

likely to attend on the making of this railway. All these circumstances were before the promoters of this venture before the contract was signed, and therefore, when it is said that special consideration is due to the company, I think we should take into consideration that this document was placed before the promoters before any contract was made. I think our first duty is to consider the interests of the taxpayers of the colony. By all means let the company have all the land that can be given to them for the construction and completion of their railway; but to say that the taxpayers of this colony are to become responsible for £618,250, and to be subjected to the payment of £21,630 a year for ever and ever, so as to give this company a railway that will never be for the benefit of the taxpayers, seems to me to be a piece of the highest unwisdom that one could imagine.

Mr. REEVES.—Sir, I do not agree with those who complain that the time-limit has the effect of unfairly restricting those who wish to speak on this question. I have, I can say, at least as much desire to speak on this question as any other honourable member in this House, and if I have not as much material as others upon which to speak with regard to the Bill I ought to have, at any rate, for this Midland Railway scheme has been part of my political existence for the last twelve years at least. However, I am inclined to think that half an hour ought to be a reasonable time in which to condense our arguments on this question. Because I do not think that this is an occasion for indulging in exhaustive historical reviews of the details of the Midland Railway question from its earliest days. The matter has been before the country, as I have already mentioned, for the last twelve years, and there cannot be any intelligent man, one taking an interest in our public affairs, who does not know fairly well the leading points of the story. It does not seem to me to be necessary to go into the efforts of the early syndicates in the South to establish this railway, or to treat the House to the story of somebody's journey Home, and somebody-else's journey back here, and where he went, and what he did when he came to a certain town. I do not see how these matters bear upon the question of granting further concessions to the Midland Railway Company. I am not sneering at the speeches that have been made at all. Some of them have been very able and straightforward speeches from the point of view of those who have delivered them. They have been hostile views, of course, but that is only what we might have expected, so that we are not at all disappointed because we have heard them. But, having paid that compliment—which I do sincerely—to those speeches, it is not to be supposed that I accept a large number of the arguments advanced, or that I consider them by any means relevant or weighty. They seem to have been divided into three classes. First of all there was the argument of the honourable member for Hawke's Bay, directed not against the continuation of the contract, but alto-

gether against having the railway made at all. Surely it is a little late in the day, Sir, to read long extracts from blue-books to show that the colony never ought to have entered into the Midland Railway contract at all. The whole of the honourable gentleman's remarks were to the effect that we should never have touched that railway at all, or else that the Government should have had nothing whatever to do with the company; but I say that such arguments against the railway as an enterprise can hardly now be taken into consideration. Then, we had attacks upon the speech of the Premier of a more or less trifling character. And then we had the argument—and, I admit, a weighty argument—that, having once made a contract with the company, and having once induced them to commit themselves to that contract, and having more than once given them valuable concessions, we ought not now to give them anything more, and that on their side the company ought to be rather ashamed to come and ask Parliament for more. I admit, Sir, that that is a very weighty argument, and it lies with us to show why that argument should not carry the House along with it. But, as for the argument that the railway itself is not worth making, or that it ought not to be made because it passes through a range of mountains which cannot carry a large farming population, who ever said the Southern Alps would ever carry a large farming population? What the Premier really said was that the line would join a farming to a mining population. Then, the honourable member for Wellington City (Sir R. Stout) said the Premier asked that the railway should be made because it would develop tourist traffic, and because the Otira Gorge contained very beautiful scenery, and so on. And the honourable member stated that if we were to make a railway for tourist traffic and beautiful scenery we should make it through the Buller Gorge. Can any one who listened to the Premier when speaking say he argued that this line was to be made merely because it would open a tourist traffic? What he said was that one of the things which would go to increase the value of the land would undoubtedly be the great increase of the tourist traffic which that railway would develop. Yet we hear it seriously stated by two honourable gentlemen of high standing in this House that a railway does not enlarge tourist traffic. Have those honourable gentlemen ever travelled in Europe or in England? Have they ever read accounts of the countries most frequented by tourists? If they have, how can they claim that tourist traffic is not increased by railways? Is a man going to drive or ride through the country when railways exist in it? No. The tourists come in thousands, and tens of thousands, and hundreds of thousands to these different countries, and it is notorious that ninety-nine out of every hundred of these tourists would never come to those places if there were no railways. So much for that argument. However, that is but a side-issue. Then, the honourable member for Hawke's Bay stated

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that the tourists came to see beautiful scenery. And he instanced the effect of a railway made through one of the loveliest gorges in New Zealand—that we had only to go to the Manawatu Gorge to see how the hand of the spoiler had ruined its grace. I admit that the devastation of that gorge is a very sad sight, but I deny that that is any reason for fearing that the Oira or other West Coast gorges are in any danger of being ruined in the same manner by the Midland Railway Company. The Midland Company has nothing to gain by destroying the scenery. One of the objects of that company will be to see that that scenery is carefully conserved, so as to get the tourist traffic, to enable them to make the railway pay. The Midland Railway Company are bound, in their own interests, to carefully preserve the scenery of the beautiful gorges through which the railway is to run. Their own common-sense would tell them that they should not allow the scenery to be ruined. I may say I have the assurance of the company to that effect, and I think we can accept that assurance in good faith, that they are not going to destroy one of their most valuable assets. Then, some hard words have been said with regard to this company. It was said by the honourable member for Wellington City (Sir R. Stout) that they could not be looked upon as philanthropists. We are told that they do not make railways for the benefit of the colony, but they are making this railway for themselves. But, Sir, who, in the name of common-sense, ever suggested that this business company were making this railway for philanthropic purposes? They are making the railway in the hope that it will pay them. But, then, the colony did not go into the enterprise in the hope that it would put money into the contractors' pockets, and surely what is true with regard to the State might reasonably be expected to be true with regard to the company. Both parties went into the enterprise from a purely business point of view. We hope to do well out of the company, and the company hope to do well out of us. They have as much right to hope to make money out of us as we have to make something out of their enterprise. The question, then, is, Is it right or not that the railway should be made? I

4.0. am not going to detain the House by recapitulating the arguments which have from time to time been adduced in favour of this work. Year after year this question was fought out in this House and the country, and finally it was decided by majorities in both Houses that the railway should be made if we could get a company to make it. It is said that it is not worth making because it is a tourist railway: but it is more than a tourist railway. It is a tourist railway, it is a mineral railway, and it is a timber railway. It is a railway which will enable the producing districts of the colony to supply the mineral and timber districts of the South Island. I say no railway should be made simply for the purpose of opening up a timber forest. The Auckland members, however, have

not thought it beneath them to support more than once the making of such a railway. I cannot say that the result of such lines has been of such a character as to encourage us to make any more. But railways have been made in various parts of the world too simply to open up tourist traffic. Railways are made in other parts of the world, and are made to pay, simply because of minerals. But here is a railway which is a mineral, a tourist, and a timber railway, and a railway which will tap and open up a large district in the colony as well, and, to a certain extent, will enable Westland to be settled by a population. The friends of the railway do not come here simply asking that this railway may be made for one or two reasons: there are several good and sufficient reasons why the line should be made. But, as I say, all those arguments are matters of ancient history now. But what we now say is that circumstances seem to show that unless a variation of the contract is consented to there is no chance whatever of the railway being made. Is it desirable that the House should vary the contract further, or is it desirable that the whole of the labour of the last ten or twelve years in connection with this railway should be thrown away and that no railway shall be made? Let honourable members remember that is the alternative. Either we must agree to such arrangements with the company that there will be a fair chance of the company making the railway, or the thing must be abandoned. I do not believe that for some time to come it will be possible for the colony to make the line out of borrowed money. I do not fear, as has been apprehended by certain honourable gentlemen, that the stoppage of this line will mean a combination for the purpose of inaugurating a gigantic borrowing policy. I do not fear, if this line is stopped, that irresistible pressure will, for some years at any rate, be brought to bear on this House to construct the Otago Central line, the North Island Trunk line, and this line, and to purchase the Manawatu line, and that that pressure will force this House to go on the London market for a gigantic loan to make these three lines and buy the fourth. I do not fear that. I think there is another alternative which is far more probable. What I do fear is, that if this Bill is thrown out this line will be hung up for some time to come; that the colony will be plunged into a sea of litigation; that this land which we are so very anxious to see unlocked will not be unlocked for some time to come; and that, in particular, the province from which I come will have sacrificed an enormous area of its land for nothing whatever—will be left without this railway, and will be left labouring under a bitter sense of injustice and a rankling sense of injury. Now, I make no threats at all. I do not think it desirable that threats should be made. But I do appeal to the common-sense and to the sense of fairness of this House, and ask honourable members to think whether that argument also is not worth considering—whether they should not.

take into consideration the fact that if this Bill is thrown out the work of years will be thrown away, and that a large portion of the colonists of New Zealand will feel that they have been unfairly and unjustly sacrificed. Because, after all, what are these so-called concessions which we are told the colony has been making for the Midland Railway? The colony certainly gave up a nominally enormous area of land for the Midland Railway. We are told by some of the bitterest opponents of the Bill that that area of land was not an area of valuable land—that part of it was utterly valueless. We hear a great deal about riverbeds, snowy mountain-slopes, barren valleys, and glaciers, and we are led to believe that far the largest share of this territory which we are supposed to surrender to the company is of that character. I do not say that a good deal of that is not exaggerated. I think it is. But what I do say is that unless that railway is made that land will not be of any great value to the colony. If the territory is to become valuable, then this railway ought to be made through it, and must be made through it. If the railway is not to be made the land will remain for many years to a very large extent valueless. So much for the sacrifice. Then, there are those concessions. We are told that we made an important concession with regard to the Brunner deviation. We did. We are told that we made another concession in reference to the Abt system. And so we did. But, after all, did these concessions injure the colony in any way? After all, would the colony have been any richer, or would it have been any better off, if we had insisted on the company following the old line along Lake Brunner? Or would it have helped us if a tunnel had been made instead of the Abt system being adopted? On the contrary, if we had stuck to the tunnel we should have been cursed by tourists and travellers yet unborn. We should have sacrificed the scenery of one of the most lovely and beautiful parts of the whole journey. In answer to an interruption of the honourable member for Hawke's Bay, I may say that I have already explained that the tourist traffic is only one advantage in connection with this line. The concessions we have made have been a great advantage to the company, but they have been no disadvantage to the colony whatever. Now we come to the present position; and that is, after all, the main point. The honourable member for Nelson City made such a speech as we might have expected, and such a speech as I should imagine each one of us would have made had we occupied the position of that honourable gentleman. I do not deny for a moment that had I represented Nelson, had I been a Nelson citizen, and had I the feelings of a Nelson man—I do not doubt that I should have been swayed by those feelings. I should probably have thought as the honourable member thinks, and have spoken as he has spoken. But this is the vital point: Can anything we do enable the Nelson part of the line to be made? Is it possible to make that portion? I

Mr. Reeves

say it is not. It is unfair to reproach the Government with abandoning Nelson. We did not abandon that line as long as there was the slightest chance of forcing the company to make the Nelson branch. But when it became clear that that portion of the line was absolutely beyond praying for, that its construction was hopeless, that the company must either be relieved of that or the whole line would be stopped, under these circumstances it simply became a question of what we could snatch from the fire. We, of course, saved what we could, and abandoned what we could not save. That is our whole crime, and I do not think it is a heinous crime. We tried to get the whole line and nothing less than the whole line, but when that chance vanished into thin air we tried to get what we could. The question is, whether Christchurch is to be connected with the West Coast—whether her three hundred thousand pounds' worth of land is to be sacrificed for some purpose, or for very little purpose? Shall Canterbury get what she is fairly entitled to, or shall the whole of the past work be thrown away, and shall we simply be satisfied with going to law with the company? That is the question which honourable gentlemen have to ask themselves now. The honourable member for Wellington City (Sir R. Stout) laughed at the idea of litigation. The honourable gentleman may not fear litigation; I can quite imagine that he may not be afraid of litigation: the honourable gentleman is accustomed to litigation. But there are many men in New Zealand who are not so accustomed to litigation, and who may not look at it with quite so light a heart as my honourable friend. For my own part I do not look with a light heart on the prospect of a lawsuit with the company. I do not think it will do New Zealand any good, though I trust, if it does occur, we shall be on the successful side in the end. Still, I think it would be a good thing to avoid it. But, in addition to that litigation, when I see this railway abandoned after ten years' work, and three hundred thousand pounds' worth of Canterbury land sacrificed for naught, and when I see us put back to the beginning of our labours once more, it is natural that I should not look at the prospect with a feeling of satisfaction. But, of course, the question is, whether the concession which we ask for is a justifiable concession. I maintain it is, though I admit that if the railway is not made this land is not territory of enormous value. I maintain that this land, if the line really is to be made, is going to be territory of very considerable value to New Zealand, and that to get this land back, at the same time that the railway is going through it and developing it, will be a very good stroke of business indeed for the colony. Remember this: It is said that we are giving £618,000 for the making of a railway which will cost a million. There is no use in quarrelling as to whether the line will cost a million or a million and a quarter. The cost of construction will doubtless come up to about £1,100,000 or £1,200,000. The total cost ought to be put down at what it

will be—namely, about £1,200,000—and we should not try to make it less because the actual outlay—the engineering work—will be merely a million. If it will cost the company £1,200,000 to make the line, then the company is entitled to call that the cost of the line. It is said that we are going to give up £618,000 for the making of a line which will cost £1,200,000. Precisely; but that is always what we have said we would do. We said we would give the company £618,000 in land. It is not fair to try to mislead this House by pretending that this land which we are to give them will not be equal to £618,000. Why, we have contracted to make it worth £618,000, no matter whether it consists of glaciers, mountain-torrents, or barren alpine valleys. Whatever the value of the land may be in its nature and to the purchaser, we have contracted to make it worth £618,000 to the company, and, if it is not worth £618,000, then we have to give them either hard cash or something else to make it up to that value. What is the difference, then, whether we give them £618,000 partly in land there and elsewhere or partly in land and cash, or give £618,000 in debentures? It may have been against the interests of the colony to give £618,000, but we agreed to do it, and I say it is unfair to argue now that the arrangement was a bad one. The colony deliberately entered into the contract after fuller argument than it is possible to apply to it now. An enormous deal of argument with regard to the value of the railway was brought to bear by those who were the friends of the line to prove to the satisfaction of Parliament that this part of the railway was worth the colony giving £618,000, whatever might be said now about its only costing £1,200,000. The only thing involved in the variation between what the House assented to last year and what it is asked to assent to now is not a question as to the amount we should contribute for the cost of the land, but as to whether the line is worth making at all without the Nelson portion. I ask honourable gentlemen to remember that the House deliberately assented to make this line on these terms—namely, that we should give something more than half the cost of the line in debentures in order to get that line made. That was what the Parliament agreed to do just before the general election. Why should the Premier be taunted with having deceived Nelson or any other district with regard to this railway? Parliament now proposes to go back upon the pledge which was honourably given to Canterbury and Westland on the eve of the general election. I say that on the eve of the general election the House of Representatives solemnly agreed that the railway should be made on this principle, and the only variation we ask now from this is that, if the whole of the line cannot be made on that principle, the larger and most valuable part of the railway should be made. I ask the House to pause before it allows that pledge to be departed from. I ask members to pause before they say that efforts of the last twelve years shall be thrown

away and rendered nugatory and useless. I ask the House to pause before it deprives the Province of Canterbury, which has contributed to the public works of the colony out of the land-tax put upon itself by its citizens, that province which made its roads and bridges out of its own pocket, that province which made the most valuable and costly piece of its railways out of its own pocket, and which has for the last twelve years, without murmuring, provided money for railways for other parts of New Zealand, and money for roads and bridges for other parts of New Zealand, in order that they might be settled, and is to be asked year after year by Otago, Wellington, and Auckland to go on doing so—I ask the House to pause before it deprives Canterbury of the only concession she asks for. Other parts of the colony have had public works for the last twelve years at the expense of Canterbury; and is she to sit down for the future without murmuring and without complaint? I tell honourable gentlemen that a refusal now will cause a rankling feeling of wrong and injustice in Canterbury.

Mr. BUCHANAN.—The honourable gentleman has given us what I may call a resurrection speech—

Mr. REEVES.—Ah! it has brought you up!

Mr. BUCHANAN.—It is a counterpart of speeches which Canterbury members have made us familiar with for the last twelve years. The honourable gentleman has spoken this afternoon not as a member of the Government on those benches, representing the whole of the colony, but from the narrow point of view of a Canterbury member.

Mr. REEVES.—I am not ashamed of being a Canterbury man.

Mr. BUCHANAN.—I am not asking the honourable gentleman to be ashamed; any effort of mine in that direction would be of a fruitless character. He told us that this line of railway had been part of his political existence for the last twelve years. He resurrects its political history, tells us that bit by bit in 1884 the House voted for the construction of the line, and he now practically explains that Parliament refuses to vary the resolution then passed. Why does he not take up the cudgels for the North Island Trunk Railway, the Otago Central line, the Eketahuna-Woodville line, and many others which have received the assent of Parliament, and on which very little progress has been made? Sir Julius Vogel, in introducing the question of the Midland Railway line in 1884, makes use of this language:—

“Sir, in moving the second reading of this Bill, I desire to explain that it contains the conditions under which a work of vast importance to the colony may be constructed without imposing upon the colony any direct burden.”

That is the first sentence of his speech; and a little lower down he goes on to say,—

“But we think the work is now so important that, while we cannot recommend the House to undertake direct liability for the cost, still it is a work in respect to which the

colony may offer large inducements to private enterprise to construct it."

And a little further down he says,—

"The land is of so poor and doubtful a character that the amount prescribed in the Railways Construction Act is not considered a sufficient inducement to obtain the necessary capital."

Then a little further down again he says,—

"We are prepared to take our stand upon this, and no iteration in this House or in the Press will shake us from it: that, as the colony is already burdened with direct demands for borrowing, it is the duty of the Government, where it sees its way to do so, to encourage certain large works for the benefit of the colony without the aid of borrowed money."

Now, Sir, we all know the political history of the gentleman who uttered those words, and the condemnation which has again and again been heaped upon him for plunging this colony into debt; and yet he flinched from asking the colony to borrow for the construction of this railway, confining himself strictly to a land endowment. But the Government on those benches quite gaily propose to add £618,000 to the debt of the colony. The debt of the colony in 1884 was £29,429,000, and the debt to-day is £38,874,000, an increase of £9,300,000. In case it might be said that our debt had only increased in proportion to population, I have estimated as closely as I can the population of the colony in 1884 at 534,000 souls, and in 1894 at 635,000. Now, Sir, these figures show that, while the population has only increased by 22 per cent. in these ten years, our debt has increased by no less than 31 per cent. And now we have the non-borrowing Government, the Government of self-reliance, the Government of strict economy, actually out-Vogeling Vogel, and calling upon Parliament to support this proposal. What is the proposal? To cast a cool £618,000 of increased debt upon the back of the taxpayers of the colony.

Mr. WARD.—You supported a proposal for £500,000 the other day.

Mr. BUCHANAN.—I did support the borrowing of a moderate sum for constructing roads on Government land and to purchase Native lands; but I did not vote for the £500,000, and the honourable gentleman knows it. In 1891, when the Railways Construction Act, under which the Manawatu Railway was afterwards constructed, was passed, the Government of the day was denounced for giving a subsidy in land of 80 per cent., but the Government of 1894 increased the subsidy designed for the Midland line to 50 per cent. But, Sir, this non-borrowing, self-reliant Government actually urges us to give a bonus of £618,000 in cash—not in land—to construct this railway-line. I call the proposal nothing less than monstrous. The honourable gentleman at the head of the Government is continually telling us that theirs is a Government of the people—that they keep the people always in view. Who are the people in this case? The people in Westland? Do we find a growing population there? Do we find the wealth of

the colony being added to by a fast-increasing population there, or an increase of products? By the census of March, 1874, the population of Westland was 14,860; in 1878 it had increased to 16,932; and by the last census, in 1891, it had come down to 15,887. Now, Sir, If the Government really wish to legislate for the people, to legislate for the good of the greatest number, I invite them to look at the statistics of the Provincial District of Wellington, for instance. By the census of March, 1874, the population of the Wellington Provincial District was 27,790. By the census of 1891 we find that the population has increased to no fewer than 97,725 souls; and, to give additional point to the enormous difference in the rate of development in the two sections of the colony, I wish the honourable gentleman to realise that the increase of the population in the Wellington Provincial District between the census of 1886 and that of 1891 was over twenty thousand, or nearly five thousand more than the total population of Westland. And here we have the Government of the day proposing to borrow an enormous sum of money for the benefit of a district which shows such miserable results as these in comparison with other more prosperous parts of the country. It is not my wish for a moment to prejudice the District of Westland, but it is the duty of every member to look facts in the face, and to legislate for the many and not for the few. The Westland District was opened thirty years ago, and in all that time they have opened sufficient country to carry twenty thousand cattle and twenty-three thousand sheep. Last year they produced 1,619 tons of potatoes, and the produce of about 200 acres.

Mr. GUINNESS.—Give us the whole district, not a part.

Mr. BUCHANAN.—I have given the figures for the whole District of Westland, and will supply them to the honourable gentleman. If he can show me that I am in error I will, of course, withdraw what I have said. I am quoting in all good faith the figures supplied to me by the department. The production of oats was 1,900 bushels, of other crops 416 acres; in sown grasses there is a little under 50,000 acres, and in hay about 2,000 acres. Now, these figures tell us, in language such as he who runs may read, that, in spite of the best market in the colony at their door, the figures I have quoted represent the development attained in all these years from the millions of acres we have in the Westland District. And yet we are told that the colony, in getting this land back from the Midland Railway Company, as is proposed, is going to derive a great benefit. The company would not be offering to return it if they could settle a population upon it, as we are able to do on our bush-lands in the North Island. The Hon. the Minister of Education was good enough to tell us that, failing the £618,000 provided in the present Bill, the colony was bound to make up that amount in land under the present contract. Surely the honourable gentleman

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forgot that he was speaking to men of reasonable intelligence. If the land concessions were really convertible into £618,000 in cash, does the honourable gentleman mean to tell us that the London syndicates would not take that land up just as readily as the £618,000 in cash which it is proposed to give? The honourable gentleman shakes his head; but I cannot see where the difference lies. The colony would be bound, if the case is as he put it to the House, to make up the full amount, and the syndicate in London would care little how it was made up so long as they pocketed the cash. But the honourable gentleman must know that what he has put before us is altogether misleading, because the land is not of a quality that can be converted into cash. Then he quoted a long paper to us showing the expenditure of borrowed money in the different parts of the colony since 1886. I have the figures before me, and, without giving the gross amounts, they mean that in the Provincial District of Auckland the expenditure has been at the rate of £8 per head of the population; in Hawke's Bay, £7 per head; in Wellington, £9 per head; in the Nelson District, £5 per head; in Marlborough, £3 per head; in the Canterbury District, £3 per head; and in the Westland District no less than £15 per head of the population. In Otago and Southland the expenditure was £7 per head. Now, Sir, surely the Canterbury District has not so much to complain of, although the expenditure was only £3 per head of the population, because every one knows, who knows Canterbury at all, that as far as roading and railway communication are concerned there is no provincial district throughout the whole colony that is so well off as that district.

Mr. REEVES.—We made our own roads.

Mr. BUCHANAN.—The honourable gentleman says that Canterbury made her own roads. That is true in a sense, but he puts it in a very misleading way, because the colony, in the first instance, endowed Canterbury with a landed estate out of which she was enabled to make her roads, and of course the money, in a level country like that, went very much further than money would go in the rough and hilly districts of the colony. Then, if we take Canterbury and Westland together, we find the expenditure of borrowed money at per head of the population upon the railways alone amounts to £4 per head; and these two districts have therefore not so much to complain of, when the average for the whole colony is only £6 per head of the population. Then, Sir, if this railway-line is constructed, what is bound to happen is that pressure will be brought to bear on the colony in every possible way from Canterbury and Westland to compel the purchase of the line. The colony will first have spent £618,000, as proposed by the Bill, in addition to the large sum of money which has been already spent by handing over 300,000 acres of Canterbury lands to the company, and then, after all, the colony will have to buy the railway—a veritable white elephant in every conceivable way. The honourable gentleman,

and those who are on his side on this question, have also forgotten to tell us that if this railway-line is opened, and if the traffic proves to be what they anticipate, a large part of it must necessarily be at the expense of the harbour-works we have constructed on the West Coast at an enormous cost to the colony. Those works would necessarily suffer very heavily indeed; and the gain—if there should be any gain from the working of the railway—will be to a large extent, if not wholly or more than wholly, lost by the loss to those two important ports. The honourable gentleman tells us that unless this railway is constructed Canterbury will suffer under a rankling sense of injustice. I for one would never be a party to doing anything unjust or unfair against Canterbury; but Canterbury cannot very well complain of her present position either with regard to roads or railways; and, if the Midland Railway is not constructed, what will be the measure of injury to Canterbury? Will she send less produce to the West Coast? Will she suffer seriously in any other way? I altogether fail to see it. To-day she furnishes the West Coast with most of the agricultural produce required, and if the railway is never constructed she will always continue to do so, as far as I am able to judge. Why, therefore, should she suffer a rankling sense of injustice if this line is never constructed? Then, the Premier told us that the construction of the line would find employment for something like two thousand men. The honourable gentleman has always told this House that he has steadily resisted the finding of employment for men except upon reproductive works. Does the honourable gentleman contend for a moment that the construction of the East and West Coast Railway would be a reproductive work? The honourable gentleman knows that all the testimony of those whose opinion is worth anything is altogether against such a conclusion. He appealed to us on account of the toilers—our brother toilers. It would be much better if the honourable gentleman kept such phrases as that for his election speeches. In this House we prefer to hear common-sense, whether from the occupants of the Government benches or from any other members who may address the House. He tells us that the extremely low prices of produce gives Canterbury a claim upon the rest of the colony. Canterbury has no doubt suffered heavily, as has the whole colony, but I cannot see that Canterbury is entitled to any special treatment any more than any other part of the colony. The Premier told us that there are five million acres on the West Coast available for settlement, and that some of it in the direction of Okarito consisted of large tracts of level land very valuable indeed for grazing purposes, if not for agriculture. I deny altogether that there is any extent of good land in the Okarito district, or, in fact, in any part of Westland: indeed, the nature of the timber growing on the greater part of it is sufficient indication to any practical man that, taken as a whole, settlement on the land cannot in our day be

a success. As long as we have hundreds of thousands of fertile acres in the North Island unoccupied, and other large areas only partly developed, the stream of settlement will never go in the direction of Westland. It is quite true that there is some valuable timber, but its area, according to the report of the Commission read by the honourable member for Hawke's Bay, is comparatively limited. The information is that only about two hundred thousand acres are available, and I need scarcely point out that, with the present output, this, if not cut out, will certainly be very much reduced. I appeal to honourable members who have been sent to this House pledged to a policy of non-borrowing and self-reliance to vote against this Bill; and, if they are determined to break their pledges, let them vote for the purchase of the Manawatu Railway, or, better still, for the extension of the Main Trunk line into the heart of the Awarua Block, where the Government have lately acquired a great deal of valuable land for settlement purposes, and they will there find a field for expenditure which would be much more profitable. I could not give a silent vote on this question, nor, in justice to my constituents, do other than oppose this Bill at every stage.

Mr. BELL.—I do not intend to occupy the time of the House for more than a few moments, but it is due to myself that I should state very briefly the reasons why I differ entirely from my honourable friends near me who have spoken, and why I support the Bill before the House. I shall ask you, Sir, whether I am at liberty to vote on the question or not, for the reasons I am about to state. Two years ago I was the advocate for this company before a Committee of this House, and I am not at all clear whether under the Standing Orders, and considering the relation of the partnership of which I am a member to the Midland Railway Company, I am at liberty to deliver a vote on the question; but that will not prevent me from speaking. If this were a proposal to give the money of the colony to the company I should for one oppose the Bill. But, Sir, it is not so. The colony has conceded to the company—that is the endowment promise—that its right of selection shall be the value which appears by the proportions set out in the contract of 1888, which honourable members will find in Volume 2 of the Appendices of 1888. If the railway be completed by the company the colony will have to give an equivalent of £618,000. What the Minister of Education said was correct—and probably the House knows it perfectly well—that there is no use talking about the land being valueless and the company having been obliged to take valueless land. Six million acres were set aside, and the company are entitled to go on selling and selling until they obtain £618,000. There is no doubt about the wording of the contract. Therefore the colony has got to find that amount; and whether it finds it now and takes the land or not is as much a matter of indifference as the making of the line is a matter of importance. Then, the Premier and the Minister of

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Education will differ from me in the reason I am now about to state. In my opinion, quite apart from the question of whether the colony is being asked or not to give any concession to the company at present other than the extension of time, the colony is indebted to the company. I am not going over the ground I took before the Public Accounts Committee. If I were to attempt to do that I should occupy the time of the House very much longer than is allotted to a member, and it is not at all my desire to enter into a long discussion of the kind, but I will take one point alone, and the main point—what I have conceived to be the clear point which the colony can never escape from. And on this point I shall differ entirely from the honourable gentleman at the head of the Government. He conducted the case for the Government before the Committee in 1892, and I conducted the case for the Midland Company, and we then differed. But the House will understand this point, which is very clear and very concise: In the 16th article of the contract of 1888 the colony reserved to itself the power to reserve for mining purposes 750,000 acres of land, so that the land taken by the colony for mining purposes should not be open for selection by the company. The colony was entitled to set apart for itself this area of land, and free it from the lien the company had on all lands within the B1 area. Now, the provision of the contract is this: The lands so set apart and proclaimed from time to time—and this is the point I want honourable gentlemen to consider—the lands so set apart and proclaimed from time to time are not in the aggregate to exceed 750,000 acres; and no more than 10,000 acres are to be so set apart or proclaimed in any one block at any one time. What the colony did was this: It reserved the whole of the Grey Valley and the lands surrounding it in successive Proclamations, with evasive intervals of time, and without any break in continuity of the boundaries. It was said that was within the legal interpretation of the contract. Was it within the honest interpretation of the contract? In my opinion—of course, the House will discount it to its full extent—in my opinion it was not within the legal power of the colony to do such a thing; and it certainly was, in my opinion—quite apart from the legal point—not an honest interpretation of the contract. Understand me, I am not accusing the honourable gentleman; the honourable gentleman looked at it, no doubt, from the point of view of the colony—that the Grey Valley and the lands surrounding it were lands which it was necessary in the interests of the miners to reserve, and, inasmuch as he could only reserve 10,000 acres at one time, he proceeded to do it by Proclamation following Proclamation, so as to get the whole. When my honourable colleague the senior member for Wellington City said he was so confident of the result if the colony were to go to law, I felt this as the one point of all points to lay before the House, and I say to my honourable friend and

to the Minister of Education the colony will find the war a real one. I believe the company may have been—indeed, I believe it has been—negligent in the performance of its contract; I believe that the company is open to a considerable amount of honest attack on the ground that it never did provide the funds necessary for the completion of the line. I admit that, from my point of view—of course, I am not speaking for the company; I do not suppose the company would admit that. I am here to speak as a representative of the people in this House. But, on the other hand, the colony, in its attitude to the company, has placed obstacle after obstacle in the way of the carrying-out by the company of its work. And it is a fact—though the company has no right to complain of legislation which followed—it is the truth that the endowment—the provision by which the company was entitled to this large area of land, became so worthless as to make the company's finance impossible. Everybody, of course, must accept the chances of legislation, and nobody has a right to complain in a country of the result to him of the incidence of taxation. This has been the result, and the company has no right to complain so far as the incidence of taxation has interfered with the finance of the company. But to go back to the point. As I have told the House, it is impossible for me to enter into matters which members will find discussed at length if they take the trouble to read the address I delivered to the Committee in 1892. But this point which I have stated must commend itself to the mind of every colonist as forming so grave a question for compromise that the mere extension of time proposed is one which may well be given in order to settle such a question as this. As I have said, were the proposal one to give the company more than it is entitled to, I for one would oppose it. But this I will say, in conclusion: The gift by the company of the land—the proposal to transfer to the company £618,000—is a surrender by the company of the profit which the company would have had if left to sell the land. There is a possibility, according to my idea—there was a probability to the company—that the company would not only get this £618,000, but the increasing value of the land by reason of the railway running through it, which would give to it in land a value of a million, as representing the £618,000, which was the B1 value. The colony gets that, if it be anything. If it be nothing, then I say the colony misled the people in England. I have heard speeches referred to by my honourable friend which show that there was nothing of the kind. There have been speeches, on the other hand, which are indicative of an entirely contrary view.

5.0. But this is certain: that if we knew—and we knew this as well as we know it now—that this was worthless land, useless country, which we were offering to these capitalists as an inducement to build this railway for us, we did a dishonest and disgraceful thing; and the sooner we remedy it the better. I will not be one to admit that the Colony of

New Zealand made a base and false representation to the London market for the purpose of inducing capitalists to bring their money here where it might become the prey of the colony. I believe this to be a surrender by the company of a very great deal; I believe it to be the offer by the colony of nothing but an extension of time; and I believe, if rejected, the result to the colony as a whole will not be creditable to it. The result may possibly be financial loss, and on those grounds, and because I believe it to be right, and though the popular thing is to oppose it, I shall, if permitted, give my vote in favour of the measure introduced by the Government.

Mr. T. MACKENZIE.—The honourable gentleman has made a speech, and really I wondered which way he was going to vote. It is satisfactory to know that he is going to vote in one direction. I intend to oppose this measure, and I do so because from the very first I recognised that the work was never likely to be carried out, and I have from the first opposed this undertaking. I do not intend to take up the time of the House at any length; I should like to say, however, regarding the last statement made by the honourable member for Wellington City (Mr. Bell),—that, if we knew the country to be mountainous and glacierly we had no right to induce capitalists to put their money into it,—that we knew nothing of the sort. The company had ample opportunities. They sent their representative here, and he examined the country, and went Home and reported to his people. He was so absolutely satisfied that he reported on reaching Home that the land was quite good. So there is no use in stating on the floor of this House that the colony was deceiving the Home investors. I believe that we are simply committing the colony to a liability of £618,000. I heard the opinion stated by the Minister of Education, and which was supported by the honourable member for Wellington City (Mr. Bell), that we were liable for either cash or land to the extent of £618,000; but I do not believe that is a correct view at all. I believe the company are entitled to select land out of the prescribed area, and are not entitled to call upon the country if they are not satisfied after they exhaust the whole of that area. The whole of it may not be worth £618,000, and I do not believe that they are entitled to fall back upon the colony for cash for the balance.

Mr. REEVES.—I did not say so.

Mr. T. MACKENZIE.—I gathered that most distinctly from the Minister of Education—that we had to give them either land or cash. I heard the honourable member for Wellington City (Mr. Bell) also say “Hear, hear” to that statement, and I am quite sure those two honourable members agree that the company are entitled to land, and, if any deficiency occurs, then to cash.

Mr. BELL.—Land up to six million acres.

Mr. T. MACKENZIE.—And if these six million acres did not yield £618,000, then the

company is entitled to cash to make up the balance.

Mr. BELL.—I did not understand the Minister to say that.

Mr. T. MACKENZIE.—What the Minister said was quite distinct on that point, and I am amazed to think that any member of this House should have indorsed the statement. I do not think the colony is liable for anything of the kind but the six million acres, and I say, in reference to this measure, that we are not justified in putting a responsibility of this sort on the shoulders of the colony. The difference between guaranteeing the £618,000 and giving land is that interest begins from date, whereas no interest is accumulating in respect of a land-grant. A number of us have consistently opposed the work; and, if we agree to give this £618,000 in cash, then we are favouring Canterbury at the expense of the other parts of the colony, and if the country is going in for the construction of these public works, then you have the North Island Main Trunk line, which is as much entitled to consideration as the West Coast line in Canterbury; and there is the Otago Central in precisely the same position, the Gore-Kelso, the Heriot Extension, the Catlin's River, and other lines in the South Island. For this reason I beg to oppose the Bill.

Mr. HEKE.—I do not intend to say much on this matter, but I should like to say that all the members who have spoken on the Bill have put forward the strongest grounds why they say it is correct to oppose the Bill now before the House. As far as I understand the Bill, it sets out that the colony is to hand over to the Midland Railway Company the sum of £618,000. Now, we have heard during this session honourable members, especially those from Christchurch, urging upon the Government to reduce the tariff rates, and all sorts of arguments have been advanced in favour of trying to decrease the indebtedness of the colony; but at the present time every member can see, and even those who have raised arms against the colony being put to extra debt—those honourable members now are open to vote for the sum of £618,000 to increase the debt of the colony. It seems to me very amusing that, although members stand up coolly in this House, and express to it a desire to relieve the poorer classes in the colony from the burdens they are now suffering under, at the same time they wish to cast on the colony a matter which they believe to be beneficial to themselves alone, and not to the colony as a whole. They intend to vote for such a measure as this, which every one can quite clearly see tends to nothing else but to increase the debt of the colony. The poorer classes of this country are beginning to ask whether it is advisable to believe the actions and statements of the Government on the hustings or not. It is quite apparent in all the different parts of the colony at the present time that the working-classes are rising to the occasion, and that they see that all the promises made before them by the Liberal members of the present Government go

for nothing at all. They begin to see that their actions in this House are the reverse of what they stated before the electors. I refer to some of the remarks made by the honourable member for Nelson City in reference to the Premier. When in Nelson, before the last general election, it appears the Premier told the people there that he intended to make the company carry out the whole contract; and now, in his place, after he comes into this House, he introduces a measure which is entirely inconsistent with all the statements made before the country and the policy which was laid down by the late John Ballance. It has been stated by the present Premier that the Government do not intend to borrow; but this policy is almost cast aside; and why it has been cast aside I do not know. I can only surmise, and every member of the House can surmise, that the only reason is that the Government have appropriated all the moneys that were set apart to release the colony from its indebtedness, and to carry out works that were quite unnecessary in many respects. I will refer to the purchase of Native lands. The purchase of Native lands, as I have always stated in this House, is not necessary at the present time. What is really necessary is as stated by honourable members hailing from Canterbury and others—that is to say, that the Colonial Treasurer should decrease the debt of the colony. That is the step to take, and to do this we should cease purchasing more Native land at the present time, and bring about a system upon which the land held by the Crown now, and those lands which the Crown has bought from the Natives during the last few years, should be settled. The Crown lands at present lying idle amount to something like ten million acres; the first-class land—land suitable for agricultural purposes—amounts to two million acres, and eight are fit for pastoral purposes. It would be far more beneficial to the colony as a whole, and to the poorer classes, to get this land settled. I have also stated that the best policy that the present Government, or any other Government, could pursue was not to purchase Native lands, but to lease them from the Natives, and if such a policy is introduced by the Government it will relieve the State of having to constantly pay interest on the money borrowed from England, and it would dispose of a great deal of the interest accruing from the moneys borrowed in former years. It is apparent that there is no desire on the part of the Government at the present time to decrease the debt of the colony. It is their desire, apparently, at the present time to increase that debt; and then they coolly tell the electors who sent them here that they desire to decrease the debt. This is quite a reversal of the action that they said they would take, and of the policy which sent them to this House. I do not wish to say anything further than this: I quite sympathize with all those persons who have undertaken to construct this railway from the west coast of the South Island, and who have placed confidence in the whole matter, with a view to recouping them-

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selves and making a fair amount of profit from the concern when the undertaking was taken over by them. At the same time, we ought to see that the promoters or agents of that company, who have negotiated the contract with the Government, must have known that circumstances would arise when a change of taxation in the colony would take place, and that all its property and lands would be liable to the changes of taxation. I wish to say, if the Premier can only assure this House that they intend to hand back all the land which they do not wish to use at the present time to the Government, and not ask for the debentures, which amount to £618,000, then I can see my way quite clear to support that intention. In conclusion, I wish to say that every borrowing measure that has been introduced into the House by the present Government I have opposed. This is another borrowing measure, involving the amount of £618,000, and I do not think it would be consistent for me to vote for this sum to be saddled on the taxpayers of the colony.

Mr. GUINNESS.—What about the six million acres of land we are getting?

Mr. HEKE.—In reference to the six million acres of land, if it is good land, as the honourable member for Mawhera says—I know the honourable member for the Grey rather prefers to be called by that Maori name, “the honourable member for Mawhera”—if there is any prospect at all of a beneficial result arising from that large area of land, it will be to the interest of the company to hold on to that area, and to try to do the best they can to settle it themselves. Therefore the interjection made by the honourable member for Mawhera goes for nothing at all, in my opinion.

Mr. ALLEN.—I should like to say, Sir, that I have devoted a little time to this question, and I always take an opportunity of speaking on this important question when it comes before this House. The whole history of this affair is a very unfortunate one for the colony, and I am afraid, if this Bill is carried, the unfortunate history will continue in the future. Ever since the railway was started, ever since this House was asked for the first time to take on its own shoulders a burden that would be very serious, and a hard one to bear, up to the present time, the whole history has been a very unfortunate one. It is quite true that in 1887 it was necessary that some alteration should be made by the colony in the contract, but I am not at all certain now that it was wise even to make that alteration. At any rate, there was an alteration made, but out of that alteration there was some good accruing to both sides. The colony secured the right to take a certain amount of land—some 750,000 acres—for mining purposes, and the colony gave up the right to the alternate blocks. That was a fair compromise. Alterations, it is true, have been made since that time. The honourable member for Wellington City (Sir R. Stout) has pointed out that the alterations that have been made, or, at any rate, the dealings as regards the alterations, have been certainly in favour of the company

and not of the colony. The company secured on every occasion more than they gave, and therefore the company have no reason to complain. But the Premier, in moving the second reading of the Bill this afternoon, laid great stress, it seemed to me, upon one point only, and that was that it was necessary the colony should give an extension of time to the company to complete the contract. Now, why did he take so much interest in such a point as that? If that is the only argument he had to give—namely, that we should give the company an extension of time before breaking the existing contract—surely that is a very weak argument why we should support this Bill. There was no threat from the Premier of possible litigation. That threat has been thrown out from time to time by several honourable members, but I do not consider it serious. It may be or it may not be serious, but I want to point out this: that the Premier this afternoon made no use of this threat, because, I believe, he did not think there was much in it. He has before told the House, last year, that, so far as the threat of litigation was concerned, he had no fear of it whatever; and I suppose he is of the same opinion still. The Premier, having no fear of litigation, has, of course, not ventured to tell the House that there is any fear of litigation this afternoon.

Mr. SEDDON.—What I said was that I did not fear the result of litigation.

Mr. ALLEN.—That is what I mean. Then, I say that the Premier, having stated that he had no fear of the result of litigation, comes down this afternoon and tells us that the only concession that should be made to the company is an extension of time. If that is so, why does he come down to the House with a Bill which alters the whole aspect of the contract, and alters it in a very serious way to the colony?—because he has opened up a very large question indeed, which affects not only the West Coast, Nelson, and Canterbury, but also the whole colony. If the colony is to borrow money for the opening-up of railway-lines, then let us have a general policy to complete all the lines that require to be completed.

Mr. GUINNESS.—Would you support it?

Mr. ALLEN.—That is another question altogether; but, if it is to be done, what I say is that, in all fairness, it ought to be done as much for the Otago Central Railway, the North Island Trunk Railway, and various other lines that might be put in the same category. It is not fair to come down to the House and ask them to break a contract—for that is what it is—or that the colony should be asked to borrow £618,000 in order to enable the company to construct a railway for their own benefit. What do we get by it? We get the right over five million acres of land, and if the contract is allowed to run its course this five million acres of land will, in a short time, come to us. As I said before, the Premier states that there is no fear of litigation. Then, why does he not allow the contract to run out? Does he mean to say that the five million acres will be locked up after the expiry of the time

for the completion of the contract? I say we should compel the company to fulfil their contract, or, if they cannot complete their contract, other negotiations would have to take place with regard to the land now locked up. Then, I say, if there is no fear of the result of litigation, the contract should be allowed to run its due course. If the contract is not fulfilled, then the company should be left to bear the evil results, whatever they may be. If we have fulfilled our part of the contract, why should we be asked now to make a serious alteration in the policy we have adopted in regard to this railway, and give money instead of land, especially when other railways are languishing for want of funds themselves? Now, there is another point which has been touched upon by other honourable members, and it is a point of some importance. The company entered into a contract to complete the line not only from the east to the west coast, but also from the Nelson end; and the Premier, in speaking on one point of the line—the Belgrove-Nelson Section—made use of remarks of this kind last year: that it would be a breach of faith to allow this piece of line to remain unconstructed. Now, if it was a breach of faith in 1893, how is it that the Premier comes down to the House and says, “The best policy I can put before you is this: for the abandonment of the construction of the Nelson-Belgrove Section; and what was a breach of faith in 1893 is now, in 1894, the best policy to pursue”? I think the company ought to be held to the construction of that part, and also to the completion of the contract. They entered into a bargain with the colony, and I say that bargain ought to be kept, and if they are not going to complete it they ought to be the sufferers, and not the taxpayers of the colony. Then, with regard to the proposal that is to be made, we are told that a certain amount of money is to be given in yearly instalments, for the first two years at all events, to this company, in lieu of land-grants. I would point out that this is different from the proposal of last year, which was that the money was to be given in lieu of land-grants—that is, that the company was to construct the line partly out of the money that was placed in their hands by the Parliament of this country, and that they would give up their land-grants—that is, that the money to be used for the construction of the line should be £618,000. The land-grant was in a similar position. The land was sold, and we may presume—I think rightly—that the proceeds of the sale were placed to the capital account of the railway. Now the proposal is, it seems to me, a very different one. The debentures that are now to be placed at the disposal of the company are not to go to capital account, but are to be used as a means of providing interest to those who supply a million of money for the construction of the East and West Coast Railway. That seems to me to be a very different position from that which we took up last year. We are not going to find the money to assist capital account, but to pay interest on the money

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that is lent, for I do not know how many years. And what security have we that the necessary money will be raised and utilised as it ought to be? It is true the money has to be spent before they get our debentures, but the security does not seem to me to be a sufficient one, and it would be a much more satisfactory process if our money were used in the construction of the line rather than to pay interest on the cost of construction. They ought to find interest themselves. Now, I think it is a very unfair thing that the colony should be asked not only to break a contract of this kind, but to break it to the detriment of New Zealand, because it is to the detriment of the colony that the line should not be completed by the contractors, and that it should be asked to bear the whole burden of the interest of the £618,000 for I do not know how many years. So soon as they get their debentures we have to pay interest; and what do we get in return? The honourable gentleman says we get the land. But in the ordinary process of time we shall get the land; the company finds that it cannot fulfil the conditions of its contract. How can the Premier come down to us with this Bill upon so flimsy a statement as that which he made to-day? Willingly would the House grant, I doubt, an extension of time if that is all that is necessary, but the House cannot be asked willingly grant the abandonment of the principle of land-grants and the payment of interest. Those are really, so far as I can judge, all the sound reasons—and they are very sound—honourable members will admit—which the Premier adduced this forenoon in moving the second reading of the Bill. It is quite true that he did adduce some minor reasons, but rather, adduced some reasons which did not directly affect the particular matter before us, but were in favour of the construction of the line. I say that arguments in favour of the construction of the line, on the contrary, have nothing whatever to do with the present position. We entered into a contract with a certain company. It is true that that contract has been amended, but it is also true, as has been pointed out by the honourable member for Wellington City (Sir R. Stout), that, so far as the amendments are concerned, the company have got the better of the colony. Yet we are now asked to abandon all that has been done in the past and allow these people not to carry out their contract. We are asked to put our hand in our pocket and subscribe £618,000 in solid hard cash to enable the people to complete their work. They ought to complete their bargain on the terms on which they entered into it. They should have entered into it, if they were wise men, knowing what they were doing. If they did not know what they were doing, surely the colony is to blame, and they ought to carry out what they hope the colony will see that this is done—contract, and nothing but the contract, and there can be a reasonable compromise made at on both sides. The compromise we are asked for is no compromise: it is an entire

under of the colony's position. It is an entire giving-up of the principle upon which the line was to be built; and, further than that, it means the abandoning of all the other railways in the colony: at least, so it seems to me. If the colony is to borrow money—and it is neither more nor less than borrowing money—for the construction of railway-lines should do so on some definite and approved principle. The Premier told us, in moving the second reading, that the tourist traffic and the mineral traffic were sufficient to justify the construction of the line.

Mr. SEDDON.—The timber.

Mr. ALLEN.—Yes, and the timber; and I deal with that first, as the honourable gentleman has mentioned it. The timber is only, after all, a very ephemeral product. It is not to be very many years before the timber has disappeared.

Mr. GUINNESS.—Certainly not.

Mr. ALLEN.—Let the honourable gentleman consider for a moment. How long, after all, will the timber remain there? How long will it remain, for instance, on the West Coast, if the railway, if the railway is constructed? Timber, I think, can be put out of the question altogether, for two reasons—first of all, because the timber cannot last for a very long time; and, secondly, for this reason: that it can be conveyed just as well and as cheaply by sea as it can be by land. And this argument has just as much force with regard to minerals as to timber. I say that coal can be conveyed from the West Coast by sea as cheaply as by rail, and in all probability it can be carried at a much cheaper rate, because the maintenance cost of this railway, considering the rough country it goes over, and the climatic influences which will disturb it, will be very, very large. It certainly will remain in this: that, as far as cost is concerned, conveyance will, I believe, cost more along the railway-line than by sea. And even if it is a little bit cheaper, surely that is not a valid argument for the colony to put its hand in its pocket and go in for a loan for the purpose of constructing this line. If it be an argument that this line must be constructed if the colony's borrowed money because it will convey minerals across the Island, surely that is a very strong argument in favour of the construction of many other lines throughout the colony—lines that are to be constructed not for the conveyance of minerals, but for the purpose of placing the colony's hand upon the colony's land. That is a far stronger argument than can possibly be used in favour of the conveyance of coal.

Mr. O'REGAN.—That applies to the West Coast also.

Mr. ALLEN.—“That applies to the West Coast”! The honourable member knows that if the West Coast were deprived of its coal and the population there would very rapidly decrease: in fact, I am told that the population there is decreasing now. What would it be if these two products were taken away altogether, and if the district had to depend upon

ordinary settlement? What would be the position of the West Coast under those circumstances? I say there is nothing to justify the borrowing of money by the colony to complete this line. There is nothing to justify it, if the argument of settlement is to be used. Let us compare that line with others. For instance, compare it with the North Island Main Trunk line, or even the Otago Central. I say, as regards the question of settlement, there can be no argument about it whatever. The North Island Trunk line will go through land which will hold a large population, and the Otago Central line will also go through country which will hold a considerable population. In those cases you would have permanent and satisfactory settlement of the land, settlement which will not be ephemeral, but which would become of more and more value to the colony as years go on. What are the conditions with regard to this line? It depends, as I say, not on settlement, but upon the production of and traffic in minerals. But, as I pointed out, that traffic can be as well conducted by sea as by rail. There is nothing to justify us in borrowing money for the completion of this line while other lines are not completed the completion of which would really assist in the permanent settlement of the colony. The Premier said that all the arguments in favour of the construction of this line were just as good now as they ever were. I am quite willing to accept that. If it be true that the arguments in favour of the construction of this line are as good now as they ever were, why does the company come and ask us to alter the terms of the contract? If the conditions are the same, why are we asked to put our hands in our pockets and give the company so much hard cash? Then, with regard to the company, surely it has been in a very curious position from the first. I do not know how they entered into the contract in the first instance, but surely if they were wise—and it is to be presumed they were—they must have entered into the first contract having at least taken some precautions before they did so, and knowing where they could get the money to carry out the work. Did they do that? I cannot say whether they did so or not: but, leaving that out of the question altogether, and coming down to last year, a proposal was then made for an alteration in the contract. We had a statement from the Premier of the colony at the time that at that time the company was in a position to raise the whole of the money to complete the line, and I presume he meant by that the completion of the line not only from the east to the west coast, but also from Nelson to Belgrove. The Premier now admits, in his own statement, that even under the new proposals the company can only raise sufficient money to complete the railway from the east

to the west coast. The honourable gentleman abandons altogether Nelson and the other portion of Westland. Sir, I do think that the position the Premier has taken up to-day must be to him a very unpleasant one. He and others who at the time

represented Canterbury and the West Coast were the very members who forced this railway upon the colony.

Mr. SEDDON.—No.

Mr. ALLEN.—The Premier was one of the strongest supporters then, but in 1893 he said that one of the things in his political existence which he most regretted was the action he took with regard to this land. He said, "I am sorry I entered into a contract which would give away over six million acres of land, and which would not be settled."

Mr. SEDDON.—No.

Mr. ALLEN.—I remember his words quite well, and they are also recorded in *Hansard*, and I can easily find them. I say the members from Canterbury, Nelson, and Westland have nobody to blame for this contract but themselves. In spite of the House and the verdict of the country, they forced this Railway Bill through, and I say we are suffering now for what they did at that time. They themselves are to blame, and not the rest of the colony. I do not see what justification they have for coming to the House now as another solid band, but as a portion only of the original band, which now has sacrificed the people of Nelson. I cannot see what justification the rest of the band have for saying this: "We want the colony to take further liabilities upon its shoulders with regard to this railway." And what will be the result in future if we do not take a firm stand and say, "We have conceded all that we intend to concede"? The result will be this: If the line does not pay, do you mean to tell me that a further effort will not be made in this House to put still further liabilities on the shoulders of the colony? What will be the position then? That the colony will renew the large area of land; the colony will have given £618,000 in solid cash, and then, if it is a non-paying line, it will be forced upon the colony by the solid vote of the members from Canterbury and Westland; and so a further serious burden will be placed upon the colony's shoulders. I think the position taken up is unreasonable and unfair, and I hope members of the House will justify the opinion of the electors of the country and will take this stand, and say, "We have entered into a bargain which we are prepared to carry out, but we are not prepared to go beyond that; and, if the company has got into difficulties, it is through their own fault and not ours, and the company must bear the responsibility."

Mr. BUTTON.—It would be exceedingly gratifying to me if I could only see my way to support the Bill before the House. I have endeavoured to approach this question with the feelings of a jurymen, endeavouring to listen to the arguments so that I might come to a satisfactory conclusion; but I cannot shake off altogether the feelings of sympathy which I entertain towards the West Coast and Canterbury, feelings which were engendered by a long residence amidst the beautiful scenery of the West Coast, and amidst the genial and kindly people both of the West Coast and Canterbury. But, Sir, I have taken a very great

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interest in this question since many years ago, when there was no immediate hope of the railway being constructed, when it seemed to be quite in the future—this was before 1880,—at the time when the people on the West Coast, and all in that neighbourhood, earnestly desired to have communication with Canterbury. It was not, Sir, a railway to be constructed on lines such as we have in the present contract. It was not supposed that a private company would undertake so great a work. It was supposed to be a national work, and so had the sympathy of all those who knew the importance of the matter. But, nevertheless, the question now before the House may be considered a question of the Midland Railway Company against the colony, and, after hearing the arguments *pro* and *con*, I am very sorry to say that I am unable to give the Bill my support. I have very carefully listened to the arguments on both sides. I attentively listened to the Premier when he opened the debate. I was exceedingly anxious to know what would be said both in favour of the Bill and against it, because I came into the House this afternoon as far as I possibly could to give it my unbiassed and unprejudiced mind. My leanings were in favour of the Bill out of regard for my former associations with Westland and Canterbury. I refer to my sympathies in that direction in order that honourable members may see that I feel compelled to say that I cannot give a vote in favour of the Bill, and that I am now taking up an attitude I feel bound to assume having regard to the case before the House, and on which we have listened to the arguments on both sides. It appears to me that the burden of proof was upon the Premier and those who support the Bill. The question is, whether it is a desirable thing for the colony. Has the company any such claim on the colony as to render it necessary and almost indispensable that such an arrangement as this should be entered into? What are we to have for this? What does the company propose to give to the colony for relinquishing this contract? On the one hand, I find they are to construct one part of the railway—namely, from Jackson's to Springfield, a distance of fifty-seven miles; but, on the other hand, the colony is to release them from the remainder of their contract—the balance of the railway, which extends from Belgrove to Reefton, a distance of ninety-seven miles. We have, on the one hand, a railway of fifty-seven miles to be constructed, and, on the other hand, a railway of ninety-seven miles to be given up. And then we are to have the colony paying debentures to the amount of £618,250! Considerably more than half a million of money is to be guaranteed in the shape of debentures to this company, instead of the land which they were to have received. Now, it has been said that the cost of the construction of the railway which this company propose to continue and finish is something under £1,000,000. Well, if we give £618,250, that goes a long way towards meeting the million—a long way towards the construction of this piece of railway.

Mr. SEDDON.—That is incorrect; you have to take £125,000 to equip it.

Mr. BUTTON.—The equipment is not included in the contract.

Mr. SEDDON.—Yes it is.

Mr. BUTTON.—That is not what we are to pay for. Supposing it was, then we have more than half a million which would be necessary to construct this piece of railway which the company are going to construct. It is true we have the land released, and it is stated that the company, under any circumstances, were to be guaranteed land to the value of £618,000. Well, I have been looking at the contract, and, although that may be practically true, it is not said so literally. The provision that is made—and I suppose it is the only clause that refers to the matter—is clause 36 of the contract of the 3rd August, 1888, and that provides that a valuation shall be made. I should like to read the clause, Sir. If the House will indulge me I will read the whole clause, because I think honourable members will then see the bearing of this clause upon the whole matter:—

“Within three months after the expiration of one year from the completion of the said railway”—I ask honourable members to notice that; the railway is to be completed first—“an account shall be taken of all moneys theretofore received by and then owing to the company as proceeds of the land granted to and sold by the company, or otherwise sold, leased, or disposed of under these presents on its behalf, and as proceeds of its timber and coal, whether by way of purchase-money, rent, or royalty, and a valuation shall be made, either by agreement between the parties hereto or by arbitration as hereinafter provided, of all the land, timber, and coal of the company then unsold; and if the aggregate of the moneys so received and owing, together with the sum of such valuation, shall not amount to one million two hundred and fifty thousand pounds, or such less sum as shall represent one half of the actual cost, including equipment, of the entire railway from Springfield to Belgrove, if the company shall construct the alternative line mentioned in clause 4 hereof, the only claim of the company in respect of such difference (if any) shall be a right on the part of the company, within six months thereafter, to select further land out of the land then remaining unselected, and described as available for selection under clause 16 hereof, to the extent of such land then remaining so available. All such further land shall be valued either by agreement or arbitration as aforesaid, and the company shall not select any such further land to a value greater than the difference (if any) between the aggregate of the moneys so received and owing, together with the sum of such valuation as aforesaid, and the said sum of one million two hundred and fifty thousand pounds, or such less sum as shall represent one-half of the actual cost, including equipment, of the entire railway from Springfield to Belgrove, if the company shall

construct the alternative line mentioned in clause 4 hereof.”

Now, then, we have here, first, that the whole line must be constructed before they can claim any advantage or privilege under this clause 36—the whole line must be constructed. But what has the Premier told us this afternoon? He has told us that the company are quite incompetent to carry out this contract—that it cannot be completed; consequently this clause could never come into effect. They are only entitled to claim this privilege when the whole line from Springfield to Belgrove, including this piece which is now proposed to be left out of the contract—the whole line is constructed. And then, again, Sir, after all, the country does not guarantee the value of the land, but only allows them to take a further amount of land out of the reserve. Why do the company now wish to have the debentures? Why would they rather have the debentures than the land? If the land was so available and good it would be easily sold. Why should they prefer to have this £618,250 in the colony's debentures rather than in the shape of land, having such a quantity as might be necessary to make up the amount? Well, Sir, I think we can easily guess the reason. It is because they know that the land is not saleable just now. Not because of its poverty. I do not say a word about that. I know there is a great deal of very good land on the West Coast. I know the land the Premier referred to between Ross and the Little Wanganui River, and I am of opinion that there is a great deal of good land there. The lands are not saleable now. Large properties are not saleable in the colony, and the company know it. They understand that. And why is that? Because of the policy of the Government. To a very large extent the depreciation in the values of lands, the unsaleableness of land, has been produced by the policy of the present Government.

Hon. MEMBERS.—No, no.

Mr. BUTTON.—Honourable members may dissent as much as they please, but I hold my own opinion upon that. I know by experience that the working of the policy of the Government has its effect upon the values of properties. I say there is a want of confidence in the colony, and in the stability of property, that has been brought about by the policy of the present Government. Those who have moneys to invest in land wonder where this policy is going to end, and what is to be the result of it; and they carefully shut up their pockets and lock up their cash-boxes, and will not invest in land. Now, the Midland Railway Company are well aware of this, and they do not care to be the owners of large blocks of land in a colony where the policy of the Government is continually shifting, and where every time it shifts it goes further and further against capitalists and those who own land. Now, Sir, if we adopt this proposal we shall have the land unlocked and thrown on our hands, and we shall be liable for the debentures. I see that by the Bill the rate of interest is to be $3\frac{1}{2}$ per

cent. I have made a calculation upon that, and I think honourable members will find that it is pretty correct. I find the interest will amount to £21,688 15s. per annum. That is the amount of interest we shall have to pay on these debentures the moment they are handed over, and we shall have land hanging on our hands that will produce no interest for many years to come, probably; but nevertheless this £21,688 will be annually accruing, and will have to be paid by the colony. Now, the question, so far as that is concerned, is, Will the colony do what the company does not wish to do? Will the colony take the land and give the money for it? For it is exactly the same as if we purchased this land from the company. We may just as well offer the company £618,000 for their interest in this land. That is just the position. Well, is the colony prepared to do that, and is the colony prepared, from the moment it issues the debentures, to pay interest on those debentures; while it has all this land unoccupied, and not producing, perhaps, a single sixpence for many years? Now, Sir, a strong argument, or one which was supposed to be a strong argument, was produced before us to induce us to support this Bill—namely, that the colony was liable to some litigation. The Premier laid great stress upon the claim which the company would have for an extension of time. Well, if that were all, if the company were only entitled to an extension of time—and, of course, if so, it would only be entitled to a reasonable extension of time—I do not know that the House would feel very great regret in granting that extension of time. However, I cannot see, from the way the Premier put it, that the company would be entitled to any such extension. These alterations in the contract were a concession to the company, and I do not see that they have any title at all to an extension of time simply because they obtained further concessions. Indeed, as the honourable member for Wellington City (Sir R. Stout) pointed out, the Act which allowed them the last concession distinctly provides that no alterations shall be made in the terms of the contract, but that the new concession shall be read into the contract. So that it would appear they are not entitled to any extension. The honourable member for Wellington City (Mr. Bell) pointed out that we might be confronted by a very serious difficulty—namely, that the Premier might have put this company in very great difficulty, into very great distress, by unfairly proclaiming alternate blocks, or, if not alternate blocks, blocks of land on the Coast of ten thousand acres each, the maximum the Government were entitled to reserve under the contract. It was alleged that the Premier had reserved these from time to time by Proclamation, so that the company were unable to take advantage of them for the purposes of their contract. The honourable member for Wellington City (Mr. Bell) said that, as he read the contract, that was unfair—that it was not within the meaning of the contract. Well, that may or it may not be so. If the

Mr. Button

company have a claim upon the colony, the colony must fairly meet it,—if it has any such claim. I dare say the Premier will deny that it has any such claim upon the ground stated, and, at all events, it is the only one that has been put forward this afternoon that appears to have any weight at all. But we are asked now to agree to a compromise; this House is now asked to accept the provisions of this Bill, and so compromise any claim which the Midland Railway Company has upon the colony. But is this House in a position to entertain such a question? Do we know, or have we any adequate conception whatever of the extent of, the claim that this company has upon us? Have we any conception of what would be due to the company, of what would be fair to the company, as compensation for any injury or supposed injury that the company may have sustained from the action of the Premier in proclaiming these blocks of land? Sir, I say that we are in the dark. We are being asked to agree to a compromise the terms of which we know nothing at all about; and I say it would be unfair, it would be unreasonable, for this House to enter into such an arrangement—to make a compromise of the effect of which, and the terms of which, it was ignorant. Sir, I contend, as I did at the commencement, that the burden of proof was upon those who supported this Bill. It was incumbent upon them to make out their case, to show that the country was committed to this company to such an extent that it was bound to help them in their difficulty, and that this was a fair and reasonable way of meeting the company, and securing the honour as well as the interests of the colony.

8.30. I think they have failed to do so, and,

although, as an old West-Coaster, I feel very sorry that I cannot support my old friends in this matter, my convictions compel me to vote against this Bill.

Mr. J. MCKENZIE.—Sir, I did not intend to say a single word on this Bill, and I should not have risen had it not been for the speech of the honourable member for Auckland City (Mr. Button). When he said the reason this company is now desirous of getting debentures for their large claim against the colony in place of taking land is to be found in the land policy of the Government I think the honourable gentleman made a very unfortunate remark. Because I think it will be admitted that if the policy now pursued by the colony in connection with the land-laws had been pursued in the past this colony would not be in the unfortunate position it is in at the present time. What has made the land policy of the colony the curse that it has been? Has it not been the fact that large companies, such as the honourable gentleman represents in this House,—

Mr. BUTTON.—I rise to a point of order. The honourable gentleman the Minister refers to does not represent any companies in this House, but his constituents in Auckland.

Mr. J. MCKENZIE.—The honourable gentleman does not directly represent those companies in this House, but every one knows he is

connected with a certain number of companies who have large areas of land in the colony, and no doubt he was giving the mind of these companies when he said that they could not sell their land owing to the land policy of the present Government. Why cannot they dispose of their land? The reason is, that they demand for this land a far larger value than it is worth to the people of the colony. If the honourable gentleman's companies would bring the land down to its value to the settlers of the country they would very soon get purchasers for it. But we know these large companies have bought up large areas of land, and have lent large sums of money on land; and when they try to get the land sold for the money they have lent on it they cannot do so, and so they are keeping their lands locked up. They will not sell or do anything with them, and they are misleading the shareholders in the large companies to the effect that the estates are worth more than they really are. What has the policy of the Government to do with the blundering mistakes made by those companies in buying these large areas of land that they make no good use of? That is no reason why the policy of the Government should be censured by the honourable gentleman. I now have something to say in connection with this Midland area of land. The Colony of New Zealand has promised this company to find them in land to the value of £618,000, and for this purpose five million acres of land have been set aside. Let me here say that the senior member for Wellington City cannot free himself from responsibility for setting aside this five million acres of land. It was he and the Government with which he was associated that first initiated this contract with the Midland Railway Company, and, notwithstanding what may be said to the contrary by the honourable gentleman, if this initiation had not been entered into by his Government this contract would never have been an accomplished fact. I myself and several other members who are here were not connected with it. We raised our voices against this system of giving large areas of land for the construction of railways. Had it not been for a gallant fight made by a few members in this House on one occasion the same thing would have happened with regard to the Otago Central, and lands would have been handed over to a syndicate for the construction of that railway. When this proposition was first brought before the House a number of members I see in the House at present objected to making railways under the land-grant system, and it has now come home to the people of the colony, who can see the great mistake that was made in locking up five million acres to a syndicate in the way in which it has been done in the other Island. We have another example of this system of land-grants for the construction of railways in the Manawatu line, where land worth £250,000 was given to a company to make a railway, and now this colony will no doubt have to buy the railway, making the company a present of the whole of the land.

The same thing would apply if this company had been able to get money to make the railway and fulfil its contract. But a great injustice was done to Westland, to Canterbury, and to Nelson when it was agreed by the House to give this land for the purpose of constructing a railway; and the action I would take, and have tried to take all along, is to get back to the colony the large area of land that was sacrificed to this company; and I say the amount of the debentures we propose to give to the company in exchange for the land—getting back our land for the settlement of the people—will be a good bargain to the colony. I myself went over a large part of this land, and came back prepared to advise the Government as to whether it was desirable to give these debentures and take back the land. I have heard it stated that the land is useless—this five million acres of land. I am not going to say that the whole of it is valuable; a good deal of it is broken and poor land; but amongst this five million acres there is a large area of very good land, and another large area of fair land. Now, why has this land not been more in demand? Simply because no person could get an acre of it. Since the company got possession of it they have made selections on the East Coast, and on the grassy slopes of Canterbury, where they could get those big companies of which the honourable gentleman is a friend to purchase it and put sheep upon it. But had they wanted to make the railway a success they would have gone across the range and taken up selections in Westland, and settled the people on it. Then the people in Westland would have been satisfied: and I venture to say hundreds of people were willing to settle there, but could not get an acre of it. Not only have the company had a large number of applicants, but a large number of applications have been made to the Government. People cannot understand why the Government should have this area of land locked up, and why they are not able to get any of it for settlement. I could point out to members in this House cases where a large number of young men from the West Coast have left that part of the country and come to this Island, as they could get no land to settle on. I venture to say that if this land comes back to the Crown we shall have a large area open for settlement in a year. I could go and select blocks on the West Coast where settlers from every part of the colony would be glad to go, cut down the timber, and make grass farms of it. When we hear this land is valueless, and that that is the reason why the company will have nothing to do with it, that is an erroneous way of looking at the matter. No doubt if this company could get the cash it would be much easier for them to construct the railway, for this reason: that to properly settle the land would take a considerable amount to survey and road it, and put it in such a position that settlers would go on it, and it would be a slow process; but I venture to say that it should be made use of for settlement, because to keep it as at present deprives this colony of a large area of Crown land, and

prevents the young men of the colony from going on land in that part of the colony. I say that the action I take on the present occasion, and that the Government is taking, is for the purpose of getting this land back to the colony of New Zealand for settlement. The senior member for Wellington City this afternoon made a very able speech on the subject. I heard him make a speech in the House when this subject was first introduced into the House, and I venture to say, if he takes *Hansard* and compares that speech with the speech of the Minister of Education this afternoon, he will find it is almost the same. At that time, when the colony was asked to give this large area of land for making the railway, the statement was that it was going to open up the whole mining district, and every word my honourable friend the Minister of Education said this afternoon was made use of by the senior member for Wellington City when he first introduced the subject. The land is not of such a poor character as some honourable members wish to represent it, and I say there are large areas of land there that could be profitably occupied, but which I am quite assured in my own mind would never be occupied under the company. If we have an area sufficient to make up the value of £618,000, and give debentures for the same amount, what is the difference? The colony at the present moment is purchasing land for the purpose of settlement, while all this large area is locked up. And there is not only the large area they would get, but a large area besides which cannot be used till such time as the company have made their selections. It is in the interests of the West Coast and of settlement in the Colony of New Zealand generally that the Government should get this land back if possible, and I say this is the best mode of getting this done; and if we do this, and at the same time get the railway made to add to the value of our own territory there, it will be a better course than to let matters go on in the way they will go if nothing is done in the present session.

Mr. McGUIRE.—Sir, I should not say a word on the subject to-night had it not been for the remarks—the very injudicious remarks—of the Minister of Lands. He has blamed the senior member for Wellington City for giving away this five million acres of land. Did not the honourable gentleman help him to do it? Will he deny that? Will the Premier deny that he had a hand in it? Will the honourable member for the Grey deny it? We have seen enough of this virtuous indignation assumed by the Minister of Lands for the purpose of misleading the public. I should have thought the honourable gentleman would have learned sense when a large quantity of land was given to the Manawatu Company to make that railway. Sir, the honourable gentleman advocated that we should buy this land back again, the alienation of which he was a party to, at the expense of the taxpayers.

Mr. REEVES.—He will not advocate you.

Mr. McGUIRE.—He will not advocate me? I do not require his advocacy; nor do I re-

Mr. J. McKensie

quire the assistance of the Minister of Labour. I can get along without the Government advocating me. I have paddled my own way so far, and I hope to be able to reach harbour without the assistance of the Government. The Premier once advocated the honourable gentleman and got him into his Ministry, but I certainly think he is not a great advantage to the Government. Sir, I have always stood on my own bottom; I have worked my own way straightforwardly, honourably, and honestly, and whatever I have done I can claim to have done it myself: in this respect I differ from the Hon. the Minister of Labour, and as the member for Egmont I am here in spite of the Government. I say the Government have not on any occasion assisted me. The Premier and the Minister of Lands came up to my district on one occasion, but I did not want them. I have always advocated the true interest of this country in a straightforward manner, and that is the course I intend to pursue; and I intend to work honestly in the interests of the people for the future, as I have done in the past. In reference to this matter of the Midland Railway, I say a bad bargain has been made in the past, and now the Minister of Lands wants the House to commit the colony further. I say I will be no party to such a transaction, which is so hurtful to the best interests of this country. Sir, the Minister of Lands was in the House at the time when large areas of the land of the colony were given to the Manawatu Railway Company. I say that was a bad bargain too. We gave that company a large block of reclaimed land and an expensive plant; and what have we to do now? We have to buy the whole back again; and is that in the interests of the colony? No, a thousand times no. But, having the experience of the past, you would think the Government would have profited by it. I therefore regret to see that those honourable gentlemen gave away this large quantity of land to this Midland Railway Company.

Mr. SEDDON.—I did not.

Mr. McGUIRE.—Yes, you did: I can prove it; and the honourable gentleman should know by this time that I am not in the habit of making statements which I cannot substantiate. In the Journals of the House is the following entry:—

"5. *East and West Coast (Middle Island) and Nelson Railway Bill.*—The order of the day being read for resuming the adjourned debate on the second reading of the East and West Coast (Middle Island) and Nelson Railway Bill;

"And the question being again proposed, the House resumed the said debate.

"Mr. Bryce moved, That the question be amended by the omission of all the words after the word 'That,' and the insertion of the following words in lieu thereof: 'it is not expedient to alienate vast tracts of public land and mineral property of unknown value to a private company as a premium for engaging in railway speculation in New Zealand.'

"A debate arose thereupon."

The House divided on the question after twelve o'clock on Tuesday morning. A division was called for, and I find that Messrs. J. McKenzie, Seddon, and Guinness voted for the second reading. That is the reason I rose when I heard the Minister of Lands virtuously telling honourable members that they should not give away the land, knowing as I did that the honourable gentleman supported in this House the giving-away of the land in question. Now the honourable gentleman wants his own party in this House to buy this land back again, and to pay the company for it. The excuse was made, when this land was given to the company by the honourable gentleman and his friends, that the company intended to settle it; and now we are asked, in the most unblushing manner, by the Minister to purchase this land from the company. I say that such a proposal is not in the interest of the colony; and I further say that it is not an honest proposal. In conclusion, I would say that a great blunder has been made in the past. I trust the honourable gentleman will be satisfied with the injury he has already done in giving away the land to the company. Let him not add to the injustice he has already done to the colony by purchasing it back. Let the company keep to their contract, and let the House carry out theirs to the letter. I do not wish to take up the time of the House any further.

Mr. MILLS.—Sir, were it not for the short time I have at my disposal, I intended to review this contract from its inception to its proposed extension. If honourable members will refer to *Hansard* and read the speech just delivered by the senior member for Wellington City (Sir R. Stout), they will read as a preface what I intended to say about its history. Some two or three years ago I expressed my opinion with regard to this contract, and I have always expressed that opinion clearly and openly. I see no reason now, and I have never seen any reason during the past twelve months, to alter that opinion in any way. We have before us the report of the Committee, which I intend to deal with; but, before doing so, I would just call attention to what appears in *Hansard*, 1893, Volume 82, page 841. In that we find that Mr. Brodie Hoare, chairman of the Midland Railway Company, expressed himself in these words:—

"He did not profess any great generosity on the part of the company, for they were actuated purely by self-interest, and he believed that by an enlightened policy in dealing with the lands their best interests would be furthered. It was their interest to construct the line as fast as they could possibly do so."

That clearly proves that when this contract was entered into there was no sentiment about it at all. It was purely a business transaction made on behalf of the company, which was supposed at that time to be very wealthy and able to command a great sum of money; and they should undoubtedly have fulfilled their contract in the same way as any other individuals who might make a contract with the colony. I know that there is a divided opinion

in this House with reference to this contract, and I also appreciate the regret of other honourable members who say they are very sorry to know that the Nelson end of this railway, which the company agreed to construct simultaneously with the Canterbury end, is not to be started, but is to be ignored in every way and practically abandoned. But I am not going to rest satisfied with that expression of sorrow, or anything approaching it. I was quite willing to entertain anything like a reasonable proposal had one been made last year when this matter cropped up; and it will be within the recollection of the old members, at any rate, that the company then wanted a sum of 15 per cent. on the face-value of their lands. That represented in round numbers a sum of £92,000 besides the £618,000, and I was told that if I did not vote for that we should lose all our claim to any railway, and the colony would be landed in a great lawsuit which would cause a serious disaster, and the credit of the colony would be ruined. But I do not see that that prophecy has come to pass. I think we have saved that £92,000, and nothing of the kind has occurred which it was said at that time would happen. I again ask this Assembly to look at the contract from a fair and equitable, but purely business, standpoint; and those honourable members who are in favour of constructing this line should express something like substantial sympathy with the Nelson people; but I cannot understand those who express sympathy without giving any practical aid at all. Sir, admiring the old Quaker who gave five shillings to an old friend as his practical sympathy, I am not prepared to give this company my sympathy to the tune of £618,000. When I refer to this report that was brought down by the Committee, I find there that Mr. Wilson was asked if they intended to continue the work, and he said distinctly, "No; we require £618,000 before we proceed"; and when the Committee objected he proposed to give the colony the amount the company had expended on the two and a half miles at the Belgrove end, and which, if completed, would be of very little use to the colony. Then, in reply to a further question, this genial manager says, "If that is not enough, I will give you what is equal to another £30,000—that is, another three miles of railway to what called is Norris's Gully." Now, as a businessman, it strikes me as very peculiar that the company can afford to give away £75,000 in hard cash as a bonus to get £618,000; and, if they are in the position to give this £75,000 in hard cash, surely this £618,000 was far too much to ask from the colony. It must be either one thing or another; and if you look more closely at the whole position as a monetary transaction—if we turn over a little further, to page 10—we find the same gentleman telling the Committee, "My Board cabled to me to say that it will facilitate matters very much if we can get the money placed in a lump sum in the hands of the Public Trustee." I have no doubt about that; and it is ridiculous for any one to say that if we gave the com-

pany £618,000 in a lump sum it would not be much better for the company than asking the Government for only £200,000 annually. Therefore the more I look at this the more it appears to me that we have to deal with a company who, at any rate, have stated fairly that their credit is actually gone, and practically in the same breath we are told that if we do not do so-and-so the result will be a famine in the London money-market, and our credit finally ruined. Now, if that company are unable to finance a small sum of this description, what influence can they have in the monetary circles at Home, and what influence can they have on the credit of this colony? To use an argument of that description before sensible persons seems to me to be utterly absurd; and, from the references I have seen to meetings held at Home in regard to the colony, it appears to me that, instead of the company doing what they could to assist our credit, they have done quite the reverse, and therefore they are now suffering—I cannot say they are paying—all the penalties that they have brought upon themselves. I realise this principle:

9.0.

When they took that contract from the colony they took it with their eyes open, and we are not asking for any advantage from them in any way; but we do ask them to complete that contract, and the colony is still quite ready to carry out its share of the bargain. Sir, in turning over a leaf or two to page 40, what are the views we find expressed by the honourable member for Patea? He seems to be a sort of legal adviser to the company, and puts leading questions asking how they were to be treated under certain circumstances. Then, the reply to that is that the lawyers in London think they have a claim against the Government, and the shareholders would probably subscribe to a legal defence fund. Well, I doubt very much, in these days when bogus companies have been so prevalent, whether the shareholders will subscribe more money to defend an action which has such weak legal legs to stand on. When Mr. Tanner asks about the termination of the contract, he is told the time will expire on the 7th of January, 1895. Well, if that is the termination of the contract, let that time arrive; and I contend that if the company cannot give any good reason why they should not fulfil their contract we have a perfect right as a colony to resume possession of the lands that we have pledged. If they complete their bargain, they have, of course, the right to seek their remedy for any grievance in a Court of law, and to recover such damages as may be awarded to them. So far as I have followed the contract all through, I find that the concessions we have given were mainly in favour of the company. Now, it may seem a matter of very little importance to some members that Nelson is to be thrown over; but I say in all honesty of purpose that the people of Nelson deserve quite as much consideration as any of the people who live either in Canterbury or on the West Coast. I ask, has not Nelson always done its best in the interests and general wel-

fare of the colony in any public matter? Have they not always sent as good statesmen to this Chamber as any other part of the colony, and have not those statesmen proved themselves always ready to do their utmost to advance the colony by free education and other matters; and, what is more important, have they not always commanded the respect of all people from one end of the colony to another? I say most emphatically they have; and now at the present juncture, when Nelson will be cut out of the contract altogether for the sole purpose of carrying the railway between the West Coast and Canterbury, it is a most unfair, unjust, and disgraceful position for the House to take up. The vice-chairman of the board of directors of the Midland Railway Company, when speaking at Nelson, said,—

“The resources of this great colony were only now beginning to be found out, and as for the west coast of this Island they were as yet almost undiscovered. He believed firmly that were he to revisit this district twenty years hence he would find a population such as is now seen around Durham and Sheffield, and that the people would be clamouring to the company to double the line so as to cope with the traffic. He was now perfectly convinced that the line could be made, and his firm determination was—as far as in him lay—that it shall be made.”

Now, let me ask the House how that promise has been fulfilled. We have about two and a half miles of unfinished railway. Canterbury has five and a half; but Westland has many miles—in fact, it goes into good round numbers; therefore I do not find fault with the members for Westland, or any other part of the West Coast, for doing all they can to get the contract carried out. They have had a very good innings. Seventy miles of railway have been constructed out of the contract, and I can quite understand they are doing their utmost to get the same company to carry out the rest of the contract now, because it suits their interests. But, judging by the past, which is only a fair record to go by, I cannot see, even if the House were to grant this concession, they would be able to make much greater progress than they have been doing during the last few years. So far as the employment of a large number of working-men is concerned, I can quite understand the company will simply employ good men who understand their work, and that the “unemployed” difficulty will remain with us, so far as that company is concerned, in much the same position as it was in before. The directors of the company are not the class of men to give work to men who do not understand what they have to do, and I cannot think for one moment that this proposal will give very much relief to those people who are styled “the unemployed.” It would be, I think, much better for us to provide, instead of this large sum, a sum of smaller dimensions that would meet their case. I consider that there are far more important works to be undertaken in the colony than this if the money is to be spent, because, after all, when

Mr. Mills

this large sum of money is spent, at the end of the time we shall find that our share of that railway is something like the fifth wheel of a coach—nothing more. Now, another point I wish to raise is this: If the company have a claim on this colony, surely then the colony has a claim on the company. When this contract was entered into about ten years ago it was on the understanding that something like rapid progress should be made, and that we should have a great number of *bond fide* settlers on the land. Any Government could have reasonably expected that this accession of population would bring in a certain amount of revenue, through our Customs and in other ways. We might as well come down and ask for a rebate for that reason. There can be no doubt that it was a mutual understanding that for giving such a large area of land we should gain some advantages as well as the company. And, again, if they had gone on with their work, and selected these alternate sections, then a great number of our young men who have left this colony would have been here to-day. Hundreds of them—I am not exaggerating—have left the northern end of Nelson, round the Waimea and Inangahua, simply because of that land being locked up; and I have long been anxious to see these young people settled on the land. But, viewing the position as we stand to-day, I say that the fact of their being kept off the land for nine years without any occupation or recompense, while the railway is to be completed from Canterbury to the West Coast, is to my mind offering a man a stone when he asks for bread. There is one other quotation I intend to call the attention of the House to, and that is, when the first sod was turned in connection with this railway in Westland, there was some speechifying there, and among others who spoke at that particular time was the honourable member for the Grey. He referred to this work in very warm terms. The Hon. Mr. Richardson turned the first sod; and Mr. Guinness spoke as follows at the banquet given in the evening:—

“One effect of the great work already was the cementing of a bond of friendship between the people of Canterbury, Nelson, and Westland that would not be easily broken, for the members from all these parts of the colony voted to a man—with a few miserable exceptions—for the construction of this railway.”

Well, Sir, I say that we have now a perfect right, as representing those who have contributed towards this work in Nelson, to ask for the same loyalty as we showed to them then. There can be no doubt that, acting as we did towards them for all these years, they should prove true comrades to us at the present juncture. I am quite satisfied that if we had stood together, united in words and actions, a better arrangement might have been come to than has been offered to us by the Government at the present time. But the fact of some division of opinion creeping in between the Canterbury and Nelson Railway League has, to my mind at any rate, led the company to ask for

further concessions, which have been not only outrageous to Nelson, but most injurious to both ends of the line. Sir, I sometimes wonder what was the commercial standing of the company at first, and why they were not able to raise £618,000, having such substantial assets. They seemed to have got credit chiefly on the work they were “going to do”; and in this case why is it that they cannot find the finances to carry out the contract? If this land has increased in value 15 per cent. on the face-value, as they stated last year, why should they not be able to finance at Home if they hold the standing we suppose them to occupy? I maintain that we have no right in the colony to practically turn what is a non-liquid into a liquid liability, and to hand over to the company this very large amount they ask for. When the Premier was referring to this matter he stated that it was not in the power of the company to complete the contract, and, of course, a great number of us believed him; but that is no reason why we should supply them with all the money and build up their credit to enable them to complete the work. Let them stand to their guns, as other contractors or their sureties have to do. All I ask for is that justice shall be rendered to the part of the colony which I represent—not from a local reason, but for a colonial reason; because I say that the railway they have attempted to form, if it were once completed, might then be of some advantage not only to Canterbury, but also to the North Island as well. As to the statement made that the men employed upon this work when it is begun will be consuming a large quantity of produce raised by farmers about there, that is, to my mind, a very slight reason. We all know that this company will buy in the cheapest market, and, if four or five hundred men are taken on the work, there is no doubt, to my mind, they will purchase their provisions or other stores, or whatever they may require, from the company or its agents, and supply themselves in that way. There are a good many other points I wished to refer to, but the ringing bell warns me that I have not much time left, and therefore I shall simply pass over some of the notes I have taken, and probably some other member will refer to them. There is one thing I would wish to point out, and it is this: that for all these years this large area of land has been locked up—there has been no rating-power over it, and it has made no contribution to the property-tax and local rates, which it would no doubt have paid had the land been settled. All these are matters of importance and matters of great interest to us as colonists. I am not going to contrast the amount of money spent in other districts with the amount spent in Canterbury. I do not think there is any sound reason in that, nor do I think it fair to make quotations to this House as to so much money having been spent in one part of the colony as compared with the others, unless the physical geography and general facilities of the place are also explained. There is no doubt to my mind that, as far as Canterbury is concerned, they have had a good share

of public works in their network of railways. Then, we know that one-third of the extent of this land was in the northern part of the Provincial District of Nelson, and that therefore, although some money may have been spent there, it is altogether too small to be considered. As to the setting-free of this large area of land, there can be no doubt it would be a great advantage; but the five million acres do not all belong to us. Some honourable members referred to it as if Nelson desired all the benefit; but it is scattered, part being in Nelson and part being in Westland, and, in fact, the bulk of it is some distance from the main roads, and principally in the direction of the West Coast. In conclusion, I say that, while we may be threatened with an injunction, while strong threats may be held out of legal action against the colony, that our credit will be ruined, I still think that any one who believes he is right, and does what is right, need not ever fear anything of the kind. If the colony has done wrong, let it pay whatever may be awarded to the company as damages, but let us keep our £618,000. Finally, I say we shall be doing the right thing if we relegate this Bill to the archives of the past, and then we shall show in a forcible and practical way that this Parliament is going to do what is for the best in the interest of all New Zealand.

Mr. DUTHIE.—In approaching the consideration of this Bill, it is important to recognise that the work contemplated is the completion of fifty-seven miles of railway, which is going to cost, according to the estimate, £21,000 per mile. This cost is enormous, it is beyond all colonial experience, and could only be justified if it were to connect two large centres of population or of manufactures, which would insure traffic; and it seems to me that after a dispassionate examination of the prospects of this line no one can see the remotest chance of it paying working-expenses. But, Sir, the question has got beyond that stage. If it were in the initial stage I for one should have no hesitation in voting against it, and doing all in my power to prevent so useless and wasteful an undertaking. However, at the present time we may with some advantage consider the class of country we are about to join together. The honourable member for Hawke's Bay this afternoon read from the original report of the Commissioners who visited the country, and the honourable member for Wairarapa gave us a vivid description of the class of country to be passed through and on the West Coast; and I have also visited that country on various occasions during the last thirty years, and I say without hesitation that along that West Coast there is scarcely any country desirable for settlement. The fact that up to the present day the whole of the grain, with the exception of the thousand bushels which the honourable member for Wairarapa quoted, has been imported from the East Coast shows that the country is unproductive and unfit for grain crops; so we cannot look for the close settlement which was pictured to us by the Minister of Lands, who rashly asserted that if he had

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the land in his hands he would settle it with a large population within twelve months. Why, the country along the West Coast is subject to such a heavy rainfall that when at great cost the bush is cleared rushes come, and settlers are unable to grow crops, or even keep the land in grass. We know there is a dense bush-country there; we find in the report which the honourable member for Hawke's Bay referred to that the cost to clear, fence, and grass it was put down at £50 an acre. This cost is largely due to the heavy rainfall, and the fact that you cannot get the fire to run through or to burn the bush. A man may fell it, but he has frequently to wait for the very slow process of decay to get rid of the timber, unless when on a rare occasion he may get a season in which he may obtain a good burn and thus clear it away. When the Minister of Lands holds up a picture of smiling homesteads, and asserts that this is the class of country where small farmers could be settled, he is speaking without a knowledge of what he is talking about; I say it is utterly impossible. In that part of the country there may be patches of better soil than that which I have been describing. I believe that there are some river deposits, and especially along the Grey Valley there is a limited area of good land; and probably, too, it is better towards Ross, which the Premier quoted; but, after all, that forms a very small proportion of the land, and I say that that part of the colony, as a whole, is utterly unfitted for a small farming population whenever the small local market is met, and they have to turn to export. Then, as far as the other five million acres are concerned, if you travel along the road from Reefton towards Nelson you get a general idea of it. It is there a poor clay soil, without bush,—not even fit to grow grass. I believe there are some valleys here and there where a little grass can be got to grow, and a few sheep can be kept; but it is all nonsense endeavouring to mislead the House by telling us that if these five million acres are placed at the disposal of the colony a large population can be settled there. It will not carry population, but only a few merino sheep of energetic and active habits. Then, we have the coal-traffic—the mainstay of the Coast. Others have dealt with the impossibility of hauling coals across these mountains. In this connection, however, there are other considerations to be borne in mind. This House guaranteed a large sum of money for the construction of the Greymouth Harbour, and, if this railway proves to be the success its supporters predicate, the effect will be to divert the trade from the Greymouth Harbour, in which case the Harbour Board would turn round and call upon this House to make good the deficiency in its revenue. The House must recognise that that contingency is unavoidable. The Premier recognised that difficulty, and he pointed out that the trade of the North Island would be left. Now, what does the whole of the North Island trade consist of, if we are to rely upon it to keep that harbour going, and after the lion's share has gone to Westport? We have only Wellington,

Wanganui, and the small amount of coal that goes to the Manukau; and surely that will not recoup the trade that is to be diverted by this railway. I say that diversion would give Grey-mouth an equitable, as it has a legal, claim upon the colony to make good the deficiency in the revenue. Then, again, I do not think we have any permanent coal-supply in the Grey Valley. From time to time we have been given inflated statements of the enormous extent of the deposits of coal there; but there are two or three mines which were working a few years ago that are now abandoned. The Brunner Mine is all but worked out. These coal-deposits seem merely small pockets; certainly they are not of a permanent character, nor such as would warrant the construction of a railway. Another source of revenue which has been pointed to is its timber. Well, Sir, there are very valuable forests there; but at the present time there are valuable forests in many other parts of New Zealand; and, moreover, there is little market at the present time for our timber. Such prices as can be got for the timber will not pay for some years to come—until, in fact, the timber supplies from more accessible districts have been exhausted. We have in the Sounds and the Rai Valley an enormous extent of timber which can be got to market more cheaply than from the West Coast, even if in New Zealand there was the market. Then, as regards sending it by this railway to Greymouth and shipping it to Australia, that is out of the question. We know that the kauri forests of the North are more accessible to the shipping, that kauri is better and cheaper timber, that strenuous efforts were made for years and much money was lost in the endeavour to secure the Australian market and to supplant the large supplies that go there from Oregon. But we cannot send timber in the small vessels that can enter the Grey and be able to sell at the prices which the timber sent from America in the large and cheap timber-carrying vessels can be profitably sold at, and the proof of this lies in the fact that the company that is embarked in that trade between this colony and Australia, while practically enjoying a monopoly, has, judged by the value of its shares, also lost heavily. So far as the forests are concerned, they are an important possession, and ought to be kept. They are about the only forests we have that cannot be destroyed. There is not much fear of their being burnt in that damp climate, and they will be of great value to another generation that will come after us when perhaps timber is scarce. There will be much advantage in leaving that timber standing for the use of succeeding generations, since it is not required for the present.

Mr. O'REGAN.—They have burns there almost every summer.

Mr. DUTHIE.—I am glad to hear that; but I have never yet heard of standing bush burning on the Coast. Then, the Premier urged upon us the argument that the construction of this line would find employment for two thousand men—that this railway would be a

second Coolgardie. Surely it is very disappointing to hear the Minister driven to use arguments of this sort. It is a sorry outcome of four years of Liberal Government to find their boasted self-reliance gone, and the Premier, unabashed, urging the House to go in for borrowing money to find work for people. Past experience, however, tells us that the kind of people for whom this railway contract will find employment are not those who are at all likely to settle down on the Government lands and devote themselves to developing the resources of the country like ordinary settlers. Even if they were, how is the Government going to get suitable land in that country for them to cultivate? The honourable gentleman cannot point to any case where railway navvies take up the work of settlers. We know from our experience in this Island that when navvies can no longer get the work they are accustomed to they go to another country where they can get that work. The men who would be put on the work of railway-formation by this railway company would not be nondescript co-operatives, but experienced and competent workmen, who are not the class to settle down to dairy-farming. And the Premier would be disappointed if he expected it, for the country the line passes through is unfit to settle them upon even if they wished it. Then the honourable gentleman used the words, "There is something more important to be considered: the tourist traffic";—that is to say, he specially urges us to embark upon this railway in order to encourage the tourist traffic. But he has himself brought in session after session legislation taking away any security of license from the hotels of the country. No one will invest a sixpence in building or improving a hotel, so that we now have hotels that are no credit to us. There is no British colony where the hotel accommodation is so miserable and insufficient as it is in New Zealand, and if the honourable gentleman wishes to encourage the tourist traffic he must give protection to the legitimate interests of those who invest in this class of property, in order that we may be provided with superior hotels. Our tourist traffic, which should be a mine of wealth, is dying away, owing to the fact that we have no accommodation worthy the name for tourists. Now, five years ago the tourist traffic was double, perhaps treble, what it is at the present day; and it is scarcely likely to revive because we provide a railway, unless in the first place the colony affords proper hotel accommodation.

9.30. Despite what the Minister of Lands has said, the company know they cannot find buyers for the land which in future would fall into their hands. It is not the price of the land which prevents people buying. It is the Government system of taxation. The company have suffered grievous injury by the policy of the Government, since it so injuriously affects this class of country—land which can only be held in large blocks. But the greatest claim which I consider the company has against the colony arises out of the unscrupulous conduct of the Minister for Public Works

in proclaiming certain blocks of land as being auriferous. One of the main advantages offered to the company was, that they were to receive alternate blocks of land for the construction of the railway, and the price which they got above the schedule price was to be the profit of the company. But we find that all along the Grey Valley the Premier, without any special reason to even suspect that it was auriferous land, beyond the general character of the country, proclaimed block after block as auriferous, and so prevented the company from getting the alternate blocks of land benefited by the railway—land that was their due. The company was thus reduced to take land remote and inaccessible, and so they were unable to make a profit out of that land. I consider the company have an undeniable claim against the colony through conduct of that sort. I can quite understand the manager of the company, while seeking to get a compromise, only lightly urging these points, since to strongly press them would give offence to the Minister for Public Works. From what has also taken place—tedious delay over necessary deviations and alterations—we know that great injustice has been done to the company, wrecking its possible success on questions of finance. For these reasons, I consider that the company has an undeniable claim against the colony. The undertaking was, however, perhaps doomed to failure from the outset. It was at first insisted, if I remember aright, that the company must have a million of capital. That amount was reduced to £500,000, and it was reduced a second time to the altogether inadequate amount of £250,000. The company never had sufficient capital to enter upon this undertaking, and it should never have been allowed to enter into it. But there was so great a pressure behind the Government of the day that that was accepted, and success was only possible with liberal and generous support by the Government, with a view to the new contract now contemplated. The Committee in its report says, "Provided the Government are satisfied that the company can give practical effect to such new contract." The Bill before us says, "Before the new contract is entered on the Minister shall satisfy himself that the company is or is likely to be in a position to give practical effect to the contract." Merely "likely to be" is altogether insufficient, and I think we ought to go no further in this matter till we know that the company is in a position to carry out its contract. Though I shall vote for the second reading, I do not commit myself to further support the Bill, unless the point I have referred to is made clear and the company proves its financial ability to carry out and complete the works. It is very desirable that this complicated question should be brought to an issue. The Minister has grossly mismanaged this business, and has behaved very badly to the company. We should fulfil our bargain with the company: the honour of the colony is at stake. I think the proposals in the Bill are, under the circumstances, a fair

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solution of the question. For the reasons I have stated I shall support the second reading, but I do not pledge myself further, reserving free action as circumstances arise.

Mr. CROWTHER.—As a new member of this House, I cannot talk on this question with the same experience as those who have been discussing this matter on the floor of this House during the last eight, ten, or twelve years. I have come to this conclusion in my mind, from what I have heard during the day—namely, that this Bill should have come down to us under another name. It should have come down to us under the name of a Bill to borrow £618,000, and I think it should have been linked with the Bill called the Land for Settlements Act, because it is clear enough that the Minister of Lands has it in his mind that, if this land is acquired by the Government in the manner prescribed by the Bill, the land will be available under this Act. We have heard it read out by yourself, Sir, that authority has now been given by another place to certain borrowing Bills, so that those Bills will become law. This is another one, and if it were a straightforward borrowing Bill we should certainly understand it better. But what is troubling me most is this: We have learned that the company have picked out, and have either sold or still hold at the present time, all the valuable land at one end; we have also learned that the company have picked out all the good land at the other end of the line. Now, this question arises: What is left for this £618,000? Who wants it? What will you give for it?

An Hon. MEMBER.—Going!

Mr. CROWTHER.—An honourable member says "Going." It is my impression that if a reasonable bid could have been got for it it would have been gone long ago, and we should not have been bothered by this business to-night; and I think the honourable gentleman who said "Going" knows that much better than I do, because he is much better acquainted with this question than I am. But there is in my mind this responsibility. This House has no right to be asked to accept such a responsibility. To my mind we are incurring a responsibility on account of somebody else. We have done that this session once before, and I believe when we did it we regretted it, and we have regretted it ever since. I ask, are we to repeat it? If the Minister of Lands can stand up and tell us he can utilise this land beneficially for the colony in connection with his Land for Settlements Bill, I shall be very much better satisfied than I am at present. Under the surroundings as I know them, it appears to me beyond all doubt that the land which is left to represent this £618,000 is not value for that money. If it were value for the money, the company, as a set of business-men undertaking a speculation, would have seen that they could utilise the land better than we can possibly do so. If such is the true state of the business as it exists to-night, then, I say, we should pause—we should be very careful before we enter further into this complicated business. Beyond all doubt a mistake

was made in the first instance when the door was opened to allow the contract to be altered or amended. Whenever these contracts of such magnitude are allowed to be altered and amended, then there are always disagreements and differences continually arising to the end. How we are going to get out of this I do not know. I can quite understand that the Government are extremely anxious to do something. The Premier told us to-day that he is not at all sure in his own mind that he understands that the question is to be so absolutely settled that legal differences will not arise. He said he did not fear legal difficulties, but he shadowed forth plainly to my mind that, if this Bill is not passed by this House, there is a possibility, and even a probability, that legal difficulties may arise. Such being the case, I can understand how very anxious the Government are to get this Bill passed through. I have just one word more to say before I sit down. Here we are at the tail-end of the session; we have been here now for four months: and this is a very important measure. The Premier told us yesterday that he did not know of any Bill on the Order Paper which need occupy many minutes in discussing. If we are to measure the Premier's statements on these lines, what are they worth?

Hon. MEMBERS.—Oh!

Mr. CROWTHER.—I am speaking seriously, and I say that in my mind certainly such a statement has created distrust. I am not going to say more than that, and I feel very sorry indeed to have to say even so much, but still I feel justified in saying what I have said.

Dr. NEWMAN.—The speech made by the last speaker, I think, comes very near the truth. There are certain times in this House when honourable members are very fond of playing little jokes, and I think one of the Premier's little jokes is the introduction of this Bill. In my opinion, this Bill occupies very much the position which the Licensing Bill did. A Bill is brought down and thrown on the floor of the House, and honourable members are allowed to tear it, and then, after a day or two, it is put low down on the Order Paper, and the House knows no more of it for the session. That, I think, is very much the position of this Bill. In my opinion, we ought not to entertain this Bill as it is at present drawn, for in this shape it is neither more nor less than an insult to the intelligence of the House. It is a Bill which would not be put before any other body of men except the members of the House of Representatives, for no Government but one sure of a large majority at their back would dare, in my opinion, to bring down such a measure. This question has been before the House ever since I have been a member. It has been like the daughter of the horse-leech, which cries, "Give, give." The colony has been always giving. It was not long ago that this line with its extension to Nelson was to do wonders for New Zealand. After it was started a new contract was arranged by Sir Harry Atkinson, who brought it down as a Bill—a measure granting alternate blocks. The

Premier said to-day that every one must be anxious to avoid litigation. I would remind honourable members that the company asked for the deviation. The company begged the House to allow it to make the deviation from one side of Lake Brunner to the other. How is the company going to get litigation out of that? He quoted the Abt system. What is the Abt system? Mr. Wilson said that he had an ingenious device, copied from Germany, which would save many thousands of pounds in climbing up to the heights of the mountain. The Midland Company itself brought it before the House, and then the House last year, or the year before, deliberately said it would adopt the Abt system. That did away with the idea of compensation to this company. After giving them all that they wanted we are brought face to face with the extraordinary proposal brought down in this Bill: that the company shall only be supposed to do half of what they have engaged to do—that is, they may leave out the Nelson portion of the railway. The cost of the railway, Springfield to Jackson's, is £950,000, and out of that the colony is asked to provide £618,000. We are to provide that, and they are to provide the other £330,000, and then they will graciously condescend to make the line, and the line will be theirs for evermore. Would any one ask such a thing outside a lunatic asylum, or outside the House of Representatives?—and I take it they are very much the same, after the absurd proposals that have been brought down this session. Would it be believed anywhere else that the Premier would have asked for such a thing? Sir, instead of asking for £618,000 to be given as a bonus to the company, he should have asked for £950,000, in order that the line might be completed by the colony and might be owned by the colony. But after finding the £618,000, and after asking the colony to bear additional taxation for this purpose, the whole of it is given away; and when the line is completed there will be an agitation for the line to be bought back, and we shall be buying back the £618,000 already given, together with the whole line, making about £1,236,000 of our own money. The Premier told the House a remarkable thing. He said that if this House does not grant this money to the Midland Railway Company the next thing will be a loan for the completion of the North Island Main Trunk Railway and of the Otago Central: in other words, if you grant this money there will be no loan for the Otago Central and North Island Main Trunk railways. I appeal to the North Island members and the Otago members to say whether they are going to sit down and vote away £618,000 to Westland and Canterbury, and next year be told that the North Island Railway is not to be proceeded with because there is no money, and that the Otago Central is not to be proceeded with because there will be no loan for the purpose. Why should we give a loan of £618,000 to Canterbury and Westland and not to other parts of the colony? I was in the House a few years ago; and what happened then?

Canterbury and Westland formed an unholy alliance with the Nelson members for the construction of this line. Those gentlemen did not want the Nelson line, but they wanted two or three votes in this House, and they rolled a log, and ever since they have been acting with treachery towards the Nelson members; and now Nelson can go to the dogs, because it has served the purpose. Let me warn the House about this. If honourable members from Canterbury and Westland get this £618,000 there will be repeated a trick which was played here a few years ago, when the honourable member for Hawke's Bay moved to reduce, and did so reduce, the public works estimates by £500,000. Then Canterbury voted to stop all railways, and would do so again. I hope that the House will not be unwise enough to grant this £618,000 now, for next year they will stick up the North Island Main Trunk line and the Otago Central. Some years ago some innocent members for Wellington in the House who wanted a university were told that if they supported a vote of £4,000 for Auckland they would get a vote the next year for what they wanted in Wellington. But have the Auckland members got anything for Wellington? No. And if Canterbury and Westland get this £618,000, then it will be good-bye to the Otago Central and the North Island Trunk Line.

An Hon. MEMBER.—You will not trust them now.

Dr. NEWMAN.—No. The Premier went to Nelson just before the election; and what did he say? He said, of course, that the railway should go up to Nelson; that they could not think of any abandonment, and that they had a majority in favour of it in the House. Where is unhappy Nelson now? Sir, I believe this: that the proper thing to do is that we should not go on with this railway this year, but that during the recess the Premier should open up negotiations with the company and ask how much it would take to clear out of the colony, and then there will be three great railways to be constructed for the colony. We have already two thousand miles of railway, but there are the Otago Central to Lake Hawea, the Springfield line across to Jackson's, and the North Island Main Trunk Railway—about two hundred and fifty miles of line to be constructed—and when that has been done the colony will not have very much more need for railways. I think that would be the very best policy that could be arranged. I have been a member of the Public Accounts Committee in connection with this matter, and think that, if the Midland Railway Company have some small claims against the colony, it is not for us to do all that is asked for. If we ask, "What is the colony to get for this £618,000?" it will be found that we are to get almost nothing. This Bill is the climax of a series of measures brought down this year, all abandoning the self-reliant policy and giving constant additions to the debt of the colony. The Government are borrowing for everything, and are afraid to come down to the colony with a bold policy,

Dr. Newman

but, in the dying hours of the session, are now asking for £618,000. Can any one believe that this is that one of the railways that is most wanted? I say that the North Island Main Trunk and Otago Central lines are urgently required. Those are two, and then, for the third line this could be constructed. But they should be constructed in that order. I say that next year we should not have a very large loan to finish these railways, but we should only have a certain amount spent every year, and in that way I think the colony would get on very well, and all three railways be proceeded with. I hope the House will not consent to this Bill, and it would be very much better to kill it on its second reading than to go into Committee with the same result as followed the Counties Vehicle-licensing Bill and the Licensing Bill in this House. We are getting near the end of a very long session, and I hope the House will have the wisdom to kill this Bill on the second reading, and allow us to go home some time before daylight.

Mr. G. W. RUSSELL.—The honourable gentleman who has just sat down has treated the House to one of those semi-humorous speeches with which he occasionally regales honourable members. I have a difficulty sometimes in ascertaining where the humorousness ends and the seriousness begins, but I think that for once he has been serious, and has declared in no uncertain terms what, from his point of view, should be the policy of the country—that is, the policy of the party he is identified with. His idea is that the Midland Railway should, next session, be included in a gigantic scheme for completing that line, plus the Otago Central and *plus* the North Island Main Trunk line. That is introducing an entirely new element into the question, and for this reason: that the Midland Railway contract stands in a different position from the other railways to which the honourable gentleman has referred. I do not propose to speak at any length this evening, because I know that honourable members are anxious to get to a vote, but as a Canterbury member it is my duty to state, as succinctly as I can, my views on this matter. I should like first of all to refer to a statement made by the honourable member for Nelson City to-day, in which he gratuitously attacked the manager for the Midland Railway Company. He asserted that a large amount of lobbying had been done, and that members of this House had been influenced by the action of the manager of the company. Speaking for myself, I can say that no officer of the company has ever approached me, or even mentioned the matter of the railway to me, and that never until to-day had I the pleasure of meeting the manager for the company, and then when I spoke to him it was to ask him one simple question. I have asked members on both sides whether any attempt has been made at lobbying, and I have been unable to meet any member who had been approached by any one connected with the Midland Railway Company. I feel it is only an act of justice to mention this, after the statements made by the

honourable member for Nelson City on that head, which I consider to be entirely erroneous. I might go further and say that so much cannot be said for Nelson, because for weeks past a deputation from that town have systematically lobbied honourable members in connection with the Midland Railway Company in opposition to the proposals in this Bill, and therefore I thought it unfair that the honourable member for Nelson City should make the attack he did, considering all the circumstances. I should like to say, in connection with this matter, that I approach the question of the Midland Railway entirely apart from any pledges as to what has been done in years past. I have heard of compacts between Nelson and Canterbury members, but, as far as this question is concerned, I entirely remove them from my own mind. I was returned to represent one part of Canterbury, and I desire to consider the question apart altogether from anything that has happened in the past. What are the questions involved in the Bill before us? They are these: Will the present proposal be for the benefit of the country? Is it just to the country? and will it promote the settlement of the colony? That is the position. A good deal has been said in the course of the debate as to the land-grants; and if we are to accept the statements of honourable members who have spoken, including the honourable member for Wellington City (Mr. Duthie), the honourable gentleman who has just sat down, and the honourable member for Auckland City (Mr. Crowther), it appears perfectly clear to my mind that the land-grant given to the company has not proved of the value that it was thought to be when it was accepted. What was the land estimated at in section 8 of the Act of 1884? I find that the company was entitled to select land up to 50 per cent. of the cost of the railway, and the cost of the railway for the purpose of selection was estimated to be £1,750,000. In other words; the company was to be allowed to select land, for the purpose of assisting the formation of the line, to the extent of £875,000. What is the position to-day? We find that the whole of the land that has been selected and sold by the company has brought in only £220,000, and, considering that a great deal of this land has been sold at an advance of 25, 30, and 40 per cent. over and above the 10s. an acre at which it was taken by the company, it appears to me that the statements of the honourable gentlemen on the Opposition side of the House are perfectly true—namely, that the company have been deceived in connection with the value of the land: at any rate, if they have not been deceived, they have been disappointed; and therefore it gives them a perfect right to come to the House and ask for a reconsideration of the terms of their contract. The honourable member for Wellington City (Sir R. Stout), in the address which he gave to the House this morning, spoke of the honour of the colony being involved, and said the honour of the colony was to be maintained by insisting upon the company keeping

to the contract; but I would point out to that honourable gentleman that the company accepted its first contract from his Government. If there has been any deception or disappointment, it has been in the contract which he made, because it is in consequence of the land not proving of the value that it was represented to be by his Government that the company has been unable to carry on. What, Sir, is the position of the company at the present time? What is the position of the line? It is this: that, though the company have undertaken to construct the railway, they have not been able to finance the work, for the reason that the land has not proved so liquid an asset as it was expected to be; and, as the honourable member for Auckland City said, the land policy of recent years has undoubtedly stood in the way of the company being able to dispose of this land. Not only so, but the lands that are on the western side of the range are so far removed from roads and railways that it has been almost impossible for the company to settle those lands. Hence, although something was said about this, and the company was charged with selfishly selling land first on the eastern coast, that has been because those lands have been, of those open to selection, the most accessible, and therefore the most easily disposed of. Therefore, I say, the position stands in this way: that, as the company, for reasons that are not altogether of its own making, has been compelled to seek the further assistance of the colony, it is not for the colony at this time to say, "You have bound yourselves by a contract, and we are going to make you keep to it." The colony can afford to lay aside the policy of Shylock, who demanded his pound of flesh; the colony can afford, if not to be generous, at least to be just; and though these men entered into engagements which, through the land-values proving fictitious, they are not able to carry out, yet the colony can afford to say, "We will strive to do what is just and reasonable, and will recast the terms of the contract." That is, I imagine, all that the Government has asked the House to do in the Bill before it. Now, I wish to refer for a moment to the position of the land in question. We find that throughout Canterbury and Westland there has been for the last eight or ten years a power of selection vested in the Midland Railway Company which has almost entirely locked up the lands on the east and west coasts within the railway area. I myself, some six or eight months ago, went on a visit to the Westland District, and heard the complaints there of persons who desired to settle on the land on that coast, and who are unable to do so because of this land being locked up by the company; and I say that those members of the House who profess to be Radicals—those honourable members who believe that the land should be administered by the State, who believe it is not sound policy or consistent with proper legislation that vast tracts of land should be locked up in the hands of an English syndicate—those honourable mem-

bers ought to support this Bill, if for no other reason than that it at once unlocks these lands, and vests them in the hands of the Minister of Lands, who has declared his intention to carry out, in connection with this part of the country, the same policy of opening up the lands to the people which he has so successfully carried out and administered in Canterbury, Otago, and other parts of the colony. I appeal, therefore, to those honourable members who believe in progressive land-legislation to vote for the Bill now before the House, so that the land that is locked up by the Midland Railway Company may be released and dealt with in a way by which settlement can be secured and prosperity brought about. We have been told by the senior member for Wellington City to-day that it would cost over £20,000 per annum to the colony in interest on this £618,000. But that is an entirely improper way of stating the case, because from that it might be assumed that this £618,000 was to be at once paid; whereas what is the fact, according to the Bill now before the House? Under subsection (d) of section 5 these debentures are to be issued thus: Debentures to the value of £200,000 are to be issued within one year, another £200,000 within two years, and £218,000 on the line being completed and open for traffic between Springfield and Jackson's. But there is also an important proviso. It is this:—

“Provided, however, that no delivery of debentures shall take place as aforesaid until at least one-fourth of the total amount or value of the works to be completed by the company under the new contract are so completed in terms of such contract; nor shall the second delivery of debentures (to the value of a further sum of two hundred thousand pounds) be made until works to the value of at least one-half of the whole of the works agreed to be completed shall have been completed by the company as aforesaid.”

Now, I say that the indirect benefits that will follow from the expenditure of the large sums of money that will be expended under the contract will compensate to a very large extent indeed for the interest that the colony will be required to pay. Look, for instance, at the condition of Canterbury in recent years. We have had no public works that are worth considering going on in Canterbury for the last seven or eight years; and what has been the result? The result has been that, while in other parts of the colony the unemployed have been absorbed by the public works, we have had constantly recurring the “unemployed” difficulty; and I say that by means of this Bill, and the employment of two thousand men, which will be the number employed upon the railway, the “unemployed” difficulty will be settled for years to come in the Province of Canterbury. Then, Sir, I should like to draw attention to one other matter, and it is this: The honourable member for Wellington City (Sir R. Stout) has very strongly opposed this Bill to-day; but that honourable gentleman's opposition to the Bill must be discounted by the fact that he was the head of the Go-

vernment which first launched this contract, and it was he who gave the right of selection over this five or six million acres of land within the Midland Railway area; and it is one of the crimes that the democracy of the country allege against him, and it is one of the things that will prevent his taking that position he might have taken in connection with the politics of the country as a Radical leader, that he did give the right of selection over this land, and has year after year looked up all the middle part of New Zealand from settlement as he did. I say, therefore, his opposition in connection with this Bill must be largely discounted by the fact I have stated. Now, a great deal has been said in connection with this matter by way of attempting to evoke sympathy on behalf of the Nelson District. The honourable member for Wellington Suburbs, in that plaintive voice he can so readily assume, when one can almost see the tears trickling from his eyes, tried to create sympathy on behalf of Nelson. Sir, I sympathize with Nelson, because I think that the Nelson people are disappointed in this matter; but I should like to show to the Nelson people the practical side of the question, and it is this: At the present time they have railways running in their district. They have had £165,000 expended in making railways, and those railways run through the settled parts of their province, where, if anywhere, there would be a prospect of revenue being obtained from them. But what is the position? I find that last year the Nelson railways did not pay any interest on construction, but that the deficit on the working-expenses was £194. The same remarks apply to Marlborough. In Marlborough £205,000 has been expended on railways, and those railways last year did not pay their working-expenses, but left a deficit of £95. Let us compare that with the position of the Hurunui-Bluff Section. The Hurunui-Bluff Section returned £3 1s. 10d. per cent. on the cost of construction; and, speaking with some knowledge of the subject, I say that, were the Canterbury Section cut off from a number of the weaker non-paying lines in the southern part of the Island, the profits made by the Canterbury railways would more than pay interest on their construction, even though that interest stands at 4 or 4½ per cent. Let me therefore point out the position in connection with this line. It is this: that, while we may sympathize with Nelson in its disappointment, we must look at the question practically. We judge it by the financial test. Compare the Nelson lines with the Canterbury lines: the former are non-paying, but the latter are among the most productive in the colony. A number of honourable members have discussed the Midland line as though they were discussing it for the first time. They have not accepted the situation that the line is almost partially constructed—that we are not making a new contract, but are only recasting a contract to meet the altered circumstances that have arisen. What is the position now? On one side of the Island, the western side, we have a population of thirty-five thousand

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people, all engaged in or dependent on mining interests, or the timber interests; where, as you have been told by the honourable member for Hawke's Bay to-day, there is no agricultural land. On the other side of the range you have exactly the complement of mining country—that is, magnificent agricultural and pastoral country. From the one side you can obtain the hidden wealth of the earth—you can dig the coal, and obtain the gold; and from the other side of the range you can obtain the food with which the miners can be fed. Sir, if ever there was a sound principle upon which railways should be constructed in any part of the world it applies where you have two diverse districts of that character; the policy should be to unite them. I repeat, when you have on the one side Canterbury, with its magnificent agricultural and pastoral wealth, and on the other the undeveloped mineral wealth of the West Coast, the policy of the country should be, at the earliest possible moment, to push through the line, in order to connect two districts that are so naturally the complement one of the other. I should like to point out one other thing, and that is this: The Canterbury members, throughout the whole session, have loyally supported the Government policy. We have stood by the Government policy in connection with the acquisition of Native lands, in connection with supplying the money that is to be used for roads, and in other ways; and I say that, to a large extent, the policy of the Government throughout this session has been a North Island one. Let honourable members who choose take the Public Works Statement, and the estimates that have accompanied it, and I ask, how much money is there coming to Canterbury? I think I am correct in saying there is less than £20,000 out of the £940,000 voted under the Public Works Statement that will come to the Provincial District of Canterbury; and yet the Province of Canterbury in taxation contributes probably at least a fifth of the whole revenue of the colony. That being the case, if honourable members who are to receive all these benefits in the way of roads and other works in the North Island have any gratitude, they ought not now to oppose this work. That would mean they were quite willing we southern men should support their roads and railways and so on, but when we want this one question considered—the question of recasting the terms of the contract—they will lock up their sympathies and say, “No; we will keep you out of the railway this year, so that next year we can use this line as a lever by which to secure two other railways in other parts of the country.” I say, if that is the case,—if the policy of my honourable friend the member for Wellington Suburbs has voiced the morality of the House,—I am disappointed in the House and in him. I thought he would have taken a nobler stand than that, and have been prepared to support this railway, without connecting it with the North Island Main Trunk Railway and the Otago Central for his own purposes, and would have recognised that the matter now before

the House is not a loan of £618,000—that we are asking for nothing of the kind; but that it is merely to recast a contract honestly and faithfully entered into years ago, so that the country will receive back its lands in exchange for debentures which can be floated and used as money to construct the line as it proceeds. If the proposals were that the colony should enter upon a scheme of borrowing £618,000, and of handing that £618,000 over to the company to do what it chose with, I could understand a great deal of the objection; but I say if settlement proceeds, as it will under the Minister of Lands, at once on the lands that are now locked up, the practical results of that settlement will compensate for the interest on the 3½-per-cent. debentures as they fall due, and these debentures will only be handed over to the company as it proceeds with the work. The honourable member for Hawke's Bay referred strongly this afternoon to the fact that a Commission in connection with this railway reported against it. No doubt that is correct; but was that the only railway reported against by a Commission? I remember in 1881 giving evidence in Foxton, where I then lived, before a Commission in favour of the West Coast railway here being made, but the Committee before which I gave evidence declared that there was not the slightest use in making it, and reported dead against it. But in due course that railway was made, and there it is—a thorough success. If I mistake not, a Commission reported against the Otago Central; but the Otago Central is accepted as part of the policy, and is being made; and the progress made with the Midland Railway justifies the decision of the company which undertook the work, and justifies the House in saying that the work, now that it has progressed so far, should not be stopped. I only say, in conclusion, I appeal with confidence to the good sense and the sense of justice of members of this House. I appeal to honourable members belonging to the North Island, on the ground that they are receiving benefits in connection with this year's legislation which will have the effect of diminishing the “unemployed” difficulty in their neighbourhood. I appeal to honourable members connected with Otago, because the Government have treated their railway with no unsparing hand in the estimates that have been brought down: £45,000 is placed on the estimates for the Otago Central. And I can only say this: that all we ask is that we should be treated with some justice and fairness; and in making this claim I again repeat that honourable members are not asked to give us the money: what the House is asked to do is to change the form of security which the company holds. The advantage must be obvious to every Radical. I appeal to those honourable members who are Radicals in connection with land-legislation, and I ask, is it not better that the Government—a Liberal Government—should have the administration of the lands involved in connection with this railway than that they shall be held still by a foreign syndicate, which can sell whatever

blocks it chooses, and which will sell them without any consideration for settlement, but with a special regard to how it can get the most money for them? Viewing matters in this light, I have no hesitation in supporting the Bill, and I shall do all I can to help it in Committee.

Mr. GUINNESS.—I consider that it is due to my constituents that I should say a few words as to why, in my opinion, the House should support the second reading of this Bill. In the first place, I should like to call the attention of the House to the fact that this is not a question of starting the construction of a railway. It is not a question of borrowing money to start a railway or to complete one. It must be accepted by honourable members that this is a work to the completion of which the inhabitants of Canterbury, Westland, and Nelson, for the last twelve years, have been looking forward, with the desire to see the districts I have mentioned linked with the railway system of the South Island. The question has been settled by this Parliament, led as it was on that occasion by the member for Wellington City (Sir R. Stout), and the contract has been entered into. It is too late in the day now to discuss whether the railway is one that ought or ought not to have been undertaken on the land-grant system, or to say that it should be undertaken by the colony as a national work. That is a passed question. The question now before the House is this: Having entered into a contract, and having entered into certain obligations in connection with that contract, is it a wise and a proper thing to compel the carrying-out of that contract in its entirety? I think before I conclude I shall be able to show that, the contract having been entered into, and during its performance certain difficulties having cropped up,—difficulties on both sides, on the side of the party which let the contract and on the side of the party which took it,—these difficulties from time to time were met by this Parliament and the other contracting parties. And because these difficulties occurred, and were met by Parliament, I say the member for Wellington City (Sir R. Stout) and other members had no right to say that this is a company that has always been coming to the House for concessions, and that from time to time concessions have been granted to the company. The real fact is, the concessions have been mutual, and for the good of both parties to the contract. I will instance one or two of these. In the first place, the contract entered into by the Stout-Vogel Government neglected to provide proper safeguards with regard to the mining interests on the West Coast goldfields. Provision certainly was made that the contract should give power to the colony to select from the blocks of reserved land only those areas then held for gold-mining purposes, or known to be gold-workings, and the interpretation put upon these words by the Law Officers of the Crown was that it only reserved a very limited area—that “gold-workings” only meant areas that were being worked or where gold had been discovered; and that

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“ground now held” meant only ground then actually held or being worked by miners. This meant that if any gold was found in the land granted to the company it would become the property of the company, and it could have taken up all the auriferous ground on the Coast that was not then actually held for mining purposes, and if at any future time new discoveries of gold were traced or found in those lands the company could retain them, and exact such license-fees as it thought fit if gold were traced into them. This was considered a most inadvisable thing, and therefore the mutual concession was made that the alternate-block system should be given up; the colony gave up its right to insist on alternate blocks being taken, and the company consented to modify the provisions with regard to the gold-mining area, giving the colony the right to reserve from time to time three-quarters of a million acres for gold-mining purposes, but that was to be reserved of auriferous land, and was to be reserved from time to time. On this point—as to whether this new contract then entered into was properly carried out by the Mines Department of the day—I dissent entirely from the view taken up by the Premier, and I say the company had a right to complain, and had a just complaint against the colony with regard to the administration of these auriferous lands and the reserves that were made. As an illustration, I will mention what actually occurred. Many honourable members know the line of railway constructed following the main line of road from Brunnerton to Reefton, a distance of about forty miles. Along the south side of this road, or along the side of it where the particular lands were to be taken up by the company when they made the line, before the company got the certificate to take them up the Mines Department proclaimed blocks of land fronting this line of railway almost the whole distance from Brunnerton to Reefton—areas of 3,000, 2,000, and some of 10,000 acres—to be auriferous lands. What was the effect? The company, which made the railway through the Grey Valley to the Inangahua Valley, expected that by making that section of railway the lands could be taken up then and be sold and settled; but this land was blocked, and they were prevented from taking it, because it was said by the Mines Department to be auriferous. Now, was it auriferous? If it was, we should have found gold-miners working at it. Had they tried to prove whether it was auriferous? They had; and on many of these reserved auriferous areas evidence showed that shafts had been sunk years and years ago, and had been abandoned, clearly proving that, in the opinion of miners, they were not auriferous, and had been abandoned because they were not worth taking up for mining purposes. And, if they were not worth taking up for mining purposes, the company had a right to complain that they could not select any of this land. That is where I differ from the Premier on the question of the mining reserves. On this head the company has, I think, a claim—if not a legal, an equitable claim—

against the colony, because they made the railway through these lands on the West Coast, and they had a right to take up these lands; they had a right to expect that by making the railway the lands would have an enhanced value: and there is not the least doubt that they have an enhanced value. Now, there is another question with regard to the modification of the contract—the question of the Abt system. The honourable gentleman told us that had saved the company £400,000 on the cost of construction. Under the terms of the contract that must have saved the colony two hundred thousand pounds' worth of land.

Mr. PIRANI.—It varied the contract.

Mr. GUINNESS.—But it varied the contract to the material advantage of both parties. Can it be said to be a modification in favour of the company? The whole argument against this further concession asked for in the Bill is that the company from time to time had got all the concessions on their side. I have been endeavouring to show that it is not so. Many of the concessions were as much in favour of the colony as of the company. Then, passing on, we come to the question of whether this railway is one that will pay. Now, certain representations were made to the contractors as to what was likely to be the paying nature of the traffic on this line, and I think sufficient evidence was placed before the Committee to

11.0. show that this line will be of a payable nature. Contrasting that with the other lines in the colony, I think honourable members will see that the probability is in favour of its being a paying line. This is the only railway in the colony that has not to compete against any steamer or sailing-vessel. Every other line in the colony is subject to competition by steamer or sailing-vessel—from Christchurch to Timaru, Timaru to Oamaru, Oamaru to Dunedin, and Dunedin to Invercargill itself. Take the lines in the North Island—from Wellington to Wanganui: that line is subject to competition by steamer; and from Wanganui to New Plymouth. Then take the line from Wellington to Napier: Is not that subject to competition by steamer, and not only for the goods carried, but also for the passengers? Will the line between the west coast and the east coast be subject to any such competition? I say most decidedly not. Therefore, looking at it from every point of view, I think honourable members must admit that there is a very strong argument to be placed before this House why that line is very likely to pay as a line connecting the east and west coasts: it is not at all a parallel line like the east coast, upon which there is a highway for vessels to compete against it. In order to further support this contention, what do we find are the facts with regard to a portion of this railway which has already been constructed by the company?—I refer to that portion between Brunnerton and Reefton, a distance of about forty miles. We find, after that piece was constructed by the company, that these facts were elicited in regard to the traffic upon that line after it was opened, and up to the present

time: On page 15 of the evidence attached to the report presented by the Select Committee on the company's proposals this session we find that these questions were asked of Mr. Wilson, the engineer and general manager of the company:—

"122. *Mr. Hutchison.*] Can you say how the portions you have made are paying?—The piece from Stillwater to Reefton is earning a gross amount of about £17,000 a year. We are working a little over 54 per cent.

"123. What is the capital?—It will be about £380,000. The line is practically a branch one. The traffic is to and from Reefton and Grey-mouth, and from the settlement on the line.

"124. *Mr. Guinness.*] How long has that line been open?—About three and a half to four years.

"125. Do the receipts show that the traffic is gradually increasing, or is it stationary, or decreasing?—The gross receipts have been annually £8,000, £12,000, and £17,000, for the financial years ending 30th June, 1892, 1893, and 1894 respectively. It is steadily increasing."

That shows to those honourable members who predicted that this line and this company would not pay that, although the mining interest and mining industry in the Reefton district is very much depressed, and has been so for the last twelve months, yet the earnings on this railway during the last three years have steadily been increasing from £8,000 to the end of June of the present year to the rate of £17,000 per annum. What is the traffic that is likely to go upon the line between the east and west coasts? We have it in evidence in one report presented from the Public Accounts Committee two years ago, in the evidence of Mr. Martin Kennedy, than who there is no greater authority in the colony on the question of the coal traffic. With regard to the coal traffic, and the benefit the line would be to the coal traffic, he states that the coal traffic, in his opinion, from Brunnerton to Christchurch would amount to at least £75,000 per annum, and that it would pay the present mine-owners to pay the Midland Railway Company for the transit of that coal from Brunnerton to the Canterbury Plains and into Christchurch at a rate of 11s. 6d. a ton.

Mr. BUCHANAN.—What about the Grey-mouth Harbour?

Mr. GUINNESS.—I will speak about that when I come to that question. I do not want to be led off the track I am on now. Mr. Kennedy also contrasts that with the freight paid from Grey-mouth to Lyttelton, which is only 7s. 6d. a ton, and he states that it would pay the proprietors better to pay 11s. 6d. per ton freight than to send the coal by sea. If they sent the coal from Brunnerton to Grey-mouth they would have to pay freight from Brunner-ton to Grey-mouth, 2s. a ton. That is for the first handling, and putting the coal into the steamer at Grey-mouth. Then it is to be taken to Lyttelton, and taken out of the steamer and put into the railway-trucks at Lyttelton; and then you have to add the

railage from Lyttelton to Christchurch. There are, consequently, five handlings of the coal, whereas, if it were put into the trucks at Brunner-ton and sent direct across the line to Christchurch, to Ashburton, Kaiapoi, and Lyttelton, there would be only two handlings, and in Mr. Kennedy's opinion the saving that would take place in the loss of the coal that necessarily occurs through these several handlings would amount to such a sum as would pay the company to give 11s. 6d. a ton freightage across the Island, instead of 7s. 6d. by steamer. That, I think, is a very strong argument to show that his opinion is well founded, and that there would be a large mineral traffic which would connect the coal-mining industry with the large district of Canterbury, where so much fuel is required, because timber is not to be found upon the Canterbury plains for firing purposes, and for all industrial purposes a large quantity of coal is consumed in that province. With regard to the timber traffic, what are the results that have come about since this company first started—that is, on the two lines from Brunner-ton to Jackson's, thirty miles, and from Reefton to Brunner-ton, forty miles? At the present time no less than eleven different sawmills have been erected on these lines of railway, and the result is that these sawmills at the present time are actually cutting and sending down to the Port of Grey-mouth for export upwards of between 75,000ft. and 100,000ft. of timber per week. What does that mean? It means that an enormous export of timber has been developed by the construction of these small portions of the line, and that naturally goes to show that there necessarily would be a large amount of mineral and timber traffic over this line.

An Hon. MEMBER.—It could always go by sea.

Mr. GUINNESS.—We have seen since the railway was commenced, with regard to the export of timber, that the West Coast has taken up a position which no other place has taken, and when the railway is completed I say that timber can be carried by railway to other parts of the colony. We shall be able to send our timber from the West Coast to such an extent that we shall get a large amount of traffic by it. There is another great advantage if the line is completed. It will open up the mining industry to capitalists and speculators, many of whom are now loth to invest in it because they have a difficulty in getting to the locality where the mining is carried on, and capitalists do not like to trust to others to any extent, and they have to go to the fields and the different mining districts of Reefton and other places to look after their interests, and to conduct mining operations in those districts. This railway will also be an advantage to the Canterbury Province, and particularly to the provinces in the South Island on the eastern coast, and to the large towns where labour gets congested and employment cannot be found for the unemployed when the harvesting and shearing seasons are not on in those districts. Then is the time when the surplus labour has

no outlet, and if the railway is made there will be abundant work for these men to do. They can go over to the West Coast, and would be able to get enough gold to maintain themselves without clamouring for work, and an advantage would also be that when labour was required for the harvesting and shearing seasons in Canterbury it would be plentiful, for we should have these men going back to that work, because of the means of communication that this railway would afford to them. Then, there is another point—and this point I do hope that honourable members coming from the Auckland District, and those coming from the Taranaki and Wellington Districts, and some of the southern provinces, will bear in mind. That important return that the Premier quoted from when moving the second reading of the Bill, I think, is a return that ought to be well looked into, and ought to be well considered. What has Canterbury got? It is one of the wealthiest provinces in the colony; and what has it got as a return for what it has added to the consolidated revenue of the colony? Why, the Hon. William Rolleston, when he was Superintendent of that province, handed over to the colony out of the Canterbury chest something over £800,000—nearly a million of money.

Mr. CROWTHER.—We did not get the same chance.

Mr. GUINNESS.—Well, they did get the chance of doing it; and I ask, what did the Province of Auckland, or Wellington, or any of the other provinces hand over to the chest of the colony? Otago might have handed over a little, but Canterbury handed more money over to the colony out of the Canterbury provincial chest than any other province, and I think that is a fact that honourable members should take into consideration when dealing with this question. And I think the statement of the Premier that Canterbury has had nothing given to it in the way of public-works expenditure deserves consideration. All that has been given is the shutting-up of this land, in common with Nelson and Westland, in connection with the construction of this line. Speeches have been made against this measure by honourable gentlemen who ought not to have made them. I allude particularly to the speech made by the honourable member for Wellington City (Sir R. Stout). Why, in this House on one occasion he described these lands as worthless that were going to the company; and that opinion was quoted in the London money-market as the opinion of an eminent authority. It was the authority of the Prime Minister of the colony, and I say it had a tendency to prevent, and did prevent, the company from raising what they would have raised otherwise. And if the company has not had capital to complete the line, is it not fair now that the company should have an opportunity of carrying out the completion of that section of the line which the financiers at Home are willing to advance the money to complete? It has been said, "Why not complete the whole of the contract?" but I ask, can you make a

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company that has no means to carry out the work do so? They would require about two millions and a half to carry out the whole of the work; and if the company say they can find the money to carry on one section, because the financiers can give the money on Government security, so that the line will pay, I ask, ought we not to give that security for the line that has been locked up so long? Another point we ought to bear in mind is that the people of Canterbury and Nelson and Westland have suffered considerably owing to these lands being locked up for settlement under the liberal land-laws which have been passed by the present Government for the occupation, sale, and disposal of the waste lands of the Crown. I say emphatically they have; and is it not then right that these lands should be let, if there is not to be a further charge upon the colony? I maintain we are not putting a further charge upon the colony, because we are setting free to the colony large tracts of land, which will leave a large sum over and above the six hundred and eighteen thousand pounds' worth of debentures. Then, again, it is said that these lands are not valuable. Why, the honourable member for Auckland City (Mr. Button) tells us that those lands are valuable lands; and he is one of the few members in the House who have been over them. It is a fact that in Westland District alone there are over three hundred applications lying in the Land Office, and the number has been accumulating for years, from people who want to take up land in blocks of from five hundred to two hundred acres. In the Nelson District there are upwards of eight hundred applications to the Land Board and the company for land in that district; and yet it is said that these lands are not valuable, and not fit for settlement. If they are not, how is it that we have these accumulations of applications in these districts for these lands? I ask this question of honourable members: Are we getting nothing back for giving to the company this £618,000 of debentures? What I have stated I declare to be facts; and ought we not to allow those lands to be placed in such a position as to let the Minister of Lands settle them, and secure their permanent occupation, instead of driving our population away? Sir, we should attach them to the soil, and make them permanent settlers. As the diggings are worked out so must we settle a population on the land. Then, honourable members have the Premier's statement that the company has a right to come to the colony and ask for an extension of the contract. If the contract is extended in one direction the locking-up of lands must be continued. If it is extended for two or three years that locking-up will be continued for that time. You say, "Let them complete the contract." They cannot do it; and what is to happen? We shall have the railway-lines lying as waste stock, and of no use to those who have waited patiently for them. If there is any justice in the House—and I think there is—I say that sense of justice should give to the Canterbury residents that which

they have a right to expect. Canterbury, Westland, and Nelson are not to derive any advantage from this work because the company cannot get the money to make the Nelson connection. That is the position the honourable member for Wellington City (Sir R. Stout) advocates, and the position the honourable member for Waima-Sounds and the honourable member for Nelson City are advocating. And I ask those honourable members, if they want the Nelson connection, will they be any more likely to get it if they prevent the other part of the line from being made for the benefit of the colony? If the other portion of the line is made, is not the Nelson connection more likely to be finished—the ninety-seven miles from Reefton to Belgrove? I ask honourable members if they have considered that point, and if it is not better for one connection to be made rather than none. I have a good deal more to say on this question, but I regret that the time limit prevents my doing so.

Mr. PIRANI.—I should not have risen, Sir, to speak to-night had it not been for the misleading statements put forward by the honourable member for Riccarton. It struck me at the time he was speaking that his fluency actually overcame him, and he therefore made such rash statements that I do not believe he could really remember now what they were. He stated that the Public Works Statement would show that most of the expenditure on roads and bridges had been for the North Island. After hearing him speak I took the trouble to look up the figures, and I find that exactly the contrary is the case, and that most of the money in that Statement is to go to the South Island, and not to the North Island. For roads and bridges and mining-works in all classes in the South Island there is £175,740. For roads, bridges, and mining-works in the North Island there is £165,506. Then, taking out of that sum the amount that is going to the North Island under the "loans to local bodies" conditions, we find the total amount is only £120,000; and, taking the same fund for the South Island, we find that it totals £165,000, or a balance of £35,281 in favour of the South Island.

Mr. SEDDON.—That is not correct.

Mr. PIRANI.—That is including all classes in the Public Works Statement with the exception of railways, and I am surprised that the Premier is not more acquainted with his own figures. Another misleading statement made by the honourable member for Riccarton was that if the railway were made they would be able to utilise these lands, and they would be able to utilise to the colony those lands in the Westland District that they were unable to sell at the present time; and almost in the same breath he said that the railway would enable the Westland people to get their food-supplies from Canterbury. Well, if the lands in Westland are to be made so valuable and fit for settlement by the opening of the railway, I ask, what advantage would there be in having their food-supplies carried from Canterbury? I think that is an evidence of the manner in

which we are misled by statements. In regard to this Bill, I was elected, in common with almost every member in the colony, to oppose borrowing for the making of railways, and I call this Bill neither more nor less than a borrowing proposal to the extent of £618,000, and not to make a railway for the colony, but for a private company. All this "buncombe" and nonsense that is talked about getting our lands back, and getting money for them, is worth very little, because we know well that the change is made because the debentures will be of more use to them than the land itself. Therefore we must conclude that they are making a better bargain than they have made at the present time, and the colony must be the losers. With regard to the necessity of obtaining this land for settlement, it strikes me that the colony is doing quite enough in getting land for settlement by spending half a million of money in purchasing Native land and private lands besides, and in opening up Crown lands, including the Awarua Block, for settlement for a year or two; but if this company is compelled to open these lands before the end of the year, or the Government can resume them, I do not see what benefit can accrue to the colony from paying the company to relinquish them before the two months and a half have expired. I trust the good sense of the members of this House will prevent them from saddling upon this colony another burden of nearly three-quarters of a million. Surely we have done enough this session to burden the colony. Surely we have placed a heavy enough millstone already around the necks of the taxpayers, without going the extreme length we are going in this Bill. Surely, if we are to help a private company in this way, the next thing will be that all the private companies will come and ask the colony for relief from the burdens they have placed on their own shoulders just because they want to benefit the colony! I should be very sorry indeed to support this measure simply on the ground stated by the Premier, that the Province of Canterbury did not get its fair share of public-works expenditure. What is that principle that is laid down but the principle of log-rolling—the old game of, "You help my district and I will help yours?" And it seems to me such a cry should not come, at any rate, from the Ministerial benches. If Canterbury has not had her expenditure

11.30. in the past days, and other districts are now having theirs, is it because she should have had it? No, Sir, it is because the other districts of the colony have needed this expenditure, and that Canterbury was so well looked after in the provincial days that she has no present need of an expenditure of money on public works. Why, Sir, who have been the strongest in this House in advocating that Canterbury men who were unemployed should be allowed to get work in any other part of the colony where work was to be got, and which, I say, they had a right to get? The very supporters of this measure. They advocated it; and if that principle is right and proper, why

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try to mislead the public by saying that enabling this contract to be undertaken, and employing men in that part of the colony, is a work that is in the interests of the colony as a whole? Is it not cheaper for the men themselves, and is it not cheaper for the country, for the men to be taken where work can be provided which is profitable? And, if they are compelled to do their share in opening up the country by the construction of necessary roads in the back-districts, it is likely to be as profitable to the settlers, instead of opening up country by a railway which will run through the barren waste that we have heard described on all sides of the House. I have not the least doubt that the company have picked the best of the land—that they have left what is almost worthless; and, although it is very large in area, there is not the least doubt the greater part of it is of very little value. I say the effect of passing this Bill will be to take over what is next to worthless as an asset, and to compel the colony to bear the burden of constructing a private railway, while all the benefits of this railway will be conferred simply upon private individuals. If this contract should not be a profitable one—if it should not pan out according to the estimate—then it is they who should be the sufferers, and not the colony, and I hope the House will not place this heavy burden on the taxpayers of the colony in the way that is proposed. Why, what will be the next move if this is carried? There is not the least doubt we shall have a proposal brought down to take over the assets of the New Zealand Bank Company; and, if that is the position, and it is fair and right to take over this landed property for the farmers of the colony, it is just as right and fair that the colony should take over those enormous assets of the bank company, and give it debentures or cash, for the purpose of promoting settlement.

Mr. SEDDON.—Sir, the whirligig of time brings about strange things. I had not expected to hear the speech I have just now listened to from the honourable member for Palmerston. I had thought that, at all events, he would have some fond recollections of the spot which at one time was near and dear to him, and to some one I know who has recently passed away, whom I do not like to mention; he was a respected West-coaster and a very old personal friend. I should have thought that, at all events, the honourable gentleman would have been the last to have cast the reflections he has cast upon the West Coast—its people, its soil, and its productiveness. Sir, it appears hard, but I should like to point out that a speech of the kind we have just listened to is simply the speech of one who has been seeking for some excuse for the vote he was about to give; and looking round he has discovered—what shall I say? He fancies he has discovered good and sufficient reason. Now, as to what the honourable gentleman says as regards the question of the expenditure in the North Island as compared with the South Island, I say that the statements made by the honourable member for Riccarton are

absolutely correct—that if you take the Public Works Statement as it is now before the House, if you take the whole of the allocations on railways and roads—

Mr. PIRANI.—Oh, no; take the expenditure on roads and bridges.

Mr. SEDDON.—The honourable member says “Oh, no,” you are not to take the railway expenditure. I say it is grossly unfair to take the expenditure in one class and leave out altogether the expenditure on other things. I say you must take the expenditure as a whole; and on the Public Works Statement what do you find? £167,000 for the Auckland Provincial District, £146,000 for the Wellington District, and £165,000 for the Otago District, whilst you have only £25,000 for the District of Canterbury. I say, when there is for each of these districts the amount of money that is given in the present Public Works Statement, and that all that is asked under this proposal is to pay the first issue of debentures, it is but little to ask. It is unfair to say that Canterbury shall have no advantages at all—that she shall be simply the milch-cow for the rest of the colony, that she shall continue to produce and pay revenue, and when there is a necessary public work, which will help the well-being of the people of that part of the colony, and the prosecution of which is but right and just, it shall be denied to her. That simply means this: If that course is to be pursued in future it will recoil upon the other districts. It will make the people of that part of the colony agitate, and it will exactly bring about what the honourable gentleman said was an improper thing to do—that members must combine to get justice. Again referring to the whirligig of time, who was it introduced the Bill that first gave power to the syndicate to go Home to raise the money for this railway? Why, Sir, it was Sir Robert Stout, the Premier of New Zealand at that time. He it is, Sir, who is responsible for the first contract, and, if a difficulty has arisen, he is the one who is responsible therefor. And, Sir, what has been the position right through? If honourable members will take up *Hansard* for 1884, 1885, and 1886 they will find that the position is exactly reversed since then. They will find that the then member for Kumara was contending for the West Coast gold-mining interests as against the proposal that was made; and what was the reply given by the honourable gentleman's colleague, Sir Julius Vogel? That what they desired was to promote the interests of the West Coast, and that to enter into this contract would prove beneficial alike to the whole colony and to the several districts. If honourable members will look up *Hansard* they will see that what I have said is absolutely correct. Well, all that I am now called upon to do is to insist that justice shall be done to the company, which, up to the time I came upon these benches, I was in opposition to and which I, in the interest of the mining industry on the West Coast, had to fight: in fact, at one time it seemed, so far as I was concerned, almost like personal persecution. But I lay

all these matters aside when it comes to a question of public duty. Being here on these benches, and finding what are the terms of the contract and what is the condition of the company, I am bound in duty—and it is a duty I believe I owe to the whole colony—to submit these proposals which are now before the House.

Mr. CROWTHER.—What has the colony got to do with the condition of the company?

Mr. SEDDON.—It may be asked, What has the Government got to do with the condition of the contractor who has got the Helensville Railway, who has met with unforeseen difficulties in the work of piercing a tunnel through? Am I to say to him and his sureties, “Because unforeseen difficulties have occurred, I will stand on the contract. Away you go; bring forward your securities”? I am not called upon to do that; and there is the Public Works Statement, which was presented the other night, to show what we are going to do. I say, under such circumstances a Minister for Public Works who knows his position and his duty to the colony and the contractor who is confronted with any such unforeseen difficulties has a right to use common-sense fairness and to do what is right and just. That, Sir, is the position. To-day the question was raised, and I was challenged by the honourable member for Wellington City (Sir R. Stout) to say what has caused the change as regarded the alternate blocks, and the necessity for the first change in the contract which he himself has condemned. I say he has no right to condemn it, as he was responsible. He, in passing that law, was responsible primarily for the defects in the law. If members will turn to *Hansard*, Volume 55, June–July, 1886, they will find the following, page 29, of date the 22nd June:—

“Mr. G. F. RICHARDSON.—I may say that the Hon. Sir Frederick Whitaker kindly interpreted this language for me, as follows:—

““Lands now used for mining purposes” would include only lands so used at the passing of the Act—not now used. “Used” means, I think, actually occupied. “Gold-workings” would probably be held to mean much the same thing, and to include only land actually worked at the passing of the Act.”

That is of the very clause quoted by the honourable gentleman to-day, in which he said mining land was protected. That is, Sir, the opinion that was held by the Attorney-General, Sir Frederick Whitaker. He, Sir, supported what I contended for when the Bill was going through in 1884. I say the responsibility for the new contract, and for the abolition of the alternate-block system, rests on the shoulders of the then Premier, Sir Robert Stout, now the senior member for Wellington City. That, Sir, is where the responsibility rests, and the whole of the trouble there has been with the company from that time to the present has been owing to the defect in the first contract which was given to the company. And Sir Harry Atkinson and his Government must take their share of the responsibility; and I say that it is to their credit that, when they

found the condition in which the colony was owing to the defects in the contracts, they adopted the same course that I am taking to-day—granting concessions, to rectify mistakes and errors, and to rectify the wrongdoings of the senior member for Wellington City and of the Stout-Vogel Government. That is the true position of affairs, and there is no getting over that. Then, Sir, the senior member for Wellington City said to-day that the speech I made in introducing the Bill was misleading. He made that statement at the commencement of his speech, but he never attempted to show any one single case in which I had misled the House; and what I said at that time has been corroborated by others who have spoken on this Bill. I was almost amused when he was exaggerating what was the effect of our proposals. He said there is a £21,000 liability upon the colony annually. What did he propose? What, Sir, were the words used in support of the Meiggs proposals submitted by his Government? Let honourable members turn to *Hansard* for 1885, and what will they find? They will find that the Meiggs proposals were these: That £97,000 a year was to be paid for a period of twenty years. In addition to this £97,000 for twenty years, there was the condition—which could not be denied, and which Sir Julius Vogel had to admit—that there had to be paid the net amount receivable by the syndicate. Turning to page 558, Volume 52, of *Hansard*, this passage occurs:—

“Net amount receivable by syndicate must be ninety-seven, Government also paying any deficit in working expenses. All profits from land must belong to the syndicate, these profits being chief inducement investors. Payments under guarantee during twenty years recouped from profits line. Probably built three or more portions by separate issues, land being allocated here rateably; therefore necessary provide guarantee divided rateably, and failure one portion not entail forfeiture others. Saving clause present contract also necessary. Nothing less than these terms any use whatever.”

I say here, in a nutshell, was the proposal which the honourable member submitted to this Parliament: £97,000 a year for twenty years, and in addition to that the Government to make up any deficit in working-expenses. He complains that we to-day ask Parliament to grant £21,000 a year as interest upon the debentures proposed to be issued under this Bill! Compare what we are now doing with what he himself proposed to Parliament, and I say the comparison is in favour of our proposals. We are to-day called upon to rectify the errors and blunders committed by the honourable member and his Government. When he considered that the company had entered into the proposal, and there was no power to recede, he went to Napier and made a speech. The contractors had sent their agents to London with documents in support of their concessions, when the honourable gentleman told the people at Napier that the land consisted of glaciers,

snowy mountain-tops, and that there was little or no timber—that the land would not feed a goat to the acre. Yet he himself had been a party to making this contract! The statement of the honourable gentleman at Napier could have no other effect than to prejudice the position of the company in London. I trust that the position taken up by the honourable member on that occasion is one which no other statesman or politician will ever take up again in this country. But the honourable member is not satisfied with having done that on that occasion; he is doing the same thing now. The honourable gentleman has practically said that within the five-million-acre limit in Canterbury there is no good land. As to the West Coast, I may say that there are large tracts of good country there. The applications prove that. There are thousands and thousands of acres in Canterbury which will be taken up if this embargo is removed. To say you could not get three hundred thousand acres of fairly good land out of the five millions is to make a statement which is entirely at variance with the facts. The honourable member for Auckland City read the contract to-night. There is only one interpretation of the clause he referred to, and that is that, if the B1 value of the area set apart would not come up to £618,000, there is power given to enlarge the area of selection so as to make it come up to £618,000. There is no doubt as to that being the correct reading of the contract. The honourable member said the honour of the country was involved so far as the Nelson connection is concerned. It is only under circumstances which are beyond our control that I should be one who would ask Parliament to leave Nelson out in the cold whilst we made the Canterbury-Westland line. But the company is not in a position to make the whole line. It is said that Mr. Brodie Hoare and others had their eyes open when they undertook this contract including the extension to Nelson, but they could not have known so much of the country as I do, or as the senior member for Wellington City and other honourable members do, because, taking the portion of the country which this branch would go through, there is no chance for some years of settlement in that part. I say we are not responsible for that. We have to look at the position as business-men would do. Has the company, so far as it has gone, done its best in regard to the construction of this line? I say it has. Hence, I ask, why should we insist upon the company doing that which we know it is impossible for them to do? Shall we as prudent men take what the company can do? Under the circumstances, which are extraordinary, I say in doing that we should be reflecting credit upon ourselves as an Administration. The position of the Nelson people would not be at all improved. It would have been much better to have had the railway constructed to Norris's Gully. Looking to the future, the line might have to be constructed a few miles further ahead. There is a point to which Parliament would be justified in voting money for an exten-

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sion; and I wanted, as a settlement, to get the line completed by the company to Norris's Gully. But it appears to me, no matter how far one endeavours to look ahead, or endeavours to befriend people, they will take their own wayward course, and that course I unhesitatingly say here, so far as the people of Nelson are concerned, will be to their detriment. It will not profit them one jot; while, in the course they have taken, they have done an injury to their neighbours, who would have profited had our proposals been carried. I must take exception to a statement made by the honourable member for Nelson City (Mr. Graham) when he said that it would have been a good thing for the colony if the manager of the company had been deprived of his liberty during the session. The honourable member may laugh, but, when he is dead and gone, some one may rise in this Chamber and quote that statement from *Hansard*, and members of the House of that day may not know the circumstances. They may put a different construction upon the statement. Still, this will be a matter of record, and, where we have a gentleman whose honour and integrity are undoubted, and who has not been guilty of lobbying, as the honourable gentleman stated, to have such a statement recorded against him as that made by the honourable member for Nelson City is not right. The remark should not have been made. What has the honourable gentleman himself done? Has he been lobbying? Has he been asking honourable members to sympathize with him and his troubles? Yes; morning, noon, and night, whenever he has had an opportunity, he has been impressing upon honourable members the desirability of voting against this Bill, because, he says, there has been a serious wrong done to Nelson; and perhaps more than one honourable member has been ably assisting him in lobbying. But those honourable gentlemen have been sent here for the purpose of impressing upon honourable members the necessity of opposing this measure—at all events, of maintaining the position of Nelson. Do I say that, because of that, an insult should be offered to them? I simply say they have done what they, in accordance with their lights, conceived to be their duty, and have acted within their rights as colonists. But the honourable member made a remark this afternoon which he ought not to have made, and when the honourable member gets his *Hansard* proof I think he will agree that he ought never to have made such a statement, and that such a remark ought not to be recorded. I simply call attention to this to show the length to which extremists will go, and to show that they must have a very bad cause when they resort to such means to further that cause. The senior member for Wellington City said that the information given as regards the expenditure is entirely misleading. The following are the figures: There is for Auckland, since 1886, £1,085,000; Wellington, £931,000; Otago, £1,000,000; whilst for Canterbury there has only been £268,000,

whereas their own land, to the value of £184,733, has gone for the construction of this work, making together the small total of £452,956. These figures speak for themselves. During that time, whilst this railway was supposed to be under construction, practically nothing has been going to Canterbury in comparison with that spent in other parts of the colony. I say that is a very strong argument in favour of justice being done to that district. Taking the proposed expenditure last year, what do you find? Wellington, Auckland, and Otago have practically had amongst them, in round numbers, above the amount we are asking now for—£618,000; and if you take four years ahead at the present rate of expenditure each of these districts will receive more than the money that will be given to the Canterbury, Nelson, and Westland Districts. Then,

12.0. we were challenged about the relative amounts here. The total amount here for the colony is £901,000, and I say here, again, taking Auckland, Taranaki, Hawke's Bay, and Wellington, the total amount was £426,488. Where, now, are the statements of the honourable member for Palmerston? Sir, I am sorry that the time-limit exists. The honourable member for Auckland City said he approached this matter as a jurymen whose mind was unbiassed, and that he was determined to give a verdict on the case in accordance with the evidence submitted. If he has considered the evidence submitted during this debate I say that he should vote for the Bill before the House, because the evidence and facts given have been in favour of the Bill. I am afraid that what biassed him when he came to the front was the feeling which, I fear, exists on the part of some members in this matter. He said it was the policy of the Government that had destroyed the value of this land. I say that the policy of the Government has not destroyed these land-values. It has not destroyed the land-values of Canterbury, it has not destroyed the land-values of Westland, and it has not destroyed the land-values of Nelson. Why should he say, in a debate of this kind, that the company could not get their money for the land, and so we were issuing debentures in lieu of the land-grant? There was only one reason for his saying that, and that was to bring discredit upon the Government for bringing forward these proposals. No other meaning could be attached to that statement, when the fact was patent to him, with the documentary evidence on the desk before him, that all the company's troubles arise from the want of capital. It is not a question of land-value, for, by the sale of land, the company prove that they have obtained 83 per cent. profit on the sales up to to-day. It is not because the land-values have fallen in the area set apart for the railway, it is because the company cannot find the necessary means to complete the contract, that it asks the Government to deal with it fairly and justly, and as, I think, it is entitled to be dealt with. Under all the circumstances, I say to members representing each and every part of New Zea-

land, if you carry these proposals you will find that they will be in the interests of the colony, you will remove a serious difficulty, you will leave untarnished the honour of the colony, and you will prevent litigation. Otherwise you will have the position of matters brought before the world by our friends at Home, who, instead of being our friends and assisting us to maintain our credit in the future, will say that they cannot trust us, for when the opportunity was given us we failed to do what was right in the case of this company. I say that justice should be done, and if justice is done this Bill will be read a second time.

Sir R. STOUT.—I rise to make a personal explanation. The Premier has introduced matter in his reply which I had no means of speaking on when I spoke on the Bill. There are two things I wish to refer to. He said the Government of which I was Premier agreed, under the Meiggs proposal, to an expenditure of £90,000 a year. There was no such proposal by the Meiggs Company. The company asked £90,000 of a guarantee for a number of years, but the suggestion of Sir Julius Vogel was a guarantee up to £30,000 a year, which would have amounted to £348,000, as will be seen in *Hansard*, page 52, in Sir Julius Vogel's speech when considering the proposal; but no proposal was adopted. The honourable gentleman himself voted for the appointment of the Committee to consider the Meiggs proposal. The second point was, that I was responsible for the present contract. I say there was no such contract made when I was in office, and no such contract was ever accepted by the company when I was Premier. The contract now sought to be altered was made on the 3rd August, 1888, in pursuance of an Act passed in 1887. I was not in the House at the time, and if I had been in the House I should have opposed it.

Mr. SEDDON.—I quoted from the Meiggs proposals, and the speech made by Sir Julius Vogel when he introduced those proposals to the House. Subsequently the Government did deal with the proposals.

Sir R. STOUT.—No.

Mr. SEDDON.—I say again that the reference made to the Meiggs contract was correct, and that the first contract was signed in 1884, and that Mr. Matson, Mr. Taylor Weston, and Mr. Hart, of Christchurch, did enter into a contract with New Zealand while the honourable gentleman was Premier, and it was with that contract in their pockets that they went Home to London.

Sir R. STOUT.—That is not the contract now in existence. The company never accepted that contract.

The House divided on the question, "That the Bill be read a second time."

AYES, 26.

Buddo	Kelly, W.	McLachlan
Carroll	Larnach	Meredith
Collins	Mackintosh	Mitchelson
Hutchison, G.	McGowan	Montgomery
Joyce	McKenzie, J.	O'Regan

Mr. Seddon

Parata
Reeves
Saunders
Seddon

Smith, G. J.
Stevens
Steward
Tanner

Ward.
Tellers.
Guinness
Russell, G. W.

NOES, 32.

Allen
Buchanan
Buick
Button
Carnecross
Carnell
Crowther
Earnshaw
Fraser
Hall-Jones
Harris

Heke
Hutchison, W.
Kelly, J. W.
Lang
Mackenzie, T.
Massey
McGuire
McNab
Miller
Morrison
Newman

Pinkerton
Pirani
Russell, W. R.
Smith, E. M.
Stout
Te Ao
Thompson
Wilson.
Tellers.
Graham
Mills.

PAIRS.

For.

Cadman
Duthie
Flatman
Pere.

Against.

Green
Maslin
Duncan
Lawry.

Majority against, 6.

Motion negatived.

The House adjourned at twelve minutes past twelve a.m.

LEGISLATIVE COUNCIL.

Wednesday, 17th October, 1894.

Second Reading—Third Readings—Destroying Useless Documents—Ministerial Residences Sale Bill—Native Land Court Bill—Criminal Code Bill.

The Hon. the SPEAKER took the chair at half-past two o'clock.

PRAYERS.

SECOND READING.

Tongariro National Park Bill.

THIRD READINGS.

Trustees Bill, Mining Companies Bill.

DESTROYING USELESS DOCUMENTS.

The Hon. Captain BAILLIE moved, *That it be left to the discretion of the Clerk of the Council at the end of each session to destroy petitions relating to public Bills passed, and also all proofs of compliance with Standing Orders relative to local or private Bills passed during such session, and all petitions presented to the Council prior to the last three years, together with such other documents as in his discretion may appear useless, or have no historical value.*

The Hon. Mr. McLEAN moved, *That all the words after the word "years" be struck out.*

Amendment agreed to.

The Hon. Mr. KELLY moved, *That the following words be added: "That a list be prepared by the Clerk of Parliaments during the recess of all further documents which may not be considered necessary to be preserved, and that*

such documents be destroyed, if no resolution is passed objecting thereto within four weeks after the list has been laid on the table."

The Council divided on the question, "That the words proposed to be added be so added."

AYES, 15.

Baillie	Jennings	Rigg
Barnicoat	Kelly	Shrimski
Buckley	Kerr	Stewart
Feldwick	Montgomery	Swanson
Jenkinson	Richardson	Taiaroa.

NOES, 17.

Aeland	MacGregor	Reynolds
Bolt	McLean	Walker, L.
Bonar	Oliver	Whitmore
Bowen	Ormond	Whyte
Mantell	Peacock	Williams.
Morris	Pharazyn	

Majority against, 2.

Amendment negatived, and motion as previously amended agreed to.

MINISTERIAL RESIDENCES SALE BILL.

The Hon. Sir P. A. BUCKLEY, in moving, *That this Bill be now read the second time*, said it was a simple measure, and he had very little to say about it. It authorised the Government to sell the pieces of land, and the buildings on them, known as the Ministerial residences. The houses were not suitable for the purposes for which they were originally intended. Take the Tinakori Road residence: he did not suppose any one would care to live there, and he did not think it was fair to ask Ministers, in the circumstances in which they were placed, to reside in establishments of a character much beyond their means. The object was to dispose of these residences in the way indicated in the Bill, and in the meantime they could be leased for a term not exceeding one year. This was not the first time on which this matter had been brought before the Council. In 1887 a Bill was passed dealing with the residences, but unfortunately it did not go far enough. The question, therefore, was not a new one. It was thought desirable to sell them because they were costly, and considerable expense was incurred in keeping them up. He thought, himself, it would be a very wise thing to sell these residences.

The Hon. Mr. SHRIMSKI thought it would be far more beneficial to the Government and the country if these residences were let for a short term.

The Hon. Sir P. A. BUCKLEY said there was provision for that.

The Hon. Mr. SHRIMSKI said, Yes; but he dissented from the proposal to dispose of the residences altogether. He agreed with the honourable gentleman that the salaries which Ministers received did not justify them in living in palatial buildings like these, and incurring large expense. At the same time, Wellington was a place in which there was very little space and accommodation; and in

view of the possibility of such buildings being required hereafter by other Ministers who might succeed the present ones, and who might not care to live in hotels, as most of the present ones did, he thought under the circumstances they should retain these buildings and let them for a short time. With all due respect to the Government, he could not see his way clear to agree to these buildings being sacrificed at the present time; and he felt sure they would be required sooner or later. While staying in hotels a Minister's life was not a happy one, for there he was approachable while asleep or at meals. He therefore begged to move, *That the Bill be read the second time that day three months.*

The Hon. Mr. RICHARDSON was very sorry to see that the Government had brought forward this proposal, because he thought it would be a very great mistake to part with these buildings. Two of these residences were comparatively small buildings. They were certainly not houses which anybody with a small family would find too large. The house in Tinakori Road, of course, was another matter altogether; but, if he was not mistaken, more than one promise had been made or implied that this place should be handed over at some time as an endowment for a university for Wellington. But putting that aside, he thought it would be a great mistake to sell these buildings. Perhaps he spoke somewhat feelingly, because when he was asked to join the Government in 1872 he made inquiries and found that he could not get a house at all in Wellington, and the only condition on which he came up to Wellington was that they should find him a house. He was kept some three or four months living in a hotel with his family until the house in Molesworth Street was secured. That house was certainly not too large. Since that time there had been other Ministers who had found difficulty in procuring houses, and who had made it a condition before coming to Wellington that a house should be obtained. He hoped the Government would not press this Bill. If they did, he would certainly oppose it.

The Hon. Mr. KELLY could not vote for the amendment, because that would be discourteous to the honourable gentleman who introduced the Bill; but his feeling was that the Bill should not be dealt with this session. The salaries of Ministers were too low to justify them in occupying these residences; but, being public property, the residences should not be hastily disposed of. He entirely disagreed with the tendency nowadays to get rid of every bit of land which the Government possessed. By-and-by they would have to buy land in cities for public purposes, and then would have to pay big prices for it. Even if the Government lost a little every year through holding this land, he thought there should be some reserves kept in the town for public purposes; and he therefore objected to the sale of this land, and would vote against it if it proceeded further than the second reading.

The Hon. Mr. PHARAZYN hoped other honourable members would not follow the

lead of the Hon. Mr. Kelly, who looked upon this matter as one of courtesy. The honourable member was prepared to vote for the Bill because he thought it would be discourteous to the Attorney-General if he voted for the amendment. He (Mr. Pharazyn) could see no discourtesy whatever in it. Possibly the Attorney-General himself was not in favour of the proposal. The honourable gentleman might perhaps have moved the Bill in a merely perfunctory manner. At any rate, the question was one of business, and of due regard to the future interests of the district, and of the colony generally. In the first place, it had always been the practice of the Council to carefully guard public reserves. They had always been very unwilling to part with public reserves, no matter of what kind. As far as he could see, under this Bill the money would only go into the consolidated revenue, and would be spent—nobody knew how. He thought it would be very much better if they retained these properties. It was quite possible that at some future time Ministers might require houses of this kind. All Ministers did not care to live in lodgings or publichouses. With regard to the question of reserves, even supposing these properties were not used as Ministerial residences, they might possibly become exceedingly valuable for other purposes at some future time. He would be glad to see a portion of one of these properties used as an endowment for a university or other public purpose. He was quite convinced that we were a great deal too ready to part with every scrap of land in those towns which were growing in size. He thought it was a great misfortune that they to a certain extent had parted with the Botanic Gardens. It was true they put it under the charge of the town, but still they did part with it so far as the colony was concerned, and it was very likely that at some future time they might have to buy the property back for colonial purposes. At any rate, in this particular case it appeared to him that it would be exceedingly unwise to adopt the proposal made to sell these properties. He would support the amendment.

The Hon. Mr. WHYTE thought that, whatever they did with these residences, they should cease to be Ministerial residences. He thought the system of Ministerial residences and also of Ministerial house-allowances was bad, and had worked badly. The residences and house allowances should be done away with, and the salaries of Ministers raised proportionately. Each Minister should then be allowed to do as he pleased. The existence of these residences was very often an embarrassment to particular Ministers, who did not wish to occupy one, and who yet drew their house-allowance: they were accused of meanness and of all sorts of things. It did not always suit a Minister to occupy a residence, and he thought it would work much better if they were paid higher salaries and allowed to do as they pleased.

The Hon. Mr. BOWEN said it was all very well to say that there were plenty of houses in Wellington, and that any Minister coming into office could do as he liked. Speaking

from experience, he could say that houses were not to be got, and a Minister coming into office, and having a family, would often be absolutely without any house to live in at Wellington. It was very often the case that a house was required suddenly on the formation of a new Government. There were only three of these residences, as it happened, and that was, he thought, not too many. He also considered that the Government should not alienate any of their public lands, as they could not know what the future exigencies of the colony would be, especially as in the political capital the Crown possessed very little land for any public purpose. He thought Wellington had some right to claim, after all that had been proposed indirectly, that one of these properties, if it was determined to dispose of them, should be utilised for a university college. Wellington had some future claim if these properties were not to be retained as residences. He thought there were sufficient reasons of public interest to prevent them from hurriedly and recklessly alienating at a low price what might some day be of great value to the State.

The Hon. Mr. KERR would point out that there was a clause in the Bill empowering the Government to lease these properties until the market was in a better state, so that they might be realised upon. He could not see the use of keeping buildings and grounds, which required constant expense in repairs and maintenance. It was, he thought, also unfair to ask a Minister, with the salary he at present received, to live in one of these Ministerial residences, where he would, no doubt, be expected to entertain; and, as the buildings could not be made use of, it was time they were disposed of. He therefore hoped the Council would pass this Bill.

The Hon. Mr. BONAR did not consider this a very material question, because the amount of money involved was very trifling. He thought it was inadvisable for the Government to part with these properties, but, if it were thought that retaining them led to a certain amount of expense, that expense might be covered by letting the houses on short leases. However, he thought that in the future some men might be induced to take part in the government of the country who might require some residence where they might have privacy for themselves and their families. He thought it was absurd to think that because a man lived in one of those residences he should therefore be called upon to entertain, as Ministers were expected to do in former times. That time was past. Whatever trifling expense there was in connection with keeping these three residences in repair he was sure could easily be covered by letting them at a moderate rental, so that neither the Government nor those who might wish to occupy them should be put to expense hereafter.

The Council divided on the question, "That the words proposed to be omitted stand part of the question."

Hon. Mr. Pharazyn

AYES, 13.

Baillie	Kelly	McLean
Barnicoat	Kerr	Stewart
Buckley	Montgomery	Walker, L.
Jenkinson	McCullough	Whyte.
Jennings		

NOES, 21.

Acland	Morris	Richardson
Bolt	MacGregor	Rigg
Bonar	Oliver	Shrimski
Bowen	Ormond	Swanson
Feldwick	Peacock	Taiaroa
Kenny	Pharazyn	Whitmore
Mantell	Reynolds	Williams.

Majority against, 8.

Motion negatived.

Amendment agreed to, and Bill ordered to be read the second time that day three months.

NATIVE LAND COURT BILL.

IN COMMITTEE.

Clause 16.—Appointment of sittings.

The Hon. Mr. PHARAZYN moved, That the word "Minister," in the second line, be struck out, for the purpose of inserting the words "Chief Judge."

The Committee divided on the question, "That the word proposed to be omitted stand part of the clause."

AYES, 14.

Barnicoat	Jennings	Montgomery
Bolt	Kelly	Rigg
Buckley	Kerr	Taiaroa
Feldwick	McCullough	Whitmore.
Jenkinson	McLean	

NOES, 12.

Acland	Morris	Shrimski
Bonar	Oliver	Swanson
Grace	Ormond	Whyte
MacGregor	Pharazyn	Williams.

Majority for, 2.

Word retained.

Clause 115.—Dealings with Native lands prohibited, except under certain circumstances.

The Hon. Mr. TAIAROA moved, That the following words be added to the clause: "or any land held by a Native in severalty in any part of New Zealand."

The Committee divided on the question, "That the words proposed to be inserted be so inserted."

AYES, 19.

Acland	MacGregor	Pharazyn
Barnicoat	McCullough	Richardson
Bonar	McLean	Swanson
Bowen	Morris	Taiaroa
Feldwick	Oliver	Whyte
Grace	Ormond	Williams.
Jennings		

NOES, 6.

Bolt	Kelly	Montgomery
Buckley	Kerr	Rigg.

Majority for, 13.

Amendment agreed to, and words added.

Clause 116.—*Bona fide* transactions may be completed under certain restrictions.

The Hon. Mr. ORMOND moved the following new proviso:—

"Provided that, in the case of any block in respect of which it has been ascertained and certified to by a Judge that not less than one-half of the shares have been lawfully acquired, or negotiations entered into in respect of a lease of any of the remaining shares, such transactions may be completed although such shares or interests may not have been under negotiation prior to the passing of this Act."

The Committee divided on the question "That the proviso be added to the clause."

AYES, 18.

Acland	Kelly	Richardson
Barnicoat	MacGregor	Swanson
Bonar	McLean	Taiaroa
Bowen	Oliver	Whitmore
Feldwick	Ormond	Whyte
Grace	Pharazyn	Williams.

NOES, 6.

Bolt	Jennings	Montgomery
Buckley	Kerr	Rigg.

Majority for, 12.

Proviso added.

Bill reported, and read the third time.

CRIMINAL CODE BILL.

The Hon. Sir P. A. BUCKLEY said the Managers appointed by the Council for the Conference had met the Managers appointed by the other House to consider the amendments made by the Council in this Bill, but had been unable to arrive at any conclusion.

The Council adjourned at twenty minutes past five o'clock p.m.

HOUSE OF REPRESENTATIVES.

Wednesday, 17th October, 1894.

Second Reading—Third Reading—Divisions in *Hansard*—Mining Bill—Post and Telegraph Department Bill—Beet-root Sugar Bill—Coal Bonus Bill—Land and Income Assessment Bill—Post and Telegraph Department Bill—Sea-fisheries Bill—Land and Income Assessment Bill.

Mr. SPEAKER took the chair at half-past eleven o'clock a.m.

PRAYERS.

SECOND READING.

Wilson Land Bill.

THIRD READING.

Wilson Land Bill.

DIVISIONS IN HANSARD.

Mr. G. HUTCHISON asked the Chairman of the Debates and Printing Committee, If means can be devised whereby accurate reports of divisions may in future appear in *Hansard*? He asked this question in consequence of having looked up the division in which he certainly voted on the Government Advances to Settlers Bill on the 25th September. The motion was to strike out £500,000 for the pur-

pose of reducing the limit of borrowing to £1,000,000. He found he was not recorded as having voted on that occasion. He did vote in favour of the amendment. He believed this was not a solitary instance of mistakes occurring in divisions.

Major STEWARD said the difficulty did not arise with the reporters, but rather with the tellers of the House, who were sometimes very careless in marking the names of honourable members who had voted, their marks not always being opposite the names, but sometimes between two names. Therefore it became very difficult indeed to say which member had voted.

MINING BILL.

Mr. CADMAN, in moving the second reading of this Bill, said he proposed, after the second reading, to send it to the Goldfields Committee. The main feature of the Bill was to make more suitable regulations to control and safeguard the expenditure of money voted on the estimates under the head of "Development of Goldfields." Honourable members were aware that of late years the areas of the richest and most available portions of our gold-bearing districts had been considerably reduced. Our system of mining had been almost entirely revolutionised. We had yet, of course, much to learn in the way of dealing with our mining industry: at the same time, when we came to look back on the good work which had been done by our schools of mines, he thought honourable members would agree with him that the expenditure on those schools had been one of the best investments which the colony had ever made in respect to the mining industry. He was very glad to notice that the students from one of the leading schools—that at the Thames—were all able to obtain positions directly they left the school. To keep pace with science we should have to alter our system of working. In quartz-reefing districts different classes of machinery and processes were absolutely necessary, in accordance with the nature of the ore to be treated. Then there was a consensus of opinion that, on alluvial fields, we must go very largely into the question of hydraulic sluicing. On the northern goldfields of late years there had been a very strong cry in favour of deep-level mining; and a cry had come up from the South Island and the West Coast respecting the question of getting more water for sluicing purposes. Of course all this would cost money. After careful consideration the Government had decided to render assistance to this industry on these various lines. He might say that any help which was given to the industry would be in the way of pound for pound—that persons interested would have to provide one-half the money. Then, again, so far as geology went, the reports they had they found were all exceedingly favourable to explorations at greater depths. But it was utterly impossible for the Government to aid deep-sinking in a large way, and under the Bill it was proposed to give Government aid to one deep shaft in each portion of the goldfields

Mr. G. Hutchison

of the colony—namely, one in Auckland, one on the West Coast, and one in Otago. Again, so far as hydraulic sluicing in the South Island was concerned, there was the question of the proclamation of the rivers and watercourses, which must necessarily follow; and, of course, with the increased volume of water to be used in the hydraulic sluicing, there no doubt would be injury done in the course of time to the low-lying lands. Provision was made under the Bill to meet that. He might say, further, that, although injury would arise in course of time, it would take a great many years before it would arrive at that stage when the expenditure need cease. Clause 2 provided for regulations regarding the matters he had explained. Under clauses 3 and 4—"Water-races"—there was simply an extension of the powers already given in the Mining Act to enable County Councils to deal with those people who were using the water. Section 5 made provision for dredging below low-water mark. Hitherto, on the sea-coast there was no power to give suitable authority to those who required dredging claims below low-water mark. The rest of the Bill dealt with other matters legislation on which was necessary for the North Island goldfields, and provided that managers must hold certificates where the cyanide process was being used. Under the present law the mine-manager was responsible where this cyanide process was used, but it was absolutely necessary that the battery superintendent should be in charge of the plant, and the mine-manager could not be held responsible. The Bill was intended to meet cases of that kind.

Sir R. STOUT did not object to the various clauses of the Bill except in regard to clause 2, which seemed to him to conflict with itself. That clause said that the aid to be given for deep-sinking was to be apportioned and applied as the Minister might approve; and then it went on to say, "For the purposes of such assistance as aforesaid the Governor in Council may make regulations prescribing," *et cetera*. He thought the whole thing should have been simply in the terms of the regulation. There was also a clause that required amending which he had mentioned to the honourable member, but he should refer to that in Committee, as he did not wish now to take up the time of the House.

Bill read a second time.

POST AND TELEGRAPH DEPARTMENT BILL.

Mr. WARD said this Bill contained amendments in the Post and Telegraph Department in several important matters. In the first instance, it proposed to legally amalgamate the two departments. They had been amalgamated, he might say, so far as the working of the departments was concerned, for some time, and it was now necessary, in order to properly conduct the administration, to have them connected by statute. In the proposal they would see that the Secretary of the department took the position formerly occupied by the Superintendent, and exercised control over both de-

partments. He would direct the attention of the House to the fact that instead of two officers being in the First Division there were now three. This had been rendered necessary because the departments had grown to an enormous extent during late years, and in consequence of the retirement of Dr. Lemon an opportunity was taken of strengthening the executive staff so as to overtake the increasing work of the department. He might say that although there were three officers in the first division, as indicated in the Bill, the changes made had resulted in a saving to the colony of £275 a year. Honourable members would also notice that section 5 set up a Court of Appeal in connection with the classification of the service. This was necessary, in his opinion, as the officers in the service, if they felt they had a grievance, might submit it to a Court of Appeal and have it properly investigated. Here the right was given to officers to elect one of their number to the Board of Appeal; and it was further provided that the head of the departments—the Secretary of the Post and Telegraph Department—should be one member of the Board, and the Superintendent of Electric Lines the other. Another important alteration in the Bill was in regard to officers in the Sixth Class who had now the £180—the maximum. To some extent a block took place in this class, and it appeared to him the best way of meeting that difficulty would be by giving two additions of £10 to officers who had been over twenty years in the service. This would enable a number of deserving officers to get an increase after twenty years, and, when promoted, to start in the Fifth Class at £200 instead of £190. These were the principal alterations in the Bill, and he hoped they would commend themselves to the House: they were proposed with the view of making the service more workable than it was.

Mr. DUTHIE said that, having brought the grievance of the telegraph operators under the notice of the Minister, he was glad to find him making some provision for it. The point, however, to which he wished to draw attention was this: The amount proposed for cadets was too high, and, consequently, the service was besieged. Every one wanted to get cadets into the service. There was not sufficient difference between the cadets' last year of service and the officers' service. He thought it was the high scale of the cadet service which made the cost of the service so great. The payments ran up to £100 per annum for cadets, which was out of proportion to the salaries of officers in the service, and exceeded the remuneration paid in commercial or in banking offices.

Dr. NEWMAN only wanted to say a word or two on this Bill, which he was supporting. The honourable gentleman said that a block took place in the Sixth Class, but he thought the block was a little lower down. He had had several appeals from members of the Post and Telegraph service, and from what he had heard they were rather apt to stick in the higher ranges of the cadets, and before they were

transferred to the higher class. He thought the Minister was aware there was a block in that respect. He might say, with reference to the Board of Appeal, he thought it was a very good thing; but, as they were having Boards of Appeal now all over the place, in every department of the State, probably it would be better to have one Board of Appeal instead of dividing it up in this way. And he would point out that a Board of Appeal which consisted of two of the highest officers—who would probably dismiss a man—and one outsider was not much of a Board of Appeal.

Mr. WARD.—He can appeal to the Minister.

Dr. NEWMAN said that might be so; but it appeared to him that the Board as proposed to be constituted was an exceedingly weak one. A person who was dismissed would have to appeal to the persons who had dismissed him and to one other person; but the two would have absolute control, and therefore, unless the Board was altered a good deal, it would be almost a sham. The Railway Board of Appeal, which the honourable gentleman brought before the House some time ago, was, in his (Dr. Newman's) opinion, much preferable to this one, which, he thought, should be altered.

Mr. PIRANI trusted that this Bill would not be allowed to go through in its present form. It seemed to him that the higher officers of the Post and Telegraph Department were taking advantage of the fact that there was a legitimate grievance in that department in reference to the Sixth Class so as to get promotion for one of themselves. If honourable members would look carefully at the Bill they would see that there was one officer, who held the post of Inspector of Post-offices, who had only been twenty years in the service, and he was jumped over the heads of officers who had been twenty-nine and thirty years in the service in the First Class; with the result that if there was a vacancy in the Secretaryship—of course, that was not likely; it was not an immediate contingency, but it might be a remote one—if there was a vacancy in the Secretaryship that officer, who had been only twenty years in the service, could be jumped over the head of the present excellent Superintendent of the Telegraph Department, and over the heads of many officers who had more claim than himself to the position, owing to their length of service. Then, the present Inspector, who was to be jumped, in that way, had been imported from Home because he had special knowledge with reference to postal business, and were he removed from that position in which his special knowledge was available, and put into another position, the reason for his appointment would vanish altogether. That, he thought, would be a calamity, and it would be doing a very unfair thing to other officers in the service who were more entitled to promotion to higher grades from length of service and, he might say, from ability to serve the colony. The Colonial Treasurer, in introducing the Bill, had told them that the rearrangement consequent upon the retirement of Dr. Lemon saved the colony £275 a year, but forgot to tell the House that Dr. Lemon's

pension was not reckoned in that rearrangement at all. If they reckoned in that pension they would find that there was a very large loss to the colony by the rearrangement of the service, instead of the saving mentioned. He also thought that the Court of Appeal as constituted was hardly a fair one. If there was any necessity for a Court of Appeal at all,—and the Postmaster-General said there was,—then that Court of Appeal must be impartial. If they took, for instance, the Railway Court of Appeal, they would perceive that it was constituted very differently from the Court of Appeal constituted under this Act, and it was very much fairer. He thought that the Postmaster-General ought to reconsider having what was practically a nominated Court of Appeal, and allow the officers to elect those who they thought would best serve them on a Court of Appeal. That was allowed to be the rule in connection with the Railway Department, and he did not see that there was any special reason in connection with the Post and Telegraph service why the same provision should not be allowed. If it were left to the officers at the head of the service it was only natural to suppose they would uphold their own decisions, and would uphold the officers who were associated with them in work, and therefore it would not be anything like the impartial tribunal they had in connection with the railway system. He trusted the Postmaster-General would think the matter over and see that it was advisable, if they were going to have a Court of Appeal at all in connection with this branch of the service, that it should be a Court of Appeal more than in name.

Mr. GUINNESS agreed with the measure in setting up a Court of Appeal, provided the Court was one that persons wishing to appeal could appeal to with confidence. He thought the constitution of the Court should be considerably altered, and, as he would not have the opportunity when the Bill was in Committee to move in that direction, he would suggest for the consideration of the Postmaster-General that the Court should be constituted in this way: The Stipendiary Magistrate for the City of Wellington, an officer elected by the postal branch, and an officer elected by the telegraph branch. That was the Court he would suggest. There was an objection to having a general election from amongst all the officers of the service, because they would include all in the telegraph branch and all in the post-office branch. As the telegraph branch was much larger than the postal branch, it would be unfair to leave the whole of the power with the telegraph branch to elect a person to sit on the Court. He thought there should be, so to speak, two electoral colleges, the telegraph and postal branches each electing one man. If the Minister in charge thought that any of the head officers should be called upon to sit on the Court, he thought that, in the case of appeals in the postal branch, the Secretary should be the Chairman of the Board; and, in the case of appeals by members of the telegraph branch, then the Superintendent of

Mr. Pirani

Telegraphs should be the Chairman of the Board. That would, he thought, be a much fairer and better Court of Appeal than the one attempted to be set up by the Bill. With regard to the question of classification, a great deal might be said. It seemed that some officers in the department appeared to be able, although they had only served for a few years, to jump into salaries in excess of the salaries received by those who had served for eighteen or twenty years. How it was done the Postmaster-General ought to know. Whether he took sufficient cognisance of the working of the department to be able to tell them he (Mr. Guinness) could not say; but if members looked at the list they would see numerous instances of officials who had been appointed for a few years, but who yet held positions far superior to, and who were getting larger salaries than, officers who had been in the service for eighteen or twenty years. That was a matter which should be reviewed, and that sort of thing should not be allowed. He cordially supported the Bill, with the amendment he had suggested in reference to the Court of Appeal.

Mr. J. W. KELLY was pleased to hear the honourable gentleman speak as he had with regard to the Court of Appeal. Such a Court was very much required in all the departments, and he thought the suggestion made by the honourable gentleman was a very fair one. There was another matter—with reference to the Assistant-Inspectorship. He really thought that the proposal, if carried out, would be unfair to the present Superintendent, seeking as it did to put Mr. Rose, who was many years junior to Mr. Logan, on an equal footing with the Superintendent—for what reason, of course, no one could understand, but there was evidently more than what appeared on the face of the Bill; and he hoped that when in Committee some steps would be taken to see that justice was done to Mr. Logan, and that if Mr. Rose was raised, as it was proposed to raise him by the Bill, some substantial justice would be done to Mr. Logan. He appealed to honourable gentlemen to stand by Mr. Logan when the Bill was in Committee and see that justice was meted out to him. It was proposed to add something like £100 a year to Mr. Rose's salary, and put him on an equal footing with Mr. Logan, who was many years his senior in office.

Mr. BUDDO had no objection to the Minister in charge of the department making any fresh departure he might think for the benefit of the working of this portion of the Civil Service, but he strongly objected to any further increase in the salaries of the officials. No doubt there might be a necessity for the clause which affected the appointment of special officers in the department, and no doubt the Board of Appeal might be very necessary for a judicial manner of dealing with questions that might come forward when there was any friction between the employés and heads of departments. In clause 6, however, there was a schedule which practically raised the salaries of officials who, he considered, were at the pre-

sent time very much overpaid. If any small advance was to be given to those in the lower grades of the service, he would make no objection. He considered the State should not only be a model employer, but should also pay standard wages—if anything, a little in advance; but he considered it the duty of the House, and particularly of the democratic element in it, to see that nothing was done at the expense of the many for the express benefit of the few who were benefited by the Bill. He would point out that there was no special rise in the wage of the average artisan or clerk in commercial houses, or, at any rate, very little. They obtained a position in their service which entitled them to a certain wage, and they received that wage, and it was only in very exceptional cases where a large rise was given, where especial ability was wanted for a special post. Artisans were in the same position: they attained a certain position, where they got a standard wage. But here there seemed to be a special Conservative element, and they were to bolster up this service—and he specially mentioned this part of the Service, as it was well known that those in the railway service complained bitterly that they were not put in an equal position with those dealt with in this Bill. He did say that they were making this special branch of the Service specially attractive, and the attractiveness of the Civil Service was drawing people from employment in the country districts. He knew for a fact of one young man in this city, who had been four months in the town, who came from the country with £40 or £50 to wait for a position in the Civil Service, and he was now penniless; and he (Mr. Buddo) supposed he would have to go back to the country and earn some more money. And so the thing went on. They had to see that the good of the country generally, and of the working-classes, was not thrown away for the purpose of bolstering up one special department in the Civil Service. There were many reasons why they should try to adjust these things; and one, in particular, was the appreciation of gold. It was a well-known fact that 7s. a day would now purchase as much as 10s. would, say, eight years ago; and yet what did they find? This schedule was being constantly altered, and they were raising the rates of wages paid to employés in this department. This was wrong; and so long as they went on tinkering and patching up one special branch of the Civil Service so long would there be friction between them and the artisan and commercial classes throughout the colony. He trusted that when the Bill was in Committee the House would see that the matter was adjusted, so as to make the annual rises consistent with the salaries of the rest of the Service.

Mr. PINKERTON was somewhat surprised to hear that a certain individual was put over the heads of certain others, and put alongside of the Superintendent. He saw that in the First Class there was an Assistant Secretary and Inspector with the same rate of pay as the Superintendent. Some time ago he took occa-

sion to mention in the House that there had been various rumours that classification was not properly attended to. Now, of the person mentioned by several speakers as being the Assistant Secretary, he thought it was only fair that the House should know what his former position had been. It had been said that they should get an answer from the Postmaster-General in Committee; but he thought they were entitled to it before that, and they were entitled to a full explanation of the position of the three officers in the First Class. He intended to vote for the Bill, but would like to see it amended in Committee; and they should certainly have the fullest possible explanation in regard to the classification.

Mr. HALL-JONES did not mean to say anything about the increase in the salary of the Assistant Secretary and Inspector; he looked upon the Post Office as one of the best-conducted departments in the Civil Service, and he believed Mr. Rose to be a very good officer, entitled to some increase. He wished to draw the special attention of what was sometimes called "the labour party" to the fact that the Second Schedule of the Act of 1891 was repealed. Under that schedule distributors came under the classification, and their salaries were fixed in the Act; and those of night-watchmen were also fixed—the distributors from £50 to £80 a year, the night-watchmen 8s. a day, and telegraph messengers £26 to £36 a year. Had honourable members seen the effect of the Third Schedule of this Bill? The salaries were to be fixed by regulation made by the Governor in Council: that was very unfair. The classification, which fixed the salaries, and the annual increase of salaries, should apply to every employé in the department. There could be no good reason why the salaries of the higher-paid officers should be fixed by the Act, while the salaries of those who received the lowest rate of pay were left to be fixed by Order in Council. If provision were not made in Committee for all employés to be brought under the one classification, he would vote against the third reading of the Bill.

Mr. G. W. RUSSELL thought it was improper that the Board of Appeal to be set up should consist of two head officials of the department and only one outsider. He did not agree with the suggestion made by the honourable member for the Grey, that the Stipendiary Magistrate should be brought into the matter. There should be a head of one of the other departments, who could act as umpire with the Superintendent, and one person elected by the officers. If something of that kind were accepted, they would have a far better Board than the one proposed. As it was, of course the heads of the department worked together, and they would hardly be likely to alter any decision they had previously arrived at. He would like to call attention to the fact that the Bill did not contemplate the Board reviewing dismissals.

Mr. WARD.—No.

Mr. G. W. RUSSELL said this Bill did not contemplate anything of the kind. The

Board would deal only with classification, status, or salaries; therefore there was no appeal on the part of officers who might have been unjustly dismissed. He suggested that might be included. Regarding the status of the officers, it appeared to him that the Bill before the House was intended to definitely fix the Secretary of the Postal Department as the superior officer of the department, and that should not be the case. That had not been the case in Dr. Lemon's day, and the Superintendent of the Telegraph Department should, at any rate, stand on equal terms with the Secretary of the Post Office. He would therefore be glad to assist any honourable member, when the Bill was in Committee, or the Government, in placing the Superintendent of the Telegraph Department on an equality with the Secretary to the Post Office.

Sir R. STOUT thought there was some misapprehension as to the change made in the First Division of the schedule. The salaries fixed in that schedule contained a minimum and maximum, but still the vote had to come before the House. The salary of the Assistant Inspector this year was only £525; and, in respect to increment, he could get none unless it was voted by the House, and at present he received £100 less than the Superintendent of Electric Lines. He disagreed with the honourable member for Riccarton as to the Secretary not being the head of the department. That officer should be the head of the department, as they must have one head to communicate with Ministers, and if they had two heads it would cause a great increase in the clerical work of the office, and they could carry on the work cheaper by having one definite head. He would also like to say that the salaries in the schedules were quite different from those appearing under the Act of 1891, and he regretted exceedingly that some increases were not given to the Judicial Department. Considering the important work the officers of that department had to do, in deciding between people, and between the Government and the people, they ought to be placed in a far more independent position. The Judicial Department was the worst-paid department in the Service, and not only the worst paid, but it had the least security of office of any department of the State; whereas it ought to be the best paid, and it ought to have greater security. He hoped that before long the whole of the Civil Service would be placed under another Bill, as this was only a measure to slightly increase the salaries of one particular department. Regarding the question of the Board of Appeal, in his opinion it would be a mistake to constitute a separate Board of Appeal. There should be one Board for the whole of the Civil Service, and not one for each portion of the Service. The Board under the Industrial Conciliation Act should do the whole of this work for the State. That was the plan applied in the State of Massachusetts—namely, one Board to settle industrial disputes. He had made the suggestion to the Minister of Labour, but he did not

Mr. G. W. Russell

see his way to accept it. He thought there should be a judicial Board to deal with all disputes in the Civil Service, and they would have a far better Board than to have this movable Board, or each department having its separate tribunal. In reference to this Court of Appeal, which had only to deal with questions of classification, status, and salary, he apprehended that the officers' salaries were subject to the review of the House, and the Board of Appeal could decide whether a higher salary should be paid to an officer than was appropriated by Parliament. He did not intend to oppose the Bill, but merely wished to say that, if it should ever come about that a reduction had to be made in the salaries in the Service, it would be unfair to say the salaries in the Post and Telegraph Department should not be reduced as well as those in other departments. That, however, could be met by amending the Act.

Mr. JOYCE would not have risen had it not been for the remarks of the honourable member for Dunedin City (Mr. Pinkerton) and the honourable member for Invercargill, who cast some reflection upon Mr. Rose.

Mr. J. W. KELLY.—No, I did not.

Mr. JOYCE said, at any rate those honourable gentlemen spoke in such a way as to indicate that Mr. Rose should not receive the same salary as the Superintendent of Electric Lines, and he thought that if honourable members reflected for a moment, or waited for the Minister to reply,—who, he trusted, would put the matter very clearly before the House—they would find that Mr. Rose had something to show why he should be in the position of second and not third in the First Division. Mr. Logan had only recently been appointed to the position of Superintendent, and his salary had been raised. Mr. Rose had quite as important duties to discharge as had Mr. Logan.

Hon. MEMBERS.—Oh!

Mr. JOYCE said honourable members might laugh, but, notwithstanding, they would hear what the Minister had to say. He thought Mr. Rose should be in the second position and not in the third, and he trusted the Minister would make the matter clear when he replied.

Mr. PINKERTON desired to make a personal explanation. The honourable member for Lyttelton had stated that he (Mr. Pinkerton) had made a personal reflection on Mr. Rose. He wished to say that he did not know anything about that gentleman. What he stated was that several members had referred to the fact that he had been put over the head of another officer, and he thought it was right that they should have some expression of opinion from the Postmaster-General as to whether that was the case or not. He had not cast any reflection whatever on Mr. Rose.

Mr. J. W. KELLY said the honourable member for Lyttelton had also done him an injustice. He did not know Mr. Rose, and had never seen him, and he could not say anything against him. He simply wished to point out to honourable members the position of the

matter, in Mr. Rose being placed over the head of the Superintendent of Telegraphs, which, in his opinion, was utterly unfair.

Major STEWARD said he had not been aware that this Bill was coming on, or else he would have had with him the file of papers which showed the position as between the officers of the Post and Telegraph Departments and the officers of the railway service. His remarks were based on what had been stated by the honourable member for Kaiapoi when he pointed out that it was very desirable that a system should be brought into force in regard to the railway service such as prevailed in the Post and Telegraph Department. There was no doubt whatever that the latter department was largely advantaged by the fact that the honourable gentleman at the head of it had had practical experience in that department, and if the positions of the officers of the two departments were compared it would be found that the Postal Department officers had a very great advantage as against the railway officers. He would very much like to see a similar system to that in force in the Post and Telegraph Department introduced in regard to the railway service. He had not the papers with him, otherwise he would have been able to show the number of officers and their rates of salary in each department. It was perfectly clear, however, from the evidence shown to him, that the officers in the Post and Telegraph Department had a large advantage over the officers of the railway service, and he hoped the Ministry would not end their good work in regard to the classification of the service at the Postal Department, but bring in a Bill to enact a similar system in regard to the railway service. Now the railways were back in the hands of the Government it would be possible to bring in a fair system of annual increment in the salaries of the officers of the railway service, similar to that proposed in this Bill in respect of another department.

Mr. EARNSHAW said that at one time when any movement was taking place for increasing the salaries of the upper circles in the Civil Service the Liberal party had been very great on amalgamation and reduction, but now it seemed that the Government was bent on increasing the salaries. He certainly objected to the increase proposed in the Bill for the Assistant Secretary, as it was a most improper one, and in Committee he would move to strike out the maximum. He thought the £525 the officer was now receiving was quite sufficient for the office: and he would like to point out that in the labour world wages were steadily going down. There was no doubt about that, and to-day the rate of payment for labour in New Zealand was at least 15 per cent. less than it was eight years ago. He also thought the same decrease had taken place with regard to the employment of labour in the public service, in the Railway Department and in other services. That being the case, while he had always held that the Civil Service should be well paid, and a fair margin given above the rate of pay ruling outside, still he did not

think that the time was opportune for the Government to make such an increase as was proposed to the Assistant-Secretary. The House knew that in New Zealand we were having and were still going to have bad times, and he hoped it would see fit to strike out the increase. He wished to say one word with regard to the Board of Appeal. He altogether differed from the honourable member for Riccarton in this matter. The House had now passed an Arbitration Act, and it was not wise that there should be any public servants on any Board of the kind, except a Stipendiary Magistrate or a Judge of the Supreme Court. There should be a permanent Board entirely outside the Service. He did not object to one of the officers going on the Board, but it would be unjust, as there was a possibility of the Board agreeing to the suggestions of the head of the department. He held that the time had come when they should have one Board alone to deal with the whole of the disputes which arose in the public service. The Civil Service was, of course, going to increase year by year, as every successive Parliament would take upon itself more functions regarding the State. The time had now come when it was opportune that they should have one Board that would be continually moving through New Zealand to finally adjudicate on all grievances as they arose.

12.30. He trusted that the Minister would see fit to alter this Board, because many cases would arise and come before this Board of Appeal in which he did not think it would be at all fair to have these officers on the Board to judge the cases. He strongly objected to the Government, as they had done in many cases, proposing an increase in the salaries. This was not a year in which they should make increases in salaries. They had taken good care not to increase the wages of the working-men who were working for them, and he did not think they should begin to increase the salaries of the heads of staffs. Those who were in the Service were better paid than the people in outside services, and it was not at all carrying out the spirit of the policy upon which this Government had been mainly returned in 1891. That was on a question of retrenchment, and on very many occasions since then they had departed from what they had been returned to do.

Mr. DUNCAN would like, when the Minister in charge of the Bill replied, that he would explain the matter with regard to this reversing of the position of the Superintendent and the Secretary. Were there two staffs, as it were, one for the Telegraph Department and one for the Post Office, so that alternately the head of one came to the top, and then the head of the other? Why were the two combined in one Bill, instead of being as they were formerly? It required explanation, because they found that in the last Bill, of 1890, the Superintendent was put at the top with a salary of £700, and the Secretary came next with a salary of £650. In this Bill the position was just reversed, for they found the Secretary was put at the top with a salary of £700, and the

Superintendent, with a salary of £650, was put under him. It seemed to him that that wanted some explanation, because an outsider could scarcely know how it worked at all. Was this principle carried as a rule right through the service—that telegraphists only were moved up to the position of head of their department, or were they transferred from one department to another—from the postal to the telegraph, or *vice versa*? He thought there should be some rule laid down as to which one of these officials should be at the head of the department. Unless there was some powerful reason for altering it, he thought it was very unfair that the officials of either department should have to depend upon a Bill being brought in to have things of this sort done when a change had to be made, and in order to allow of promotion taking place. There should be some settled rule to meet the case. It did not appear to him that they could work the thing at all well without something of that kind.

Mr. WARD said that, in reply to the point raised by the honourable gentleman who had just spoken,—which, perhaps, it would be better to clear away first,—he would like to point out what was the position. If the honourable gentleman would look up the Post Office Act and the Electric Lines Act he would see that these were the two Acts under which the departments were administered, and that, practically, there were two Ministers in one, if he might be allowed to say so. The office of Postmaster-General was created in the Post Office Act, and there was a Commissioner of Telegraphs created under "The Electric Lines Act, 1884," who had the administration of the Telegraph Department, and in the administration of both departments these two offices were kept perfectly distinct. The Superintendent exercised his functions so far as the technical administration of his branch was concerned. The Postmaster-General exercised Ministerial control over both departments in every matter; and the Secretary also exercised administrative control where his doing so did not conflict with "The Electric Lines Act, 1884." Now, that necessarily demanded that there should be at the head of the technical branch of the Telegraph Department an officer who had technical knowledge. No one without technical knowledge could be placed at the head of that service, and the reason for that was obvious. There must be a man in charge who understood everything about electricity, and consequently no one but an electrical expert could be placed in that position. The remarks of the honourable member for Oamaru showed that he entertained the idea that something was done in the nature of a transference from one department to the other which was unnecessary; but it was not so. The original Superintendent of the two departments was a telegraph expert. He was one with expert knowledge, and he held the superior position—that of head of the postal and telegraph services. Nominally, he was over the head of the officer in charge of the Postal Department; but the actual officer at the head of the Postal Department was the Secre-

Mr. Duncan

tary of the Post Office, and he it was who administered the whole of that department. The Superintendent, in exercising control over the whole of the Telegraph Department, was the technical officer in charge of the telegraph branch. When the retirement of Dr. Lemon took place, and it became necessary to fill up the position, it was felt that, in justice, it should be conferred upon the chief controlling officer of the Postal Department, who before Dr. Lemon's retirement was second on the list. As a matter of fairness and justice it was right that when a change took place he should be advanced to this position. He had been in the service from boyhood, and, he (Mr. Ward) thought, fulfilled his duties very ably, and, in his opinion, deserved all he had got so far as position was concerned.

An Hon. MEMBER.—Who is he?

Mr. WARD.—Mr. Gray. He was trying to explain to honourable members how the change took place. As he had said, when it became necessary to make a transference this officer passed to the first position. He had pointed out to the honourable member that under the Electric Lines Act no one but an officer possessing technical knowledge could be placed in charge of the telegraph service. That Act provided that his position should be that of Superintendent of Electric Telegraph Lines; consequently, as the officer at the head of the service, he could not be put in charge of the electric telegraph lines unless he had expert knowledge. Therefore it became necessary to transpose the office of Superintendent, which Dr. Lemon had filled; and, as a result, the officer who formerly was Secretary of the Post Office, while still carrying on the ordinary duties of that position, was passed on to be head of the two services. As a matter of fact, if the Electric Lines Act did not provide that the office of Superintendent must be held by an officer possessing technical knowledge there would be no reason whatever for the proposed transposition of the designation of Superintendent at all. It would remain for both services, and Mr. Gray would be entitled to hold it. He would have been Superintendent, as the next officer on the list. He (Mr. Ward) might be told that the Act provided that that title should be conferred on the officer who was in charge of the telegraph branch: that was so, and consequently the transference of the title was unavoidable, and it was done so as to comply with the Act. He hoped he had made that point clear.

Mr. DUNCAN said that one point which he wished the Minister to make clear was this: Supposing that the necessity should arise for another change, and that a new Superintendent was to be put at the head of the department, would it necessitate another Bill to accomplish the purpose?

Mr. WARD said if what the honourable member wanted to know had reference to the supposition that the present Superintendent might be entitled to be placed at the head of the service, there would be nothing whatever to prevent that from being done; but, in

the ordinary course of things, the title would require again to be changed, as it was under this Bill. That would be so unless they repealed "The Electric Lines Act, 1884," altogether, or amended it. It would be necessary to again change the title. That was the position. The department was being administered under two heads, and, having to conform to the provisions of the law in both cases, no alteration against the law could take place, so far as the title was concerned, without parliamentary assent.

Mr. DUNCAN said that seemed to him to be where the difficulty lay.

Mr. WARD said this was owing to the combination of the departments he had referred to, so as to enable the officer at the head to have the same control as the former Superintendent had. And it was unavoidable unless they did something unjust. The only way was by saying that the present Superintendent should be placed at the head of both services. That would not be fair or right, because he was not entitled to it. Whenever the necessity arose Ministers had to consider the service as a whole, as they did now. He passed from that to the case of the Assistant Secretary, Mr. Rose, whose salary, as honourable members must admit, was properly proposed to be raised. When Dr. Lemon retired from the position of Superintendent the officer who was next to the Secretary of the Post Office in administering the Post and Telegraph Department was the Inspector of Post Offices (Mr. Rose), and he was in receipt of a salary of £550 a year at that time. When Mr. Logan, who was Inspector of Telegraph Lines, was selected to fill the position of Superintendent, which post he was entitled to have, from his expert knowledge, he was in receipt of £50 a year less than Mr. Rose—namely, £500 a year. Now, as a matter of fact, the Government, while recognising that Mr. Logan was entitled to the position of Superintendent of Electric Lines under the Act of 1884, and therefore to be second in position on the classification list, saw that an injustice would be done to the other officer, who had been next in order to Mr. Gray, who had held a position for ten years in the Imperial Post Office, and who was in receipt of a salary of £550. In accordance with the spirit of the classification, had he been possessed of technical knowledge he was entitled to pass to the next position. But he had not the technical knowledge required for the position of Superintendent of Electric Lines. As Postmaster-General, he (Mr. Ward) could not but recognise that Mr. Rose had a right to some recognition. Whoever was responsible for the position given to Mr. Rose twenty years ago, it had resulted in his being placed third on the list.

Mr. PIRANI said it was a very wrong thing.

Mr. WARD was not saying anything about that. He was dealing with the service as it now was. But, in consequence of the retirement of Dr. Lemon, when it became necessary to appoint a technical officer, when Mr. Logan was to take charge of the telegraph branch,

that gentleman was accordingly passed to the second position; but if the Inspector of Post-offices had had this technical knowledge he would have been fairly entitled to be passed on. This was in accordance with the classification list; but, as he said, the Government had selected Mr. Logan to have charge of the telegraph branch as being the officer who was entitled to the position from his technical knowledge and long years of service. Therefore, in view of these circumstances, and having regard to the fact that he was an able officer, they had appointed him to the position indicated, at a salary of £650, and that was the minimum salary at the time. The Government felt that, under the peculiar circumstances, as there was another officer who had been long in the service, and whose duties required him to be continually moving about the colony, it would be an injustice to leave him in the First Class of the Clerical Division, and they accordingly promoted him to the First Division. He was not going to make eulogistic remarks about any officer in the service, and he wished merely to say that this officer, to the raising of whose salary exception was taken, was now debarred from receiving some of the increments of salary to which he was formerly entitled. It was only fair that the increments which he received formerly when continually moving about should now be made good when, by the change that had taken place, these increments were curtailed. Although he had been promoted, the increase of salary which had been given him made very little difference in his ordinary receipts.

Mr. PIRANI.—Does he profit by the travelling-allowance?

Mr. WARD said that if the honourable member looked at the service generally in the colony he would see that the object in the past had been, in making these allowances, to enable their officers to move about without having to do what he might term mean things. And he might say, further, that in the allowances made to these officers for this purpose there was a margin left if a man liked to be careful, and every one would admit that it was a good thing to be careful. No fault could be found with a man in reference to that. In his position now this officer would not receive much more than he received before, and it was the fact that he had been at the top of the First Class, and was in receipt of £50 a year more than was formerly received by the present Superintendent of Electric Lines, which had induced the Government to place him in the First Division, and in doing that they were only performing an act of justice. As to Mr. Rose occupying the second position, he might say that Mr. Rose himself was very strongly of opinion that he ought to have had that position, and he put it on record that he believed an injustice was done to him by his not being put there. The Government believed, however, that the Superintendent should occupy the position he did, and that he had been put there rightly.

An Hon. MEMBER.—Why did you not do it at once?

Mr. WARD thought it would have been most unfair and unjust to an officer who had been practically the head of the service for twenty odd years if he had been overlooked when a vacancy took place. It would have been most unjust, and demoralising to the whole service. He thought they had to deal with these affairs in a just manner, and that was exactly what the Government had done in this matter. In connection with the Board of Appeal, he admitted that there was a great deal in the arguments which had been used on this point, to the effect that persons outside the service should be on the Board of Appeal; but there was a difficulty in the way. The difficulty was to arrive at something workable and which would be advantageous to the colony and would not entail additional expense. The Secretary of the Department was the officer who was responsible for the settlement of any question which might arise; he was the officer to whom a subordinate would appeal if he had a grievance. He (Mr. Ward) was himself prepared to say this: that he believed, as the Secretary's decisions would be the principal matters for appeal, and, where questions closely concerning him were to be dealt with, it would be better he should not be on the Board of Appeal. The Secretary himself entertained this opinion strongly, and he (Mr. Ward) now thought he was right.

Mr. PIRANI.—That he should not be his own judge.

Mr. WARD said Yes, he was prepared to have a change made in that respect. He wished to point out that the whole service was a large and growing one; it was a most responsible one; and, in addition to that, it was only right that what was fair and just should be done as between the various officers. In Committee he would be prepared to substitute another officer in the department in lieu of the Secretary of Posts and Telegraphs, to be placed on the Board of Appeal. He thought it would be a mistake to select an officer for each branch, because it was an amalgamated department, and he did not think any line of demarcation should be drawn between the officers, because every position should be open to all—to the telegraph operator as well as to others. If they were to have two officers for the two departments they would draw a line of demarcation between the Postal and Telegraph Departments on the Board of Appeal. The Secretary of Posts and Telegraphs represented the telegraph service in all matters of administration, and if they combined the departments they would get a very fair Board of Appeal. After all, when this Board of Appeal had been in operation for a year or two, if it did not work well it was quite within the power of the House to alter it. An honourable gentleman had said that they should have one Board of Appeal for the whole colony; but the difficulties in connection with that were very great. Here was one; if an officer was going to appeal, say, in Dunedin, the head of the department would have to go to Dunedin in order to hear the evidence. Instead

of that, it was proposed that the Board of Appeal should be where the heads of the departments were. If they could get an absolutely independent Board of Appeal outside the service it would, no doubt, be better, but he said again that gentlemen who were in the position of a Board of Appeal would require to have some knowledge of what was going on in the various departments. He would just like to say, in answer to the honourable member for the Grey, in reference to the question he raised about the 3rd Grade in one of the classes, that that was not necessary to be provided for in the Bill. Everything which he had suggested in the matter which could be done had been done. With regard to what the honourable member for Dunedin City (Mr. Earnshaw) had said in making his strictures about the large salaries which he said the Government paid, and his statement that it had passed over the workers, he seemed to have entirely overlooked the fact that it was proposed to give an increase to the workers in one class alone. In the Sixth Class an increase of £20 in two years was provided for, and that meant an expenditure of about £1,000. He (Mr. Ward) said it was deserved, in his opinion, as the officers in that class ought to be paid up to £200 a year, and the honourable member, in raising his objection, should have remembered that. The honourable member for Timaru raised a point in reference to the repeal by clause 6 of this Bill. The enactment repealed prevented legitimate increases, and the officers were consequently blocked; and the object of putting the clause in was to enable those men in the lower grades who were blocked year after year to get increments of salary where they were deserved.

Mr. GUINNESS asked, Why not put it in the schedule?

Mr. WARD said it could not conveniently be put in the schedule. There were quite a number of those men—counter-clerks, despatch-clerks, and others—who would require to come in. The regulations should provide that those men should have some hope of promotion, and the Bill was quite in the opposite direction to that which the honourable gentleman thought. He (Mr. Ward) thought he had met the whole of the points which had been raised by honourable members, and he would now move the second reading of the Bill.

Motion agreed to, and Bill read a second time.

BEET-ROOT SUGAR BILL.

IN COMMITTEE.

The Committee divided on the question, "That leave be given to introduce this Bill."

AYES, 40.

Buddo	Graham	Mackintosh
Cadman	Harris	Maslin
Carnocross	Hogg	Massey
Carroll	Houston	McKenzie, J.
Collins	Joyce	McKenzie, R.
Crowther	Lang	McLachlan
Duncan	Larnach	McNab
Flatman	Lawry	Meredith

Miller	Pirani	Ward
Montgomery	Seddon	Willis.
O'Rorke	Smith, G. J.	
Parata	Stevens	<i>Tellers.</i>
Pere	Steward	Mills
Pinkerton	Tanner	Smith, E. M.

NOES, 15.

Buchanan	Hutchison, W.	Saunders
Buick	Kelly, J. W.	Stout.
Button	Kelly, W.	<i>Tellers.</i>
Fraser	McGowan	Allen
Green	Russell, W. R.	Earnshaw.
Hutchison, G.		

Majority for, 25.

Bill introduced, and read a first time.

COAL BONUS BILL.

IN COMMITTEE.

The Committee divided on the question,
"That leave be given to introduce this Bill."

AYES, 20.

Cadman	Mackintosh	Pirani
Collins	McKenzie, J.	Reeves
Duncan	Millar	Seddon
Harris	Montgomery	Ward.
Houston	Morrison	<i>Tellers.</i>
Larnach	O'Regan	McKenzie, R.
Lawry	Pinkerton	Mills.

NOES, 31.

Buchanan	Kelly, J. W.	Newman
Buddo	Kelly, W.	Russell, G. W.
Carnell	Lang	Smith, G. J.
Crowther	Maslin	Steward
Duthie	Massey	Tanner
Flatman	McGowan	Te Ao
Fraser	McGuire	Thompson.
Green	McLachlan	
Hall-Jones	McNab	<i>Tellers.</i>
Heke	Meredith	Allen
Joyce	Mitchelson	Earnshaw.

PAIRS.

<i>For.</i>	<i>Against.</i>
Buick	Russell, W. R.
Carroll	Bell
Graham	Wilson
Hall	Mackenzie, T.
Hogg	Button
Pere.	Carnecross.

Majority against, 11.

Motion negatived.

LAND AND INCOME ASSESSMENT BILL.

Mr. WARD wished to state to the House the alterations proposed by this Bill, and would explain its various clauses. Clause 3 was to remedy a technical defect in the definition of the word "assessment." It was proposed to add the words "or of any mortgage," in order to extend the meaning of the term. Clause 4 was to provide for the case of two Tax Acts being passed in one year. As it read in the original Act, the clause referred to the singular, whereas it should be plural. Clause 5 dealt with returns of land mortgages and income. The clause proposed to require owners to send

in returns of land and mortgages annually, instead of triennially. Clause 6 fixed the 31st day of March as the day on which returns were to be made. Subsection (2) of the same clause provided that returns of income were to be based on the previous year's income, but the Commissioners might accept returns to the date of the nearest balance-sheet if more convenient. That, he thought, was a condition that would commend itself to members. Subsection (3) of the same clause dealt with returns already sent in, which might be revised in accordance with the provisions of this Bill. Subsection (4) provided for the date of sending in returns being advertised. Subsection (5) repealed certain provisions in previous Acts for making returns and assessments of land and mortgage and income. Subsection (6) had reference to the word "triennial" being no longer necessary, this alteration being in consequence of the provision in clause 5 for making annual returns. Clause 7 provided that existing assessments should remain in force until new ones were made, subject to objection and review in the manner to be notified. Clause 8 gave the Commissioner power to have assessments of particular districts or particular lands or mortgages made, as might be required. Clause 9 gave power to the Commissioner to make valuations for assessment purposes. Clause 10 provided for giving notice of new assessments. Subsection (1) of clause 11 provided that the Stipendiary Magistrates should hear appeals instead of the Boards of Review. Boards of Review had not been satisfactory, and it was hoped this change would make the working of the department very much better. Subsection (2) of the same clause provided that appeals in connection with income before the Stipendiary Magistrate were to be heard with closed doors. Clause 12 dealt with assessing for duty on deceased persons' estates, which was rendered not compulsory on the part of the Commissioner. Clause 13 referred to making default in assessments of income. That clause would not be exercised harshly, but it was only fair that the Commissioners should have power, in cases where difficulty was experienced in obtaining satisfactory returns, to make up the amount on which a person should be taxed, and if the person objected he had the power of appealing in the ordinary way. There were many persons who failed to send in their returns at all, and, that being so, it was necessary that assessments should be made for them. Clause 14 provided that interest on mortgages was neither returnable by the mortgagee nor deductible by the mortgagor in the returns of land and mortgages made by them. Clause 15 was to enable the mortgagor to compel a bank to register a mortgage the deduction of which had been refused because it was not registered. This could not be done formerly, and it was necessary.

Mr. THOMPSON asked if this abolished the mortgage-tax.

Mr. WARD said it did not. With regard to clause 16, the section of the Act which it sought to amend did not clearly say that unregistered mortgages could not be deducted,

and this clause put it beyond question. Clause 17 was an alteration in connection with the assessing of banks for income-tax, and was a much fairer method than that which already existed, and was the result of a number of proposals which had been made in order to arrive at a satisfactory method of assessment. The proposal was to charge the banks 7s. 6d. on every hundred pounds of their assets and liabilities, and then charge 1s. income-tax in the ordinary way. This was a fair way, and applied to all banks, and removed entirely the objectionable features of the existing law. All banks were now on the same footing under this proposal, and he thought it was a very fair and equitable way of getting the tax, in addition to which it would increase the revenue to the extent of about £1,500 a year. Clause 18 dealt with the depreciation of machinery. Some allowance had to be made for depreciation of machinery, and the Commissioner, under the provisions of this Bill, could, with the assistance of an expert, determine the amount to allow. The person who would be the best judge as to what should be allowed for depreciation would be the Inspector of Machinery. Subsection (2) of the same clause provided that premiums on accident-insurance policies were not to come under the same category as life-insurance premiums. Subsection (8) dealt with the question of companies and others carrying on a mixed business, and provided that, in such cases, losses and expenses incurred in the production of income that was not subject to taxation should not be deducted from income that was subject to taxation. Subsection (9) provided that interest on mortgages was not to be deducted from income unless the mortgage was secured upon business premises. It had been contended by some that the law as it now stood allowed the interest on all mortgages the proceeds of which were invested in business to be deducted. This provision was to make it certain that it applied only to interest on mortgage of premises used for the purposes of business or employment. Clauses 19 and 20 were merely formal. He moved the second reading of the Bill.

Sir R. STOUT wished to point out two or three points. He did not think the honourable gentleman had fairly stated to the House what the effect of the Act would be. He would take section 7. The effect of that would be that, supposing land fell in value, the Government need not revalue it, but if it increased in value they could raise the valuation. He submitted that a triennial valuation was a fair thing, and it ought not to be in the power of the Government to say that if land fell in value they would not allow any revaluation.

Mr. WARD.—Within what period?

Sir R. STOUT said there was no period fixed in the Bill. He said that triennial valuations should be maintained. This was what would happen: Suppose land fell in value—as he believed it had done since the last valuation—the people would have to pay taxation not on the value of the land, but on the value of the land three or four years before. That was not fair;

it was a means of keeping up the land-tax although the price of land might have fallen. It was a new way of getting additional taxation from the people. Now, he would point out what was the meaning of section 18. Honourable members would have to refer to the Act of 1891. Schedule F of the Act of 1891 said, "In estimating the balance of the income liable to tax in the case of any business employment or emolument no sum shall be deducted therefrom for . . ."; and then this clause said, "nor by reason of any such implements, utensils, or machinery being obsolete, useless, or superseded." That was, you could not estimate that the machinery was obsolete; you had to put it down in your balance-sheet at a value it did not possess. If the machinery was obsolete, why should you be called upon to return it at a value it did not possess? The honourable gentleman said, to get rid of this, that the Commissioner might allow such deduction as he might think just; but why should you have this at all? If the machinery was obsolete and useless, why should your balance-sheet not show it? Section 18 was entirely unfair. The next was subsection (3), section 18. Paragraphs (8) and (9) were both increasing the existing taxation. He would take paragraph (9) first. Suppose a man was a merchant, and had a farm, and also a business place in one of the cities: his business place might be leasehold, and he could not borrow money on that, but he could borrow on his farm and put the money he borrowed on his farm into his business. Ought not he to be allowed to deduct from his income the interest which he paid on that mortgage? If this Bill were carried he would not be allowed to do so. The mere fact of his not being able to say the mortgage was secured on the premises used for his business would prevent it; but, if the mortgage-money was used in his business, why should he not be allowed to deduct the interest from his gross income? It was not fair at all. The money was put into the business, and the interest he had to pay was a legitimate charge. He did not think that subsection should be carried. Nor did he think paragraph (8) was a fair one. He would point out again that if a man's land fell in value

3.0. he had a right to have a triennial assessment, and a right to apply within three years. If the Colonial Treasurer chose he could make it every four years, but no longer; and that was entirely unfair, because the State under the Bill had the right to have a revaluation if it so pleased, and could demand any additional taxation from the person whose land was increased in value. If the land had decreased in value, then the man who owned the land had no chance whatever. And therefore he hoped that the Minister would not ask that the Bill be committed at once. It bristled with points, and it amended section after section of the Act of 1891. He was sure there were very few members of the House who had read the Bill and compared it with the Act of 1891 in order to see its effect, and he would ask the honourable member to postpone it. No doubt some sections were necessary. He

Mr. Ward

would not vote against the second reading, but it would have been better if it had been sent to the Statutes Revision Committee.

Mr. THOMPSON said that, in reference to clause 7, he thought the difficulty might be met if the Colonial Treasurer would agree to provide that the owner of a property should be allowed to call upon the Tax Commissioner at any time for a revaluation. That would place property-holders in the same position as the Tax Commissioner.

Mr. WARD.—Look at the last three lines of the clause.

Mr. THOMPSON did not think that provided for the difficulty. If they did away with the triennial valuation it was necessary that holders of property should have the same right as the Tax Commissioner, and if the honourable gentleman would provide for that it would meet the whole difficulty. This was only a Committee objection, and he did not see any reason why the Bill should be kept back, as they could amend it in Committee, now he had called attention to the point. He hoped the Colonial Treasurer would see the necessity of providing for placing the holders of property in the same position as the Tax Commissioner, so far that they should have the right to call upon the Tax Commissioner at any time for a revaluation.

Dr. NEWMAN thought the Colonial Treasurer should have referred this Bill to the Public Accounts Committee. There were a variety of these Bills, and they were drawn up by the various departments, no doubt in the interests of the office, but they did not always further the interests of the people taxed. With reference to clause 7, this was not an improvement. There were many small country townships where land might be in some years worth a good deal, but at the present time the values had fallen to one-half, and in some places to one-third, and if the people were called on to pay without a revaluation it would be exceedingly heavy, and he hoped in this respect the Bill would be altered. Referring to clause 18, in the earlier English Land-tax and Income-tax Acts he thought there was a clause which referred to houses, and 5 per cent. was allowed to be deducted from the income for repairs; and he would suggest that 10 or 15 per cent. should be allowed on all classes of machinery. This would save a good deal of trouble, because the Commissioner and the Inspector, who went round to inspect the various factories, would have a better basis for making a revaluation. If they took machinery worth, say, £5,000, a deduction of 10 per cent. would mean £500. In a few years there was a great depreciation, and the machinery became worth little more than scrap-iron; and if this deduction were provided it would save conflict between the Commissioner and the people. The Minister had stated that in regard to clause 17—the one dealing with banks—there was an increased taxation of £1,500 a year; but he would like to ask what the total effect of this Bill would be—whether it would bring in £2,000, £3,000, or £5,000 a year more in land-

and income-tax, or whether it would in any way alter the gross returns. He thought the House should know how much was to be acquired.

Mr. BUCHANAN agreed with the honourable member for Wellington City (Sir R. Stout) in what he had stated with regard to triennial assessments. The change had been made at the instance, and for the convenience, of the Tax Department, without anything like due consideration for settlers all over the country; and unless different provision was made in the Bill much injustice would be done, and settlers compelled to pay tax year by year on values which had long ago ceased to exist. He would like also to draw attention to clause 15, because, in common with other members, he had not had time to compare the existing statute with the Bill before the House. He had not been able to catch the honourable gentleman's explanation as to whether an unregistered mortgage could be deducted under the Bill. It would be a great benefit to the taxpayer if the necessity to register were done away with. Anything that would save expense to the business public would be a great boon; and he did not see that the Tax Department would lose a shilling, because the property was there, and, if either the mortgagee or the owner of the property paid, what did it matter so far as the department was concerned? With regard to clause 18, referred to by the honourable member for Wellington City (Sir R. Stout), he (Mr. Buchanan) thought that the 10-per-cent. deduction mentioned by the honourable gentleman would, in many cases, be altogether insufficient. In the case of freezing machinery, for example, every one knew that, on account of modern improvements, some of the older machinery was now, as the honourable member for Wellington Suburbs had put it, not worth more than scrap-iron. If an Inspector of Machinery or other competent person were employed by the department to value periodically, justice would be done, but not otherwise. He hoped the Colonial Treasurer would postpone the commitment of the Bill. He believed it was necessary to pass such a Bill, but it had been impossible to give it sufficient consideration.

Mr. BUDDO considered this one of the most important Bills of the session, and he might say there would be very strong feeling throughout the country unless a fair and reasonable adjustment were allowed to be made between the taxpayers and the Assessor—there would be trouble. Clause 7 merely provided for the continuing of existing assessments until new assessments were made; and no further objection could be taken: that was to say, if the Assessor once reviewed the assessment that was at present in force, there could then be no further objection whatever, and that assessment might run on for ever and act detrimentally to the tax-paying community, and more especially to those who were interested in land. Of course, it was a well-known fact that land had depreciated very much in value during the last three years, and

the country was urgently looking forward to a very great reduction in the present assessment. It was also a well-known fact that the State had a perfect right to impose any rate of taxation, so long as it was fair and reasonable; but in regard to the existing assessment of land the farmers should have a right to say that their property should be valued according to the marketable value, and on the basis of what it would produce per annum. It was the only practical basis on which property could be valued. There was another clause in the Bill dealing with the depreciation in the value of machinery in any factory. He thought it would be only reasonable that a reduction should be made, as it was very clear that machinery from year to year fell in value. In ten years probably the machinery now in use in some of the principal factories would be absolutely useless; and a deduction should be made for an annual depreciation, and the valuation should be fairly adjusted and a reasonable amount be set aside to provide for new machinery which the Inspectors, and managers of the factories, might consider necessary. He did not wish to say anything more on the second reading, but in Committee he would move such an amendment as to make the Bill in this respect fair and reasonable.

Mr. WILSON asked if the Minister would explain why land returns had to be sent in every year. He would also like to ask the honourable gentleman if he would make arrangements so that the department could not collect the land-tax twice in one year.

Mr. WARD said the bulk of the arguments might fairly be termed Committee objections only; and, with all due deference to the honourable member for Wellington City (Sir R. Stout), he thought there was nothing to prevent the Bill's being committed that day. He would point out that the Government were desirous of pushing on the business, and they were quite able to discuss any clause in Committee to which there was objection. The Bill had also been circulated for over a fortnight. In reply to the objection raised in regard to clause 7, he was quite prepared to have an amendment introduced to enable landowners to have a revaluation of their land, as those whose land had depreciated since the former assessment no doubt had a right to have a revaluation. He was quite prepared to meet the wishes of honourable members in this matter, as it was only fair that landowners should have the same right as the department to a revaluation. In regard to clause 18, referred to by the honourable member for Wellington City (Sir R. Stout), in connection with the deduction for machinery, the procedure was practically that in force in England, and it was now proposed to introduce it here by this Bill. Moreover, the system they were asking the House to approve was the system which had been carried on ever since the department had been taxing income, and it was desired to put the system on a proper footing, so that the officers should know what the system was. As to the suggestion

Mr. Buddo

made by the honourable member for Wellington Suburbs in regard to allowing a fixed percentage by way of deduction for depreciation of machinery, in practice that would not work very satisfactorily; otherwise he would be glad to agree to it. There were some classes of machinery which became absolutely obsolete in a few years, and in this case a deduction of 10 per cent. would not be enough, while in the case of other classes such a deduction would be too great. The system also would not operate in the case of the machinery referred to by the honourable member for Wairarapa, which might rapidly become obsolete; and under the circumstances he did not think the percentage system would work. In the clause referred to by the senior member for Wellington City (Sir R. Stout),—subsection (9) of clause 18, dealing with the deduction from income of interest of mortgages on business premises—the honourable member mentioned the case of a person who had a mortgage on a farm, and having invested the money in business the honourable gentleman claimed he should have the right to deduct the interest as though the mortgage were one that was on his business. He might point out to the honourable member that in the case of a mortgage being on land the mortgagor was not called upon to pay tax on the land mortgage at all. It was the mortgagee who paid.

Sir R. STOUT.—No.

Mr. WARD said, Yes. The interest paid by the mortgagor was exempted in that particular case.

Sir R. STOUT said it was not a question of the principal; this was a question of the interest only. The mortgagee did not pay the interest.

Mr. WARD said, under such a system as that which the honourable gentleman suggested, if a mortgagor having a mortgage on his farm did not invest the money in his business, what was to prevent his saying he had invested the money in his business when in reality he had invested it in improving his farm? There was no system he could think of that in practice would prevent that from being done; and that was the difficulty in the way. If there was any reasonable solution of the difficulty he was prepared to hear it, but he thought there was none. Now, a point had been raised by the honourable member for Wairarapa, and he was sorry the honourable gentleman was not present. The point he referred to was in connection with the provision in the Act of 1891 which compelled a man who took a mortgage to register it if called upon to do so by the mortgagor, but did not compel a bank in the same way. A bank might hold an unregistered mortgage, and might decline to register it. The provision in this Bill compelled the bank to have it registered if called upon by the mortgagor, so that the man might be in the same position as a registered mortgagor would be in the ordinary way. In reply to the honourable member for Wellington Suburbs, he might say that the difference in the amount of taxation to be collected from the banks

under this altered system would be this: Last year the total amount received from the banks was £5,650; under this altered system it would be from £6,800 to £6,500. He had said the difference would be £1,500, but it was not so much—about £1,000 was the difference in the amount. It was a much fairer method, and it was a very difficult matter to arrive at an equitable and satisfactory system, but this appeared to be as fair a method as could be devised in order to levy taxation on the banks. He thought these were the whole of the points raised by honourable members.

Dr. NEWMAN asked, what was the total amount of the difference in the land- and income-tax revenue under this Bill—the amount of the increase or decrease in the taxation?

Mr. WARD might tell the honourable member that there would be no material increase whatever under this Bill, and no material decrease. The slight increase in connection with the system of levying the tax on banks was the only one so far as he knew. There was a provision in the present Act that the Governor in Council might make regulations so as to adjust the taxation on shipping. It might be that another £1,000 or £1,500 would be brought in from that source, but he was not in a position to say positively, because it was a most difficult thing to place on a satisfactory system, and up till this time they had not been able to get a satisfactory system. Annual returns of the land were just as necessary as the annual returns of income. This was a statistical department, and the taxing officers must be placed in a position to know the variations that were continually going on in every part of the country, such as the change of owners, for instance. Everything of that nature which transpired during the twelve months must be recorded. The object was to make the work of the department as easy as possible for the taxing officers. People did not like to send in these returns, but it was unavoidable. In reply to the honourable member for Otaki, he might say, as to his question about introducing a clause to prevent two taxes being collected within twelve months, he trusted the good sense of the House would see the advisability of leaving that to the judgment of the Ministry of the day in its ordinary administration of the department. He did not think it was desirable to have the hands of the Government tied in the direction which the honourable gentleman suggested.

Mr. BUCHANAN.—Does the honourable gentleman say that an unregistered mortgage can be deducted?

Mr. WARD.—No; I do not.

Mr. BUCHANAN would point out to the honourable gentleman that many advances were made for short periods,—that it would be a heavy expense to have the deeds registered in such cases; and, as long as the taxing department was secure, why should the borrower be compelled to register? He understood the department was quite favourable to this.

Mr. WARD would point out to the honourable member that, of course, if a mortgage were not

registered it could not be deducted, and he would point out why the system the honourable gentleman suggested could not be assented to. Take the case of a person lodging securities with a bank, and having in the ordinary course an understanding that when registered it should be for a mortgage for £3,000. Supposing he got £10,000, what was to prevent the bank saying they had registered a mortgage for the £10,000? How could one disprove that? The department must be able to prove it. There would be a possibility—he did not say it would be done—with unscrupulous people of having large sums set down as mortgages which were not mortgages at all.

Bill read a second time.

POST AND TELEGRAPH DEPARTMENT BILL.

IN COMMITTEE.

Clause 5.—Board of Appeal.

Mr. WARD moved, in the constitution of the Board, to strike out the word "Secretary," and substitute "Commissioner of Taxes."

Amendment agreed to.

Clause 6.—Repeal.

Mr. PIRANI moved to strike out the words "First and," with a view to the omission of the First Schedule of the Bill.

The Committee divided on the question, "That the words proposed to be omitted stand part of the clause."

AYES, 31.

Allen	Larnach	Russell, W. R.
Buick	Mackintosh	Saunders
Cadman	McGuire	Seddon
Carroll	McKenzie, J.	Smith, E. M.
Flatman	McKenzie, R.	Stevens
Fraser	McLachlan	Ward
Hall-Jones	Mitchelson	Wilson.
Harris	Newman	
Heke	O'Regan	<i>Tellers.</i>
Hutchison, G.	Parata	Lawry
Joyce	Pere	Mills.

NOES, 28.

Buddo	Lang	Russell, G. W.
Button	Maslin	Smith, G. J.
Carncross	Massey	Tanner
Carnell	McGowan	Te Ao
Collins	McNab	Thompson
Crowther	Meredith	Willis.
Earnshaw	Miller	
Graham	Montgomery	<i>Tellers.</i>
Green	Morrison	Kelly, J. W.
Hutchison, W.	Pinkerton	Pirani.

PAIR.

<i>For.</i>	<i>Against.</i>
Reeves.	Mackenzie, T.
Majority for, 3.	

Words retained.

Mr. EARNSHAW moved, That the heading "Clerical Division" be inserted between "Superintendent of Electric Lines" and "Assistant Secretary and Inspector."

The Committee divided on the question, "That the words proposed to be inserted be so inserted."

AYES, 24.

Buddo	Kelly, J. W.	Saunders
Carncross	Lang	Smith, G. J.
Collins	Maslin	Stout
Crowther	Meredith	Thompson
Duncan	Millar	Willis.
Graham	Morrison	<i>Tellers.</i>
Green	Pinkerton	Earnshaw
Heke	Pirani	Russell, G. W.
Hogg		

NOES, 39.

Allen	Kelly, W.	O'Regan
Buchanan	Larnach	Parata
Buick	Lawry	Russell, W. R.
Button	Mackintosh	Seddon
Cadman	McGowan	Smith, E. M.
Carnell	McGuire	Stevens
Carroll	McKenzie, J.	Steward
Flatman	McKenzie, R.	Tanner
Fraser	McLachlan	Ward
Hall	McNab	Wilson.
Hall-Jones	Mitchelson	<i>Tellers.</i>
Harris	Montgomery	Joyce
Hutchison, G.	Newman	Mills.
Hutchison, W.		

PAIRS.

<i>For.</i>	<i>Against.</i>
Duthie	Massey
Reeves.	Mackenzie, T.

Majority against, 15.

Amendment negatived.

Mr. G. W. RUSSELL moved to strike out "£650," opposite "Assistant Secretary and Inspector," with the view of inserting "£550."

The Committee divided on the question, "That '£650' be retained."

AYES, 27.

Buchanan	McGuire	Smith, E. M.
Cadman	McKenzie, J.	Stevens
Carroll	McKenzie, R.	Steward
Flatman	Mitchelson	Stout
Fraser	Newman	Ward
Hall-Jones	O'Regan	Wilson.
Hutchison, G.	Parata	<i>Tellers.</i>
Larnach	Russell, W. R.	Joyce
Lawry	Seddon	Mills.
Mackintosh		

NOES, 32.

Allen	Harris	Montgomery
Buddo	Hogg	Morrison
Buick	Kelly, J. W.	Pinkerton
Carncross	Kelly, W.	Saunders
Carnell	Lang	Smith, G. J.
Collins	Maslin	Tanner
Duncan	McGowan	Thompson
Earnshaw	McLachlan	Willis.
Graham	McNab	<i>Tellers.</i>
Green	Meredith	Pirani
Hall	Millar	Russell, G. W.

Majority against, 5.

Figures struck out.

The Committee divided on the question, "That '£550' be inserted."

AYES, 17.

Buddo	Crowther	Graham
Collins	Earnshaw	Green

Hogg	Meredith	Tanner.
Lang	Russell, G. W.	<i>Tellers.</i>
Maslin	Saunders	Kelly, J. W.
McNab	Smith, G. J.	Pirani.

NOES, 43.

Allen	Hutchison, W.	O'Regan
Bell	Kelly, W.	Parata
Buchanan	Larnach	Pinkerton
Buick	Lawry	Reeves
Button	Mackintosh	Russell, W. R.
Carnell	Massey	Seddon
Carroll	McGowan	Stout
Duthie	McGuire	Te Ao
Flatman	McKenzie, J.	Thompson
Fraser	McKenzie, R.	Ward
Hall	McLachlan	Wilson.
Hall-Jones	Mitchelson	
Harris	Montgomery	<i>Tellers.</i>
Heke	Morrison	Joyce
Houston	Newman	Mills.

PAIR.

<i>For.</i>	<i>Against.</i>
Mackenzie, T.	Reeves.

Majority against, 26.

Amendment negatived.

Figures "£600" inserted.

Mr. PIRANI moved, That progress be reported.

The Committee divided.

AYES, 24.

Allen	Lang	Russell, G. W.
Buick	Mackenzie, T.	Smith, G. J.
Duthie	McLachlan	Stout
Earnshaw	McNab	Tanner
Fraser	Meredith	Te Ao.
Green	Millar	<i>Tellers.</i>
Hall-Jones	O'Regan	Duncan
Heke	Parata	Pirani.
Kelly, J. W.		

NOES, 43.

Bell	Hutchison, W.	Pinkerton
Buchanan	Kelly, W.	Reeves
Buddo	Larnach	Russell, W. R.
Button	Lawry	Saunders
Carncross	Mackintosh	Seddon
Carnell	Maslin	Smith, E. M.
Carroll	Massey	Stevens
Collins	McGowan	Thompson
Crowther	McGuire	Ward
Flatman	McKenzie, J.	Willis
Graham	McKenzie, R.	Wilson.
Hall	Mitchelson	
Harris	Montgomery	<i>Tellers.</i>
Hogg	Morrison	Joyce
Houston	Newman	Mills.

Majority against, 19.

Motion negatived.

Mr. EARNSHAW moved, That progress be reported.

The Committee divided.

AYES, 13.

Carncross	Millar	Tanner.
Duncan	Pirani	
Green	Russell, G. W.	<i>Tellers.</i>
Kelly, J. W.	Smith, G. J.	Earnshaw
Lang	Stout	Heke.

NOES, 51.

Allen	Hutchison, W.	Morrison
Bell	Joyce	Newman
Buchanan	Kelly, W.	Parata
Buddo	Larnach	Reeves
Buick	Lawry	Russell, W. R.
Carnell	Mackenzie, T.	Saunders
Carroll	Mackintosh	Seddon
Collins	Massey	Smith, E. M.
Crowther	McGowan	Stevens
Duthie	McGuire	Steward
Flatman	McKenzie, J.	Thompson
Fraser	McKenzie, R.	Ward
Graham	McLachlan	Willis
Hall	McNab	Wilson.
Hall-Jones	Meredith	<i>Tellers.</i>
Harris	Mitchelson	Button
Hogg	Montgomery	Mills.
Houston		

Majority against, 38.

Motion negatived.

Mr. HALL-JONES moved to strike out the Third Schedule in clause 6.

Motion agreed to, and schedule struck out.

Sir R. STOUT moved to add the following new clause:—

“In the Clerical Division no cadet shall be promoted out of the cadet class until he has passed the junior Civil Service examination; and no one shall be promoted out of the class above that of cadet until he has passed the senior Civil Service examination.”

The Committee divided on the question: “That the clause be read a second time.”

AYES, 27.

Allen	Hutchison, W.	Pirani
Bell	Kelly, J. W.	Russell, W. R.
Buchanan	Lang	Smith, G. J.
Buddo	Massey	Te Ao
Buick	McGowan	Thompson
Crowther	McNab	Wilson.
Duthie	Meredith	<i>Tellers.</i>
Earnshaw	Mitchelson	Russell, G. W.
Green	Montgomery	Stout.
Heke		

NOES, 33.

Button	Houston	Parata
Carncross	Kelly, W.	Pinkerton
Carnell	Larnach	Seddon
Carroll	Lawry	Smith, E. M.
Collins	Mackintosh	Stevens
Duncan	Maslin	Tanner
Flatman	McKenzie, J.	Ward
Graham	McKenzie, R.	Willis.
Hall	McLachlan	<i>Tellers.</i>
Hall-Jones	Morrison	Joyce
Harris	O'Regan	Mills.
Hogg		

Majority against, 6.

Amendment negatived.

Mr. PIRANI moved the following new clause:—

“In the absence of the Secretary from the Head Office the Superintendent shall be deemed to be the officer in charge of the Postal and Telegraph Department.”

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The Committee divided on the question “That the clause be read a second time.”

AYES, 10.

Allen	Parata	<i>Tellers.</i>
Duncan	Stout	Kelly, J. W.
Green	Te Ao	Pirani.
Heke	Wilson.	

NOES, 54.

Bell	Hutchison, G.	Morrison
Buchanan	Hutchison, W.	Newman
Buick	Joyce	O'Regan
Button	Kelly, W.	Pinkerton
Carncross	Lang	Russell, G. W.
Carnell	Larnach	Russell, W. R.
Carroll	Mackenzie, T.	Saunders
Collins	Mackintosh	Seddon
Crowther	Maslin	Smith, E. M.
Duthie	Massey	Smith, G. J.
Earnshaw	McGowan	Stevens
Flatman	McKenzie, J.	Tanner
Fraser	McKenzie, R.	Thompson
Graham	McLachlan	Ward
Hall	McNab	Willis.
Hall-Jones	Meredith	<i>Tellers.</i>
Harris	Mitchelson	Lawry
Hogg	Montgomery	Mills.
Houston		

Majority against, 44.

Amendment negatived.

Bill reported.

On the question, That the amendments be agreed to,

Mr. J. W. KELLY asked if he would be in order in moving the recommittal of the Bill for the purpose of adding a small sum to the Second Schedule.

Mr. SPEAKER.—Is it something beyond what was set down in the Bill as sent down by message from the Governor?

Mr. J. W. KELLY.—Yes.

Mr. SPEAKER said in that case it would not be in order to increase the item.

Mr. J. W. KELLY asked if Mr. Speaker ruled that this was an Appropriation Bill.

Mr. SPEAKER said it was a money Bill so far as it affected certain salaries; therefore an item in it could not be increased by a private member without the consent of the Crown.

Sir R. STOUT.—Will you allow me, Sir, to say something on a point of order?

Mr. SPEAKER.—On what I have decided?

Sir R. STOUT said he did not know that Mr. Speaker had decided the point.

Mr. SPEAKER.—Yes.

Sir R. STOUT.—You have decided this is a money Bill.

Mr. SPEAKER said he had ruled that any amendment to increase salaries could not be made by the House without the recommendation of the Crown.

Sir R. STOUT wished to point out to Mr. Speaker that these items were not salaries. Salaries were provided for in the Appropriation Bill. These were only limits within which the estimates were to go.

Mr. SPEAKER said the items fixed the maximum and minimum rate of pay, and clearly affected salaries.

Sir R. STOUT said there was one salary in regard to which he wished to have the decision of Mr. Speaker, and that was the item that all the discussion had been about.

Mr. SPEAKER asked if the point was raised in Committee.

Sir R. STOUT.—No.

Mr. SPEAKER said if the point was raised in Committee, and decided by the Chairman, it could not be reviewed by the Chair.

Sir R. STOUT asked, if the Chairman ruled in a certain way, had not members the right to appeal to the Speaker?

Mr. SPEAKER.—No.

Sir R. STOUT said Mr. Speaker ruled in 1887 that there was power on the part of the Committee to take the opinion of the Speaker.

Mr. SPEAKER.—Not of an individual member.

Sir R. STOUT said, No, but the Committee. That was the point. They admitted that no individual member could take the opinion of the Speaker. The question was, whether the Committee could take the opinion of the Speaker if they carried a resolution to that effect. Last year there were no less than three resolutions moved in Committee, which would be found at pages 147 and 235 of the Journals of the House. He understood the practice was, if a Committee carried a resolution to the effect that the opinion of the Speaker be asked, that it was the duty of the Chairman, if the majority of the Committee were in favour of it, to report the matter to the Speaker and ask his ruling on the point. He could only say that used to be the practice. When he was formerly in the House he had seen it done. He found that Mr. Speaker had ruled in 1888, and that it appeared in Volume 60, page 352, of *Hansard* to the following effect—this was from the "Decisions of the Speakers" collected by Mr. Barron: "Speaker does not interfere with the decisions of the Chairman unless the Committee express a wish to take his opinion. An individual member cannot appeal from the Chairman to the Speaker." That being so, in Committee the Chairman had prevented them from taking the opinion of the Speaker.

Mr. SPEAKER.—If the Chairman had decided the point the Speaker would not review it.

Sir R. STOUT.—Then, what was their right? The Speaker having ruled that the Committee could appeal to him, was the Committee to be deprived of that? and, if so, what rights had the Committee?

Mr. SPEAKER said it was most distinctly laid down by the highest authorities that from the Chairman of Committees there was no appeal to the Speaker.

Mr. BUCHANAN.—Even by the Committee?

Mr. SPEAKER said he understood the Committee did not direct the Chairman to ask the Speaker's opinion. If the Chairman had given his ruling on the point there was no appeal from the ruling of the Chairman of Committees. He must say it was not customary to attempt to argue points of order with the Speaker. He

had given a distinct decision on the matter, and it was not in order to dispute the Speaker's decision in an irregular way, as was now being done. He had now stated what his decision was on the matter, and if the honourable gentleman wished to contest it any further there was a proper mode of doing it.

Sir R. STOUT said he did not wish to contest it; he only asked the question so that Mr. Speaker should direct them what to do in the event of the Chairman refusing to allow the Committee—not an individual member—to take the opinion of the Speaker. If the Chairman would not allow them to do that when the majority of the Committee were in favour of it, what was their remedy?

Mr. SPEAKER said the Chairman of Committees had the same authority of ruling points of order in Committee as the Speaker in the House, and his ruling must be obeyed. If his decisions were unsatisfactory there was a way of dealing with the matter. He would not say anything further than that.

Mr. ALLEN wanted to know how the Committee was to give effect to its wishes. Was it to be done on a motion to report progress?

Mr. SPEAKER said that was a question for the Chairman, not for him, to decide.

Mr. ALLEN said he was not referring to the Chairman; the point was not raised in the Committee; but he wanted to know, for the information of the House, if the Committee wanted to take the opinion as to whether the Speaker was to be consulted or not, how were they to do it?

Mr. SPEAKER said that was a point on which the Chairman would rule.

Mr. PIRANI moved, That this Bill be read a third time that day three months. He thought that they had every reason to stop the progress of this Bill, considering the manner in which it had been pushed forward. He thought, if the House was denied every other right of interfering with this Bill, the only way was for them to put down their foot and decide that the Bill should not go through at all. In consequence of the way in which the Bill had been pushed forward, in consequence of the manner in which every attempt to get justice done in the schedule of the Bill had been, he might almost say, burked, it was best for the House and for the country that a motion be passed that the Bill should be read that day three months, instead of passing into law.

Mr. J. W. KELLY seconded the amendment. It seemed to him their liberties were being curtailed to an extraordinary extent. He must say the action of the Government in pushing this Bill through met with his entire disapproval. After they had succeeded in carrying £50 addition to a salary of £550, the Committee had attempted to get an addition made to the smaller salaries, and no sooner had they done so than the Colonial Treasurer rose to a point of order, and the Chairman decided it was impossible to do what was proposed. Under the circumstances he thought nothing they could do to stop the progress of the Bill was too much.

Mr. SEDDON asked the mover and the seconder of the amendment whether they did not think they were punishing deserving officers, and at the same time would not be a jot further forward in the object they had in view. There was a way, if either the Speaker or the Chairman of Committees did not do justice to the House or to the Committee, as the case might be, and only one way—by resolution—to question what they had done. The object of the amendment was to prevent the passing of the Bill, as a protest against the decision. Was the House to be put in this position? Were a majority prepared to take such a course? It would be a reflection on the House, and he would ask those honourable gentlemen, now they were brought face to face with the true position, to ask leave to withdraw the amendment.

Sir R. STOUT did not intend to oppose the passing of the Bill. On the contrary, he had voted with the Government on the division which led to all the trouble, and it could not be said that he had opposed the Bill through Committee. But he exceedingly regretted that the Committee, being desirous of having an important question decided, was denied the privilege, and denied by the Government. The Government ought to have aided them to get the question settled, and if that had been done they would have got through two or three more Bills that night. But business had been blocked. It was always best to yield to members in order that a difficult question might be cleared up. He meant no reflection on the Chairman of Committees: his conclusion might be right; but he regretted that an opportunity was not given to the Committee to have the question thoroughly decided in the House. As to the Bill itself, he looked upon it not as an Appropriation Bill at all. It was simply to say what might be the possible salary—not what was to be the salary, but what was the minimum and what the maximum salary. The salary that had led to so much trouble had been voted this year at £550, and the Bill allowed that that salary—not for any one officer, but some officer—might reach £600; but it was not an appropriation at all, because the salary had been already appropriated. They, in Committee, could not understand why the Chairman did not allow them to vary small amounts of possible salaries—not of the appropriations at all—and he certainly could not understand the point.

Mr. DUNCAN said the position appeared to be that a minority had a gag placed upon it, and he saw nothing else in it but an attempt to take away the privileges of the minority, when a Chairman of Committees refused to put a motion when moved by that minority. They had only to get a pliable Chairman of Committees, and there was no appeal; he was master of the situation, and might rule as he liked; and if the Government did not take the matter up and get redress honourable members were completely at their mercy. He thought this ought to be known, and that the Standing Orders should be altered next session, so that

the difficulty might be in future averted. In reference to this matter, he had no feeling as against the Bill—not the slightest—but he felt sure that the position they were placed in that night was a very unfortunate one indeed, and one he individually would resent. It did not matter what Government might be in office; for as far as he could see the only way out of the difficulty was that they would have to submit in the meantime, and make an effort to have the Standing Orders changed in some way, so as to enable them to get decisions in Committee reviewed. Especially if the Chairman acted in any way contrary to the spirit or form of the procedure as conducted by the Speaker in the full House, then those aggrieved should have power to get his decisions reviewed. He hoped it would be a warning to the House in regard to the Chairman of Committees, and that when members returned next session the first thing they would do would be to rescind any appointment that might have been made, or, at any rate, to amend the Standing Orders in such a way that members would have the opportunity of being heard and getting a decision in accordance with what they thought was fair-play to both sides of the House.

Mr. WARD thought that the speech of the honourable member who spoke last was very much to be regretted, as it referred to a decision of the Chairman of Committees, and, in justice to the Chairman of Committees, the position ought to be placed before the House. What was the position? In Committee on this matter the honourable member for Chalmers desired to move an increase in one vote.

Sir R. STOUT.—Not a vote.

Mr. WARD said he desired to move an increase in one of the items in the classification attached to the Bill—to increase the limits within one division by £10. He (Mr. Ward) had risen to a point of order, and had asked the Chairman of Committees whether an honourable member could move an increase in the direction proposed by the honourable member for Chalmers, and the Chairman had ruled that such a motion was not in order. The Speaker's ruling had now been asked on the same point, and he upheld the ruling of the Chairman of Committees. The Chairman was now absent from the House, but he had done his duty in the matter; and he was sorry to hear the honourable member for Oamaru make a serious reflection upon that officer simply because he had done his duty, and say that next session they should put him out of office. That was not fair.

Mr. SEDDON.—It is not for what he has done to-night.

Mr. WARD said, how was it not for what he had done that night? The Chairman of Committees was a responsible officer, and if any fault was to be found with him on a particular charge members could sheet it home to him in a proper way if there was any foundation for it; but on the case that had been reported from Committee that evening the ruling had been thoroughly impartial as far as the Chairman was concerned. On the

same point of order a ruling had been given by the Speaker in the House exactly the same as given by the Chairman of Committees; yet the honourable member for Oamaru had stated he had done something wrong. It was just as well, as the honourable member for

12.30. Invercargill had made an accusation against him (Mr. Ward), that he should refer to it. He was not going to be attacked by the honourable member, or by any other member of the House, without defending himself. He had said that he (Mr. Ward) had opposed some small increase on small salaries.

Mr. J. W. KELLY.—I said you rose to a point of order, and so prevented our carrying it.

Mr. WARD said that some of the smallest salaries in the service had received the greatest consideration from him, without his being prompted by anybody, and these salaries had been materially increased since the department had been under his control. The senior member for Wellington City had said that the whole Bill was blocked because the Chairman of Committees had acted in a particular way.

Hon. MEMBERS.—No.

Mr. WARD said he understood him to say that.

Sir R. STOUT.—I meant that a great deal of time was wasted that ought not to have been wasted.

Mr. WARD said the honourable member said that the cause of the blocking of the Bill was the ruling of the Chairman of Committees in connection with the point raised by the honourable member for Chalmers.

An Hon. MEMBER.—The refusal of the Chairman of Committees to take the opinion of the Speaker.

Mr. WARD asked, when did that occur? It was after the Bill had been blocked and debated for some five hours. That point was raised five hours after the Bill had been under the consideration of the Committee.

Sir R. STOUT.—It was not blocked.

Mr. WARD said it was in some cases blocked. That was his opinion, and he was entitled to hold his opinion. And, when the honourable member for Invercargill said that the liberties of the House had been curtailed in connection with this Bill, he (Mr. Ward) was surprised at such a statement. Here was a Bill of seven clauses taking six hours to discuss, and it was said that the liberties of the House were being curtailed. He had never seen a Bill more freely debated in that House, and he had never seen honourable members talk so freely as some did on that Bill since he had been a member of the House. There had been no such thing as curtailment of their liberties. They moved amendments; and there was no attempt made to curtail their liberties. Some honourable gentlemen took exception to an increase in a particular salary. They were within their rights in doing so, and he found no fault with them for doing that and endeavouring to get it reduced; but, after the matter had been finally fixed in Committee, he did not think it right, fair, or reasonable to have the matter discussed by the honourable mem-

Mr. Ward

ber for Palmerston. That honourable member had put his view of the matter on record, and ought to have been satisfied with that. It was not fair to blame the Chairman of Committees in the matter. He (Mr. Ward) was not there to stick up for any member of the House, and the Chairman of Committees was able to take care of himself; but he had given his ruling quite impartially, and correctly, in his (Mr. Ward's) opinion. They had had the Speaker, whose opinion no one in the House would question, confirming what the Chairman of Committees had done on this Bill, and it was not right to make imputations upon any one because honourable members had not been able to get a reduction in this particular salary. There had been six hours of free talk flowing in Committee on this Bill—a whole six hours. There was no gag about that. All the talk came from a few members, and they talked very fully, and—he would not say fiercely, but—very strongly, on the appointments. There was no such thing as a gag. Honourable members put their views on record, and there was nothing in the shape of a gag in connection with the matter. He could only say that the whole Bill was debated fully and freely; and he did not think now, when they had got to the third reading, the amendment of the honourable member for Palmerston was seriously moved. He therefore suggested to the honourable gentleman that, having put his protest on record, there was no use in going to a division, and that he might as well withdraw his amendment under the circumstances. He regretted, himself, that the debate upon this matter had taken place. There were a good many points about it. However, he did not want to again go over the position of the Government in connection with these appointments. He would merely say that while honourable members were no doubt anxious to do what was right, and while they were probably anxious to help an officer in the service, their anxiety seemed to him to be of a mistaken character. As for the course pursued, he would say that the officer would think it was a case of "Save me from my friends." That was the plain meaning of it. And he hoped the honourable member for Palmerston would now see fit to withdraw the amendment. He had merely wished to say that he could not stand by and allow reflections to be cast upon the Chairman of Committees, who had been improperly blamed for blocking the business, when the Bill had been debated for some five hours before this particular point of order was raised.

Mr. EARNSHAW thought the Colonial Treasurer was hardly right in stating they had been debating the Bill for five or six hours. The point at issue was not debated very long. It was a very short debate, and this particular point was as to the manner in which he put it before the House. He did not dispute the Chairman's ruling with regard to the Bill. It was upon his resolution that the whole question arose, and where members felt that they had been—"gagged" was not the right word to use—where they had not been able to get the opinion

of the Chair. According to the ruling that had been laid down in the House, although a private member might not challenge the ruling of the Chairman of Committees, the Committee as a whole could challenge his ruling in order to get Mr. Speaker's ruling. That was where the conflict came in, and he understood the amendment of the honourable member for Palmerston to be simply a protest against the course pursued;—that while the Chairman of Committees might or might not have been right in his ruling, yet, as they could not get a review of his decision,—which appeared to be right according to the ruling that had been given now,—they set to work to block the Bill in Committee. He thought it was a most unpleasant position for members to find themselves in. They felt that they were aggrieved that the ruling was not carried out according to their idea of what was right, and according to the past ruling of Mr. Speaker O'Rourke. Their only mode of redress appeared to be to stonewall the Bill. That was an unfortunate position to find one's-self in, and he certainly did not believe members had a right to do so—because they could not get their way on an item that they must then challenge all the items. That was not a proper way to do business. Each item should be fought out on its merits. While he thought the salaries to be paid the officers were not proper ones, yet he felt that they had a right to deal with other questions, and he would support the honourable member for Palmerston only and simply as a protest against the position in which the House had been put.

Amendment withdrawn, and Bill read a third time.

SEA-FISHERIES BILL.

IN COMMITTEE.

Clause 20.—License not to exceed five years.

Mr. MILLAR moved to strike out "five years," and insert "three years."

Amendment agreed to.

Clause 21.—Governor may grant exclusive licenses for taking oysters from natural beds.

Sir R. STOUT moved, That the word "fourteen" be inserted in line 4 of the clause.

Amendment agreed to.

Clause 24.—Rights of the occupier.

Sir R. STOUT moved, That the word "twenty-one" be inserted in line 3.

Amendment agreed to.

Clause 48.—Prohibition of the use of dynamite in fisheries.

Mr. HOUSTON moved, That the words "or any whale" be inserted in the second line.

Amendment agreed to.

Clause 70.—Proceedings against Natives to be taken only when authorised by Native Minister.

Mr. WARD moved the addition of the following paragraph:—

"The aforesaid authority of the Native Minister may from time to time be signified by him to any person either generally or

specifically, and shall be valid if signified by telegraph or telephone message."

Agreed to.

Mr. WARD moved to add the following new clause:—

"Every person who obstructs, hinders, or prevents any person from lawfully taking oysters from any oyster-bed is liable for every such offence to a penalty of not less than twenty shillings nor more than twenty pounds.

"Nothing in this section shall be deemed to protect such first-mentioned person from any other punishment to which he may have rendered himself liable by any offence against this section."

Agreed to.

Mr. WARD moved to add the following new clause:—

"Only a Stipendiary Magistrate shall have jurisdiction in respect of any offence under this Act which entails a fine or penalty exceeding fifty pounds in amount."

Agreed to.

Bill reported, with amendments.

On the question, That this Bill be read a third time,

Mr. HEKE wished to place his protest in reference to this Bill on record. There were clauses in the Bill which, it was quite clear, were inconsistent with the treaty that was made between Her Majesty the Queen and the Native chiefs of New Zealand. This, of course, related to any property the Natives might hold either individually or in common, which were confirmed to them by Article 2 of that treaty. It was his desire to send a protest to Her Majesty through the Governor in respect to all Bills appertaining to the property of Natives, so as to get an understanding as to the real effect of this treaty. It seemed to him that the whole treaty, according to the action of the House, was being treated merely as waste-paper, and he wished to come to an understanding, not for himself, but for the Natives of New Zealand as a whole. It did not appear to be out of place for him to assume that the Natives had been deceived in the first place in 1840 into signing such a document as that, if it was not to be recognised by the Government or Parliament. If that was so, it would be far better that the Natives should come to an understanding as to whether Her Majesty on the one part or the Government of New Zealand on the other part should recognise that treaty, which was made in good faith, and which was signed by the chiefs of New Zealand in 1840 in good faith. The whole thing meant nothing more than this: that it would be far better for the Natives to come to a distinct understanding that the treaty was neither more nor less than waste-paper, or else it was something. If it was nothing, all he could say was that the Natives had been deceived by Her Majesty's representative who came to the Bay of Islands and induced the Natives to sign that treaty. Under the Instructions that were issued in 1892 to the Governor of New Zealand, under the heading of Bills not to be assented to by the Governor in Her Majesty's name, no Bill

that should be inconsistent with any obligation imposed on the Queen by the treaty was to be assented to by the Governor of New Zealand, but such a Bill was to be sent Home for the direct assent of Her Majesty before the Governor could do anything in the matter. If the Bill was urgent the Governor could give his assent, but he must immediately notify the fact to the Secretary of State. It was his desire that the Natives should come to a better understanding in reference to this treaty. He must again repeat that it would be better for the Natives to understand thoroughly whether they had been deceived in the first place or not. Under this Bill, if the Natives wished to sell oysters they had to obtain a license, and that provision was contrary to an article in the Treaty of Waitangi.

Mr. WARD had one word to say in reply to the honourable gentleman who had last spoken. This Bill was a consolidating Bill, and the clause objected to by the honourable member was the law at the present time. He had explained the position to the honourable gentleman in Committee. If what the honourable member asked were done, they would have to cancel the granting of licenses to Europeans. The honourable gentleman must not expect impossibilities to be done.

Bill read a third time.

LAND AND INCOME ASSESSMENT BILL.

Clause 5.—Annual returns of land, mortgages, and income.

Mr. T. MACKENZIE moved, That the words "land, mortgages, and," in line 4, be struck out.

The Committee divided on the question, "That the words proposed to be omitted stand part of the clause."

AYES, 21.

Carncross	McKenzie, R.	Seddon
Carnell	Millar	Smith, E. M.
Carroll	Montgomery	Stevens
Collins	Morrison	Ward.
Duncan	Pinkerton	<i>Tellers.</i>
Hogg	Reeves	Harris
Lawry	Saunders	Mills.
McGowan		

NOES, 23.

Buick	Lang	Smith, G. J.
Crowther	Maslin	Stout
Duthie	Massey	Tanner
Earnshaw	McLachlan	Thompson
Flatman	Meredith	Willis.
Green	Mitchelson	<i>Tellers.</i>
Hall-Jones	Newman	Mackenzie, T.
Kelly, J. W.	Pirani	Wilson.

PAIRS.

<i>For.</i>	<i>Against.</i>
Cadman	Bell
Graham	Buchanan
Hall	Russell, W. R.
Mackintosh	Hutchison, G.
McKenzie, J.	Allen
McNab.	Te Ao.

Majority against, 2.

Mr. Heke

Words struck out.

Clause 6.—Subsection (1): As to annual returns of land and mortgages.

Sir R. STOUT moved to strike out the subsection.

The Committee divided on the question, "That the subsection proposed to be omitted stand part of the clause."

AYES, 24.

Carnell	McGowan	Reeves
Carroll	McKenzie, J.	Seddon
Collins	McKenzie, R.	Smith, E. M.
Duncan	Millar	Stevens
Hall	Morrison	Ward.
Harris	O'Regan	<i>Tellers.</i>
Hogg	Parata	Mills
Houston	Pere	Pinkerton.
Lawry		

NOES, 27.

Allen	Kelly, J. W.	Russell, W. R.
Buchanan	Lang	Smith, G. J.
Buddo	Maslin	Stout
Buick	Massey	Tanner
Crowther	McLachlan	Thompson
Duthie	Meredith	Wilson.
Flatman	Montgomery	<i>Tellers.</i>
Fraser	Newman	Earnshaw
Hall-Jones	Pirani	Mackenzie, T.
Heke		

PAIRS.

<i>For.</i>	<i>Against.</i>
Cadman	Mitchelson
Carncross	Te Ao
Kelly, W.	Green
Larnach	Button
Mackintosh	Hutchison, G.
McNab.	McGuire.

Majority against, 3.

Subsection struck out.

Progress reported.

The House adjourned at one o'clock a.m.

LEGISLATIVE COUNCIL.

Thursday, 18th October, 1894.

First Readings—Second Readings—Third Reading—Major C. Brown—Wilson Land Bill.

The Hon. the SPEAKER took the chair at half-past two o'clock.

PRAYERS.

FIRST READINGS.

Wilson Land Bill, Post and Telegraph Department Bill, Sea-fisheries Bill, Counties Vehicle-licensing Bill, Tongariro National Park Bill.

SECOND READINGS.

Tongariro National Park Bill, Wilson Land Bill.

THIRD READING.

Tongariro National Park Bill.

MAJOR C. BROWN.

The Hon. Mr. KELLY moved, That the report of the Public Petitions Committee on the

petition of Major Charles Brown be referred to the Government for their consideration. It was only by a motion of this sort that the report of the Public Petitions Committee on Major Brown's petition could reach the Government and be considered. The Committee had not pronounced judgment on the petitioner's case, but had come to the conclusion that, under all the circumstances, he was entitled to be tried by an independent tribunal. He concurred with that opinion, that any officer charged with an offence should have such a trial. He did not blame the Government in the matter, as no doubt they acted in good faith; but he hoped that they would now refer the matter to the Chief Judge of the Native Land Court for final decision. This would do justice to the petitioner, and would satisfy the public that the Government were not averse from any course which tended to protect the rights of individual members of the service.

The Hon. Mr. SHRIMSKI did not think the gentleman referred to was entitled to any further consideration. As a Justice of the Peace he had appended his signature and certified to the correctness of a document which had been proved to be incorrect, and he (Mr. Shrimski) considered he was not entitled to any further consideration than he had received.

The Hon. Mr. MANTELL said the honourable member who had last spoken was labouring under a mistake. Major Brown was not acting as a Justice of the Peace. A Justice of the Peace named Ward appended his signature to a document interpreted by Major Brown. But Major Brown was not the Justice of the Peace referred to.

The Hon. W. DOWNIE STEWART said that, in answer to the Hon. Mr. Shrimski, the Council should be informed of the position of the matter. The position was this: One Meringa, a Native woman, owned a piece of land, and her son, for her, agreed to sell the land to a man named Cunningham, through a man named Humphries, for the sum of £40. Humphries's position was somewhat ambiguous, and it was doubtful whether he acted as agent for Meringa or for Cunningham; but he (Mr. Stewart) was inclined to think he was a go-between for both parties, and that his leaning was perhaps in favour of Cunningham. The position, so far as Major Brown was concerned, had been entirely misunderstood, and in his (Mr. Stewart's) opinion had been grossly misrepresented. Brown was called upon, in the discharge of his duties as an interpreter, to interpret a declaration which Meringa made in reference to this sale. There was no doubt whatever that Brown had interpreted the declaration correctly when the matter in dispute came to be considered; but a difficulty arose on this question. The declaration stated that £40 had been paid to Meringa. The agreement to sell stated that it was a sale for £40—£25 to be paid in cash, and £15 to go towards making Meringa's title to the land good. Kawatiri, her son, by whom the sale was effected originally, received the £5, and the sum of £15 was paid to Meringa. Brown stated that he be-

lieved Humphries had been paid the balance of the purchase-money at the time the declaration was made, and that, as far as he was concerned, the transaction was a *bond fide* and straightforward one. It turned out, however, that Humphries had not, in point of fact, received from Cunningham more than £20: that was to say, the difference between £20 and £25 had not been paid to Humphries. What understanding had existed between Cunningham and Humphries it was impossible to say, but Brown stated emphatically that he believed that Humphries was Meringa's agent. The matter went before the Native Commissioner, Mr. Stuart, who investigated the matter, and came to the conclusion that the purchase-money ought to be raised to £70. This was after the time Brown made the declaration. Cunningham, in order to complete the sale, did, in point of fact, pay the £70. Humphries got, on the 22nd of July, he (Mr. Stewart) thought, an order from Meringa to receive all moneys coming to her in respect to this sale. But the declaration had been signed before that, and that was why he thought Brown was in no way affected by this question, because he was not concerned about the value of the land, and had no special knowledge of the transaction. But the Native Commissioner, Mr. Stuart, held that £70 ought to be paid, instead of £40; and Humphries made what seemed to be a very exorbitant demand for his services—£13 some odd shillings. Meringa sued Humphries for the moneys he received on her behalf from Cunningham, and the case came before Judge Kettle and a jury, when the jury found that Humphries had been overpaid to the extent of £10, and judgment went against him for that amount. But so far as the petitioner, Brown, was concerned, he was no more liable than the man in the moon for this transaction. The Committee were unanimous in their opinion that Brown was entitled to an inquiry, on the assumption that he had been unfairly treated. The question arose as to what his duties were as an interpreter—whether he was to interpret documents and not concern himself as to whether there was any dispute whatever as to the facts alleged. But Judge Kettle seemed to think it was his duty to satisfy himself that the statements in the declaration were correct, and that Meringa had received this £40. He (Mr. Stewart) thought that was a view of the duty which no one for a moment would maintain. He himself maintained that so long as Brown made what was a true declaration he was not in any way responsible. The real fact of the matter was that this man Humphries, about whom he did not wish to say anything unpleasant, seemed to have been acting in such a way as to get himself clothed with authority from Meringa to receive this money, and, having got the money, he had deducted too much of it, to the extent of about £10, in payment for his own services in the matter. Judge Kettle said that in his opinion Brown had acted negligently in not seeing that the statements in the document were correct; but Mr. Ward, the Justice of the

Peace, seemed to know all the circumstances, and nothing was said by him to this effect, as far as the Committee could understand. The fact of the case was that Meringa was a woman apparently of weak intellect, and, as far as the Committee could gather, she was not what might be termed a woman quite alive to all that was going on; but, so far as Brown was concerned, he had believed that the money had been paid honestly by Cunningham, and he stated so. The Government then stepped in, in consequence of the trial before Judge Kettle, in which it appeared that the money had not been paid over to Meringa by Humphries at that time. They did not ask Brown to give any proper reason or any real explanation of the circumstances. They said, "We dismiss you, for misconduct, from your office, and for having been a party to a declaration which was untrue; and we dismiss you from your position as a Justice of the Peace." He (Mr. Stewart) had no hesitation in saying that ninety-nine men out of every hundred would not have been similarly treated under the circumstances. The attempt made to make Brown responsible for any mistake was wrong. The charges were utterly erroneous and quite unfounded, and Brown was, in his opinion, under the circumstances, absolutely free from blame either as a man of business or as a man of honour. Brown was not a mere adventurer in that district. He was a man well known, and had a good reputation in the district, and yet suddenly he was dismissed, without proper warning, under a charge which, if true, ought to have committed him to gaol. He (Mr. Stewart) thought that Major Brown had been most unfairly treated. He was absolutely innocent of all the imputations that had been cast upon him, and, instead of being dismissed, he ought, at most, to have been called upon to make an explanation, for any person of ordinary business intelligence would be satisfied that he was quite innocent of the charge that had been made against him. The matter was considered by the Committee, and attempts were made to bring in foreign and irrelevant matter in connection with Major Brown's conduct in the distribution of moneys many years ago to the Natives under the authority of the Government of the day. At the time referred to the Government were carrying on its sugar-and-blanket policy, which led to Major Brown's distributing the money for purchasing what was called "the mana" of the chiefs. That was done under the authority and with the sanction of the Government of the day, and Major Brown, in doing that, was doing, as far as he (Mr. Stewart) could see, only what he was bound to do under the circumstances. To attempt to fasten discredit upon him in a matter like that, which had to be regarded in the light of the circumstances of the time, was entirely wrong. It was all very well now, when they were at peace with the Natives, to say that Major Brown was responsible for what was done by the Government then in power, but he maintained that Major Brown was not more responsible for those transactions than the

Ministry or the Parliament was. He was sorry to see that attempt made to connect Major Brown with transactions which might have been proper at the time, but which might not be repeated now. The charge against him was that he was responsible for the accuracy of the statements in the document; but Major Brown stated that he believed that they were correct, and he (Mr. Stewart) believed that Major Brown was entirely exonerated from the charges made against him.

The Hon. Sir G. S. WHITMORE would be sorry to allow a charge like this to pass against a brother officer, whose conduct in connection with the Natives he had known for the last twenty-four years, without saying a few words. He knew there was never a more single-minded man in the Province of Taranaki, or a man who more resolutely did his duty, or who conducted himself better, in very trying circumstances sometimes, than Major Brown. He was one of the most unfortunate of men, for he did not get what he was justly entitled to. At one time, when military officers and Civil servants sat in Parliament without question, he was a member of Parliament. He was dismissed from office because he had voted against the Government under Mr. Fox. There was a Parliamentary Committee appointed, and eight gentlemen were upon it;—and in those days they considered that the privileges of military officers were the same as they were in England, where the military and naval officers, as a rule, voted against the Government. When the eight gentlemen referred to were appointed it was a question as to who should be elected Chairman. One member, Mr. Carleton, he thought, was put in the chair, three voting on one side and four on the other; and it was because of Major Brown's voting on that occasion that he suffered at the hands of a spiteful Government; and with that misfortune, he believed, his military career at that time came to an end. When wanted particularly—at the time that Titokowaru was the cause of the trouble on the West Coast, and afterwards Te Whiti—one of the first persons who came forward and gave assistance to the Government was Major Brown. He (Sir G. S. Whitmore) remembered that he went on one occasion with a very small party to one of the most dangerous parts of the colony, a part not known at all, and conducted himself with extreme bravery, and to the satisfaction of the Government. He was employed afterwards in giving certain sums to certain Natives for the purchase of the tribal mana—if that was the way to properly paraphrase it—giving money to certain Natives for losing their land, and he gave large sums to certain chiefs to pave the way out of the West Coast difficulty. In doing that he was single-handed, and carried out his duty as honestly as it was humanly possible to do, and his conduct was appreciated by the Natives. Knowing that Major Brown had done good to the country, and that he was suffering under an unmerited charge, he hoped the vote of the Council would go in the direction of giving Major Brown some chance of vindicating his

Hon. W. Downie Stewart

character, for when a man came to seventy years of age he naturally hoped to go down to his grave without dishonour. He had honestly and faithfully interpreted to the Natives the document which was given to him for signature, and, in doing so, Major Brown fulfilled the whole of his duties. He was quite willing that the proposition should be submitted for consideration, that persons acting in Major Brown's position should be sufficiently acquainted with Native customs; but, in relation to the sum of £40, it was quite clear to him that in the performance of his duty Major Brown had no occasion whatever to satisfy himself that the money had been paid. His duty was confined solely to the interpretation of the document, and he certainly interpreted that document honestly—he had faithfully performed the whole of his duty. Supposing that the woman did not get the money, or that she was an imbecile, the law had provided ample security against insufficient payment in such cases, owing to the fact that no title became validated until submitted to the Frauds Prevention Commissioner. In relation to the statement of Judge Kettle that it was part of the duty of Major Brown to satisfy himself that the amount of £40 had been paid, he could only say that that was a perfectly new doctrine—new in law and in morals; and, seeing that the Native Land Act had clearly defined the duties of the separate officers, it would be absurd in effect. He was aghast at the indignities and injuries put upon old public servants. He remembered the time when Major Brown was a gallant soldier in the field, offering his breast to danger every day and every hour, when many men were skulking in holes and corners, and hiding in their camp. Major Brown had been a forward man in the colony—a man of unblemished honour, of the highest character and reputation, and one this colony ought to be proud of. The people who knew him marvelled at the charge that had been made against him. How had this matter come about? Simply owing to the fact that the Minister of Native Affairs knew no more about Native-land customs, usages, or laws than the man in the moon; and it arose purely and simply from the fact that the Native Minister was ignorant of what devolved upon him as Minister of Native Affairs in such respects.

The Hon. Mr. MONTGOMERY, as a member of the Committee, desired to say a few words. He was sorry he had not the evidence there, as he would have liked to refer to a portion of it. That evidence was very conclusive. Judge Kettle had stated that Major Brown was guilty of gross irregularity in the transaction—that a swindle was the result; and in the evidence it appeared that the woman Meringa was of very weak intellect—almost imbecile, in fact—and she signed a declaration that she had received the money when she had not received it. There was no doubt of that. The Hon. Mr. Stewart had stated that Mr. Humphries was authorised to receive the money; but he was not authorised, and it was not until nearly

three weeks afterwards that he had been authorised to receive the balance. The honourable gentleman would acknowledge that the matter was reported to the Government and the Government asked Judge Kettle to report upon it. He did so; and, after entering fully into the question, and after due consideration, the Government decided that Major Brown was not a fit person to be an interpreter. He was not speaking as a Minister at that moment, and he might also say that an interpreter was not a Civil servant, but he was licensed to occupy the position. And, considering that the woman did not receive the money at the time, and considering that Judge Kettle had stated that it was a grossly irregular proceeding, and that he considered another was a party to the swindle—

An Hon. MEMBER.—There was no evidence of that.

The Hon. Mr. MONTGOMERY said there was no evidence that Major Brown had committed anything more than a gross irregularity, nothing to show that he was more culpable in what he did. He had certified that the woman had got the money when she had not got it, and when she could not have said she had got it. If, however, he had had the evidence before him he would have read it to the Council, and it was rather a pity that they had not the evidence,—which had been taken down carefully by a shorthand-writer, and typewritten,—as it would show that the attack the Hon. Mr. Stewart had made upon the Government was unwarrantable. His own impression had been, after reading the evidence, that Major Brown was guilty of gross irregularity, an irregularity which had enabled a swindle to be perpetrated of a grossly culpable nature, though he was no party to the swindle; and it also showed, consequently, that he was not fit to be an interpreter. If he had been dealing with a quick, sharp-witted person it would have been a different thing; but he was dealing with an imbecile woman, who had only received £20 of money she ought to have been paid. She had got £5 after the deed was completed, but when the case came before a jury it was decided that she ought to get £10 more, making it £35. There was also a sum of £13 for commission upon that little transaction, and he would like to see it go into the papers, so as to show the people of the colony how these transactions were conducted. Although he exonerated Major Brown from anything but culpable negligence in the matter, and from any intention of doing anything morally wrong, the evidence showed very clearly that, from want of due care on his part, from the fact that the woman swore that when she signed the document she had not received the money, a wrong had been done. The Committee had taken further evidence since the Government had given its decision, and had gone into the whole matter very carefully. Naturally, they felt that, as Major Brown was advanced in years, it would be a pity that he should go down to his grave with this slight upon him. He did not blame the Committee

for having feelings of kindness and humanity, but, as for Major Brown being removed from the position of interpreter, he thought the Government was perfectly justified in that; but, with regard to his removal from the Justice of the Peace list, if he was removed, then it was a question whether the Justice who signed the document ought not to be removed also. He did not object to the motion, but would rather have seen a tribunal that Major Brown had not chosen himself. He had no doubt that the Chief Judge of the Native Land Court would do what was fair. He had been led to make these remarks on account of the Hon. Mr. Stewart having referred to one point of the evidence only. The honourable gentleman did not say one word upon that part of the evidence where it was stated that the woman was an imbecile. The honourable gentleman did not say a word about Judge Kettle's statement that this gross swindle could not have happened if Major Brown had taken care, when the woman signed the document, that she had actually received the money.

The Hon. Mr. PHARAZYN thought that what the honourable gentleman had said really amounted to this: that some person named Meringa was swindled out of a certain sum of money, and that apparently somebody else obtained possession of that sum; but he did not in any way prove that Major Brown was responsible for this. He had simply acted as interpreter, and unless they could show that it was the duty of an interpreter to know that everything he interpreted was correct the interpreter was not responsible, and no wrong had been done by Major Brown whatever: that was the point the honourable gentleman had entirely missed. He had assumed that an interpreter should know the true facts of what he was interpreting, and that was a doctrine which, he thought, would utterly astonish all the interpreters in the colony. There were hundreds and thousands of cases in which the interpreter could not possibly be acquainted with the facts of what he was interpreting, and if he had the knowledge, and used it, people would decline to employ him. Interpreting was a mere mechanical operation, as an interpreter simply put one language into another; and to say it was the duty of an interpreter to ascertain the true facts was an argument entirely beside the point. Major Brown was in no way responsible for the facts, and he had done no wrong. It was quite clear that, although the Government was open to fair attack on most occasions, in this case they were not much to blame, however, as, apparently, inquiry was made: still, he thought they were to blame, as they ought to have given Major Brown an opportunity of defending himself in the first instance, and of arguing his case further. The Government had behaved in the harshest possible manner to a man of Major Brown's character, but he supposed that arose from the fact that the present Ministry were totally unacquainted with the antecedents of the old settlers, and especially with the antecedents of a large number of per-

sons in the North Island. It was inconceivable that Major Brown could have been a party to a swindle, or anything of a dishonourable character. He was a man who had done good service to the colony, and one who was universally respected. He had known him a great many years, and had never known him to do any wrong, nor was he likely to make a mistake. He was an intelligent man, who had had a great deal of experience in the colony, and no doubt he fully believed that this woman had actually received the money which she was to receive, or that for all practical purposes she had obtained the sum she was entitled to. It would be grossly unfair for the Council now to refuse to allow Major Brown the opportunity of having his character reinstated and put right in the eyes of the country.

The Hon. Sir P. A. BUCKLEY said that, before the motion was put, he wished to say, in connection with the reference that had been made by the Hon. Mr. Montgomery as to the necessity for having the evidence before the Council, that a very gross attack had been made upon the Government by the last speaker, who generally characterized the Government's action as being very harsh.

The Hon. Mr. PHARAZYN said he rather defended the Government.

The Hon. Sir P. A. BUCKLEY did not understand the honourable gentleman to do that.

The Hon. Mr. PHARAZYN said he had stated that generally the Government were open to attack, but that in this case it was only very much to be deplored that they had not granted Major Brown a fuller inquiry into the matter. He thought they ought to have given Major Brown a further opportunity of stating his side of the case before taking action.

The Hon. Sir P. A. BUCKLEY said the Government were not going to be advised by the honourable gentleman as to what action they should take; but, seeing evidence was required on this, and that a similar motion appeared on the Order Paper in the name of the Hon. Mr. Mantell, he thought it would be only fair to all parties that the debate should be adjourned. He had no desire to do anything harsh to Major Brown, but the Government, in what it had done, had arrived at its decision only after mature deliberation; and he would move, before proceeding any further, *That the debate be adjourned.* He would like to say something on the motion.

The Hon. Mr. MANTELL asked if the Minister was jumping his claim, as he wished to speak.

The Hon. Sir P. A. BUCKLEY said he would be very glad if the honourable gentleman would move the adjournment himself.

The Hon. Mr. MANTELL wished to draw the attention of the Council to the fact that the Public Petitions Committee appeared to have overlooked the prayer of Major Brown's petition, as he had not applied for a parliamentary inquiry. The circumstances complained of were that he had been summarily removed from his office without being informed, or having

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an opportunity of an investigation before an impartial tribunal. He had named the Chief Judge of the Native Land Court for the reason that an indignation meeting was held at Taranaki, at which it was unanimously requested that the Government should allow Major Brown an opportunity of being heard before an impartial tribunal, and where evidence could be taken on oath. They considered that the Chief Judge of the Native Land Court was the best person to hold the inquiry. The question was, Was Major Brown rightly removed from his office, and had he asked for an investigation before an impartial tribunal, and had he hitherto been refused that opportunity? As all details of the matter and the evidence would be placed before the tribunal, he (Mr. Mantell) would not refer to the details of the matter, or to the evidence given before the Committee, but he would only say, with regard to what had fallen from the Hon. Mr. Montgomery, that the District Judge seemed very much attached to the words "grossly irregular," as he had repeated them frequently; but if they had the evidence given by Judge Kettle himself they would find, if he was correctly reported, that these words were distinctly inappropriate, for the Judge's evidence was strongly in favour of Major Brown, with the exception of the two words "grossly irregular." It, unfortunately, appeared that Judge Kettle held different views in regard to the duties of an interpreter from those contemplated by the statutes or Courts. He held that the duty of an interpreter was to refuse to interpret anything which he did not know to be true; but, to his (Mr. Mantell's) mind, that would lead to a pretty embarrassment. The Judge held that an interpreter's duty went even beyond that, and that he should be something like a Protector of Aborigines of the olden times. He was entitled to entertain those views, but, at the same time, they were views not generally entertained, and would not be tolerated from interpreters in the Courts or in the Council. He wished to say these few words, as he considered Major Brown was entitled to a fair investigation before being degraded in this manner.

The Hon. Mr. BARNICOAT thought it would be very inadvisable to adjourn the debate, as there was abundance of evidence before the Council to settle the question whether or not Major Brown was entitled to be heard. In his petition he had prayed that he might be heard, and that was all the Committee recommended in its last report. They did not attempt to go into the justice of the case that the Council was now trying. Major Brown had hitherto borne a high character, and the question was, whether he should be refused, when ignominiously removed from office at a moment's notice, the opportunity of clearing his character. He thought that required no time to decide.

The Hon. W. DOWNIE STEWART did not see any use in the adjournment of the debate.

The Hon. Sir P. A. BUCKLEY said he had moved that motion in order to get further information that the Council desired, without

having any desire to reflect upon the character of Major Brown, but simply to place the whole of the facts before the Council.

The Hon. W. DOWNIE STEWART said that, whether Brown was guilty or not, the Committee had recommended that the report should be referred to the Government for consideration; and, with the exception of the Hon. Mr. Montgomery, they were unanimously in favour of that decision.

The Hon. Sir P. A. BUCKLEY desired to repeat that his only reason for his motion to adjourn had been that he might place before the Council the facts which had induced the Government to come to the conclusion they had arrived at. As a gross attack had been made upon the Government by members of the Council, it was only fair that they should have an opportunity of showing upon what their decision was arrived at.

The Hon. W. DOWNIE STEWART said the honourable gentleman should bear in mind when he made that statement that, on the petition being referred back to the Committee, the Government had been represented. The Hon. Mr. Seddon, and Mr. Sheridan, of the Native Department, had appeared, and had given evidence and stated the reasons of the Government for dismissing Major Brown from his office; and the motion for adjournment was simply beside the question. The Committee had found that Major Brown was entitled to the inquiry asked for. He agreed with the Hon. Mr. Mantell in saying that Judge Kettle's evidence was really in favour of Major Brown. The Committee had examined the witnesses with regard to the facts, and he thought the opinion arrived at by the Hon. Mr. Montgomery was an erroneous one.

The Hon. Sir P. A. BUCKLEY thought the Council ought to have before it the reasons that had induced the Government to come to this decision. He only wished to see fair-play between Major Brown and the Government.

The Hon. W. DOWNIE STEWART understood that the evidence given by Judge Kettle at the inquiry had been sent to him for correction, and might not be back before the close of the session.

The Hon. Mr. BARNICOAT said that was the case. Judge Kettle's evidence and also the evidence of Major Brown had been sent to them for correction, and he could not say when it might be expected back.

The Hon. Mr. MONTGOMERY desired to say, in reply to the Hon. Mr. Stewart, that he knew nothing of the circumstances, but simply went on the evidence.

The Hon. Dr. GRACE considered the Government was entitled to an adjournment. Major Brown's character had been amply vindicated, and he would lose nothing by a postponement of the further consideration of the matter.

An Hon. MEMBER.—For how long?

The Hon. Dr. GRACE did not care whether it was for twelve months. What was entirely clear was that Major Brown's character had been re-established in that Council. Time would put him right, and the Government

would make the *amende honorable* to him. He was certain the matter would work out right for Major Brown.

The Hon. Mr. PHARAZYN said that in the meantime Major Brown was deprived of his license as an interpreter and his living, and he might be placed in unfortunate circumstances while the time referred to by the honourable gentleman was elapsing. He quite approved of the adjournment, if it did not prevent the matter from being settled that session.

Debate adjourned.

WILSON LAND BILL.

The Hon. Sir P. A. BUCKLEY said the object of this Bill was to do an act of justice to Mr. Wilson, who was the survivor of a family the remainder of which was massacred at Poverty Bay. Under the Pensions Act of 1869 certain provisions of a very peculiar character were made in reference to this man. He was allowed an annuity of £50 a year, and also under the Act it was provided that a section of land should be given to him. But it was tied up in a very peculiar way. He could take possession of it only at a very late period of his life, and the trustees appointed at the time were authorised to lease it for a period of twenty-one years. He was now thirty-three or thirty-four years of age, and was desirous of settling on the land. The lease terminated in about a year, and it was proposed that he should be the absolute owner of the land, subject to the lease and any encumbrances incurred under it under the provisions of the Act. It was curious that, although he was not entitled to receive the title from the trustees, yet in the event of his making his will he could do what he pleased with it. The provisions of the Bill entitled him to receive this land in fee-simple, so that he might make his home upon it. He (Sir P. A. Buckley) was anxious that the Bill should pass its second reading and go before the Waste Lands Committee, so that the matter could be inquired into. Mr. Wilson was an infant when he escaped the massacre at Poverty Bay, and all his people were killed. The Government gave him an annuity of £50 for his support, and provided that this 100 acres of land should be given to him on the conditions referred to. He moved, *That the Bill be now read the second time.*

The Hon. Sir G. S. WHITMORE hoped that the Bill would receive the approval of the Council. Mr. Wilson's father was one of those unfortunates who died bravely at the Poverty Bay massacre, and had done a great deal of service before that occurrence. His wife and most of his children were killed, and the present Mr. Wilson was the sole survivor. At the time a great deal of sympathy was expressed for him, and this land and annuity were voted to him. He (Sir G. S. Whitmore) hoped that the services of Mr. Wilson's father to the country would not be forgotten, and that this gentleman would be provided for.

Bill read the second time.

The Council adjourned at twenty minutes to five o'clock p.m.

Hon. Dr. Grace

HOUSE OF REPRESENTATIVES.

Thursday, 18th October, 1894.

First Reading—Second Readings—Third Readings—Bills discharged—Little Barrier Island Purchase Bill—Diseases in Stock—Southern Railway Bridges—Counties Vehicle-licensing Bill—"Police Reform"—Waihaio and Waitaki Natives—Dunroon-Livingstone Mail and Waimate Post-office—Westport and Koranui Coal-leases—Horowhenua Post-office—Middle District University College—Gore Traffic-bridge—Kauri Land—Old Soldiers' Claims—Taipu-Peria Telephone—Whangarata and Paikara Railway-stations—G. W. Ell—Pohangina "Thirds"—Mountain Hut Water-race—Local Bodies' "Thirds" and "Fourth"—Small-farm Associations' Roads—Ministers' Travelling-allowances, &c.—Licenses—Awarua Block—Charitable Aid to Chinamen—Railway Plant, &c.—Customs Tariff—M. Tautari—Junction Road and Zigzag—Mining Industry—R. C. Majoribanks and Others—Legislative Council—Seaward Bush Settlers—Fruit-evilaporators—Native-land Purchase—Revenue and Expenditure—H. Maioha—Gisborne-Opotiki Mail-service—Wairoa Natives—Lyttelton Tunnel and Sumner Estuary—Chinese, &c., Poll-tax—West Harbour—W. Whiterod—New Zealand Cross—Amalgamation of Bank of New Zealand and Colonial Bank—Assets Company—Closure—Tophouse Tragedy—Patea Railway Refreshment-rooms—North Island Trunk Railway—Eel-weirs on Whangape Lake—International Cable Conference—Bank of New Zealand—Recapturing Prisoners—Compensation for Military Service—Hemi Pareara—Dunedin Cement—Woodville Co-operative Works—"New Zealand Year-book"—Southern Bridges—Privilege—Adjournment—Criminal Code Bill—Native Land Court Bill—Government Life Insurance Bill—Westport-Ngakawau Railway Extension Bill—Railways Authorisation Bill—Land and income Assessment Bill.

Mr. SPEAKER took the chair at half-past eleven o'clock.

PRAYERS.

FIRST READING.

Horowhenua Block Bill.

SECOND READINGS.

Public Trust Office Consolidation Bill, Post Office Bill.

THIRD READINGS.

Public Trust Office Consolidation Bill, Government Life Insurance Bill, Unclaimed Lands Bill, Westport-Ngakawau Railway Extension Bill, Railways Authorisation Bill.

BILLS DISCHARGED.

Supreme Court Bill, Public Reserves Sale Bill, Animals Protection Bill, Newspaper Libel Limitation Bill, Debts Recovery Limitation Bill, Shearers' Accommodation Bill, Patea Foreshore Vesting Bill, Waimea and Inangahua Counties Boundaries Alteration Bill, Dunedin Public Abattoirs Bill, Invercargill Race-course Trustees Empowering Bill, Workmen's Wages Bill, Distillation Bill, Betterments Bill, Undesirable Immigrants Exclusion Bill.

LITTLE BARRIER ISLAND PURCHASE BILL.

Mr. HOUSTON brought up the report of the Native Affairs Committee recommending that this Bill be proceeded with.

On the question, That the report do lie on the table,

Mr. HEKE said he had a great objection to this Bill. In the first place this Bill had been brought forward at a very late stage of the session, and the Natives who owned the Little Barrier Island had not been informed of it. They did not know anything about the Bill, or of the intended action of the Government in reference to their interests, until he had wired to them. He thought this very unfair. One of the reasons put forward by the Government for bringing this Bill down at this late stage of the session was that one of the Natives interested in the Little Barrier Island intended to rear bees on the island, and that if this were allowed it would lead to the destruction of the birds on the island.

Mr. HOUSTON rose to a point of order. He thought the discussion when the Bill was under consideration—

Mr. SPEAKER said that it was within the honourable gentleman's power to take advantage of the question, "That the report do lie on the table."

Mr. HEKE said he had mentioned on the second reading that he objected entirely to the provisions set out in this Bill. The intention was to take away the interests of the Natives whether they liked the price offered to them for their interests or not, and it was his intention to oppose the Bill in every shape and form. The Bill was very unfair; but he thought the Natives would come to some reasonable agreement with the Government if they would only be content to meet the Natives fairly in respect to their interests. There were many other reasons why he had a right to object to such procedure as was proposed in the Bill on the part of the Government. The main reason was that if they desired to take away the interests of the Natives the Government should have informed them long before, and therefore it was only proper that the Bill should be held over till next session; and the duty of the Government was to try to meet the Natives and come to some satisfactory arrangement respecting their interests. He would take a division on the matter, and when the Bill was in Committee he should oppose it in every shape and form.

Mr. J. McKENZIE was not at all astonished at the honourable gentleman's opposition to this Bill. It was on a par with his opposition to everything in connection with Native matters that had come before the House. The honourable gentleman had, however, put the matter wrongly. He had stated that the owners of this Little Barrier Island had no knowledge of the intention of the Government to carry this Bill, and that justice was not to be done to them. It was a doubtful matter many years ago whether the Natives had any claim to the island at all. For many years it was thought that the purchase of it had been completed when other lands had been purchased in the Auckland District. Afterwards it was discovered that the Natives had some claim to the island, and negotiations were set

on foot for the purpose of purchasing it. The Natives themselves agreed to the sale, and the purchase-money had been agreed upon, and everything completed in connection with it, with the exception that one chief claimed that the whole of the £3,000 for the purchase of the Little Barrier Island should be paid to him alone. The Government refused that, and sought authority, as set forth in the preamble to the Bill, to find out who were the Natives entitled to the money. The Government were quite prepared to pay for the island; but, respecting this one Native chief who was causing the whole disturbance in connection with the matter, he had a telegram, which he would read to the House, as it showed that there was a very great danger that the whole value of this island would be destroyed by this Native chief, who had threatened to set fire to the island. This was the telegram: "Hope Little Barrier Bill will be put through this session. Natives in district, for malicious purposes, will probably set fire to the island if the Bill is not passed." That was from Mr. Henry Wright, of Auckland.

Mr. HEKE said he supposed Mr. Wright was a member of the Acclimatisation Society.

Mr. J. McKENZIE thought that it would be a very great disaster to the colony, and also to the Natives themselves, if the island were destroyed as threatened here. There was nothing in the Bill to show that the land was to be taken from the Natives in any way without giving full value for it. The honourable gentleman was entirely wrong in supposing that any injustice would be done to the Natives. He would not say more, but when the question came up again he would go fully into the matter. He simply told the House these facts, so that the statements made by the honourable gentleman should not go unchallenged.

Sir R. STOUT did not think the honourable gentleman was acquainted with the whole history of this Little Barrier Island. It had been before the Native Land Court seven or eight times, and there had been a great struggle over it amongst the hapus. The Native chief the honourable gentleman had referred to, he believed, had expended several hundred pounds in fighting for his hapu, and the result of the division of the money set out in the Bill would be that all the money he had expended to get the island for his hapu would be lost. That was really at the bottom of his fighting against the sale of the island; and, if there was a compromise that there should be paid to him a sum of money sufficient to repay what had been expended by him in fighting to retain this island, he thought justice would be done. That was, he believed, the way for the Government to get over the trouble. This had been one of the hardest-fought titles, perhaps, in the whole of New Zealand; and that was the trouble now with this Native chief.

Mr. SEDDON said he had gone very carefully into the matter, and could tell the honourable member and the House what was at the bottom of it. It was simply a question of trying to levy blackmail. There were certain

people who had got this matter in hand, unfortunately for the Natives, and it was they who were doing this, and not the Natives themselves; so that it was certainly a case for the Government to ask the House to resist. There was no doubt whatever that the Natives, by an agreement which was given to Judge Fenton, had agreed to sell the island, and the Government, acting on that, had years ago purchased the island for very much less than they were now paying for it.

Sir R. STOUT.—Not from the same Natives.

Mr. SEDDON said that did not matter—they had bought it.

Sir R. STOUT.—From people who were not entitled to it.

Mr. SEDDON said it was bought, and, if such was the case, he was afraid it was not the only case in the colony; but, even if that was so, this Native's signature stood against him, and there was no doubt he ought to be compelled to take the same as the others, and the Bill provided for that. The purchase was a fair transaction from beginning to end. It would never do to encourage these Natives to back out of an arrangement, and assistance to them in this matter simply meant that those who were the last to sign should receive an enormous sum for their signatures. When he was in Auckland a deputation of chiefs had come to him; and he believed if this chief had been left to himself the whole thing would have been settled long ago, and the island would have been bought. The Government did not desire to ask the Legislature to deal unfairly with these three Natives, but if they were supported by others so as to make a large sum out of the transaction wrong was being done. It was the right and proper thing to pass the Bill.

Mr. MITCHELSON said the Premier had omitted to mention one fact. He (Mr. Mitchelson) had commenced the negotiations for the purchase of this island, and he quite agreed it was desirable the purchase should be made complete. The chief referred to by the Premier, Tenetahi, was one of the principal owners, and, as the Premier had said, had signed the deed, and therefore, so far as he was concerned, he was out of court. But there were two other Natives who had not signed the deed, and he would suggest to the Government that before taking such an extreme step as that proposed they should first ascertain whether the two Natives who had refused to sign had any land other than that they now lived upon on the Little Barrier Island. If they had no other, he thought it would be unfair for the Government to deprive them of their land unless they were prepared to give them a piece of land in some other place.

Mr. THOMPSON said, so far as he was acquainted with the history of the purchase of this island, the whole trouble had been caused by this Native chief, Tenetahi. The general opinion in Auckland was that far too much had been paid for the island—that it was not worth £3,000. But the trouble commenced in this way: After this chief had sold his interest in

the island he sold the timber growing on it to certain parties, who paid him in advance for it, and the Government had to step in and prevent the felling and removal of this timber. Then the whole influence of these parties was brought to bear to encourage this chief to resist the purchase of the island, owing to the dispute about the timber. The whole trouble was caused by the people who bought the timber illegally from the chief. He trusted the House would insist on passing the Bill through. So far as he knew, no injustice was intended to the Natives, who were receiving far more than the island was worth, and unless the purchase was completed the chances were that the bush would be fired and the island rendered useless.

Motion agreed to.

DISEASE IN STOCK.

Mr. LAWRY brought up the report of the Agricultural and Pastoral Committee stating, *inter alia*, in connection with a report from the Secretary of the Agricultural Department on sheep disease in the Tauranga district, that they had come to the following resolution:—

"That it is most important that the department should during the recess have the whole subject of the great mortality in sheep, especially in young sheep, examined into by the most capable experts the Government can employ, and that the fullest report on the subject should be laid before Parliament during next session."

He moved, That the report be printed, and be referred to the Government for their most favourable consideration, especially the part referring to the appointment of experts to deal with disease in sheep.

Mr. BUCHANAN was not to be deterred by the lateness of the period from making a few remarks on this subject. He felt very strongly on the question dealt with in this report, and greatly regretted that so important a question should have been deferred to this late period of the session. He could scarcely blame the Minister, because he believed that honourable gentleman had got his business pushed forward at the earliest opportunity; but if they looked at the very heavy losses sustained by settlers, especially in the North Island, and at the national importance of the stock industry to the colony, he submitted to the Government, and to members of the House, that no reasonable expenditure that the Government could make in this direction should be grudged by the colony. The colony had been in the past, and must be in the future, largely dependent upon its live-stock, and if they neglected such an important matter they might some day find that the resources of the colony might be very severely crippled by the development of disease. They need only look at what had been done in other countries to see the importance attached to this subject. France had saved millions of money by the appointment of experts to deal with the diseases which affected live-stock; and for all branches of industry in the United States scientific departments were set up, and thousands of pounds were spent, to enormous ad-

Mr. Seddon

vantage. And what had been the result? The result had been that America, in the matter of live-stock and their products, occupied a position unparalleled in the world's history. We should do well to follow such an example. If the Minister of Lands looked back at the several sessions during which he had occupied that position he would see that they had all carefully abstained from making this a party question. On the opposition side of the House they had been first and foremost in supporting expenditure in this direction; and he would submit to the Minister that he could leave no better record of service to the colony than the appointment of a really good scientific department to look after this branch of our industry.

Captain RUSSELL wished to urge on the Minister to place a sum of money on the supplementary estimates to enable him to give effect to the report of the Committee. It was very well to be impatient, but the question of the live-stock was the most important matter, from a practical point of view, of any which could occupy the attention of the colony, and it was no exaggeration to say that year by year disease was spreading amongst the flocks, and unless they obtained high veterinary knowledge and skill there might come infectious disease that would be a most serious disaster to the colony. Under these circumstances all they urged was that the Minister should take steps to place sufficient money on the estimates to be able to obtain what was recommended in the report—the very highest veterinary expert knowledge that could be procured. Even though it cost £10,000 or £20,000 the money would be very well spent. Because, if that occurred which had occurred in other countries, and virulent disease became established, national ruin must follow. It would be surely wise to spend even £10,000 or £20,000, and let us know we were safe from such a possibility. He did not wish the House to suppose there was anything imminent on the colony, but they had seen in other parts of the world contagious diseases spread like wildfire throughout different countries, and unless they had sufficient expert veterinary knowledge to guard against it it might end in appalling disaster to the colony.

Mr. J. McKENZIE would just like to say two or three words in connection with the subject. First of all, he had no intention of treating it in the manner referred to by the honourable member, but he thought it very inconvenient that important reports of this sort should be discussed before the House when only a few of those on the Committee were present, and when the large majority knew nothing of the subject. He was just as alive to the great necessity which existed for something being done in connection with the subject as the honourable gentlemen opposite. The Government had been doing a little. They had been endeavouring, as far as possible, to find out the causes of these various diseases, and for that purpose the Government had equipped what was known as the experimental farm at Waverley. There was a great deal of dissatisfaction on the part of some members because this experimental farm was not

established in some other part of the colony; but they could not have an experimental farm in every corner of the colony, and, in selecting Waverley, they selected what he considered to be a very suitable place for making experiments of this kind. They had thoroughly equipped it for the purpose; and nothing would be spared, with the talent at their disposal, to find out the causes of these diseases, and, if possible, to remedy them. If it was the intention of the Committee to ask the Government to bring out the highest veterinary talent from the Old Country, it would entail a very serious expenditure of money, such as the honourable member for Hawke's Bay had referred to. Whether the House was prepared to go so far, he was not aware.

Mr. BUCHANAN.—Yes.

Mr. J. McKENZIE said the honourable gentleman said "Yes"; but he did not even know whether it was so or not. At any rate, if the Government decided to ask the House to vote a large sum of money for the purpose it could be discussed by the House, and its opinion could be expressed on the subject, and if the House were prepared to go to this length of finding a large sum of money for the purpose the Government would be only too glad to meet the request and do what it could in the matter. At any rate, the subject was not being lost sight of, and they would endeavour during this first year to do what they could in connection with that experimental farm, and, if the results were not satisfactory to the House when they met again, then, of course, something further might be done.

Mr. BUDDO might say, referring to this question of the inspection of stock, and the increase of inspection for the purpose of keeping out any contagious disease that might happen to be imported into the colony, he was not aware of any contagious diseases being at present in existence in the more thickly-populated districts of the colony that required any attention to speak of. He spoke more particularly of the South Island, and he might say there were no diseases there that local knowledge could not cope with. It was only in some particular parts of the North Island where some unknown disease to which a name had not been given was troublesome, and where great loss occurred. However, he believed the Agricultural Department had made the fullest provision to find out all that was possible in the way of scientific knowledge as to the nature of the disease. Hitherto, he was sorry to say, these efforts had been unsuccessful. If serious trouble arose, he anticipated that the present law relating to the importation of stock dealt fully with that question. He objected to any further taxation being imposed upon those who were going to great expense in introducing fresh blood amongst the stock of the colony. He thought the provisions in the existing law were ample, and he did not wish to see any further taxation put upon these people. If any solution of the difficulty were offered with reference to this disease, the nature of which was unknown, but which existed amongst the sheep

in the North Island, he was sure the department would be prepared to meet it with the means at their disposal at the present time.

Mr. WILSON understood that the discussion was with the view of a sum being placed on the estimates for the purpose indicated.

Mr. LAWRY had nothing to say beyond entering a most emphatic protest against the impatience displayed by the House in discussing a matter of so important a character. They were quite ready to spend a great deal of time in discussing questions of abstract theory, but when important questions affecting the interests of every settler throughout the length and breadth of New Zealand came on there was a manifest impatience against taking up time in discussing them. It was scarcely possible to overestimate the importance of the recommendations contained in the report. He might say that these recommendations were adopted, after careful and mature consideration, by a Committee which understood the questions. For the information of the House he might explain that the report was drafted by the Hon. Mr. Ormond, a gentleman who perhaps knew more about the questions than any other man in New Zealand, and yet, from the reception they met with when he brought down a report of this important character, he was beginning to realise that, so far from the House taking an interest in country matters, the feelings of the House had entirely changed. He might refer to the time when Mr. J. D. Lance was Chairman of the Stock Committee: when he brought down a report the matter was discussed throughout a whole afternoon; and yet now, when he (Mr. Lawry) brought down a report which was unanimously passed by a Committee composed of gentlemen who knew everything pertaining to the matter, there was manifested a singular impatience throughout the House, and objection was shown to taking up time over it. He would resume his seat with an emphatic protest against the impatience exhibited when a question of this vast importance was brought down from the Committee.

Motion agreed to.

SOUTHERN RAILWAY BRIDGES.

12.30. Mr. SEDDON moved, That the following order of the day be discharged: "Southern railway bridges—adjourned debate on the question, That the report of the Railways Committee do lie on the table and be referred to the Government."

The House divided.

AYES, 41.

Allen	Green	McKenzie, J.
Buddo	Hogg	McKenzie, R.
Cadman	Houston	McLachlan
Carnell	Kelly, W.	Meredith
Carroll	Lang	Mills
Collins	Larnach	Montgomery
Crowther	Lawry	Morrison
Duthie	Mackintosh	Parata
Fraser	Maslin	Pinkerton
Graham	McGowan	Reeves

Mr. Buddo

Russell, W. R.	Stevens	Willis.
Saunders	Steward	Tellers.
Seddon	Thompson	Hall
Smith, E. M.	Ward	Harris.

NOES, 28.

Buchanan	Joyce	Pirani
Buick	Kelly, J. W.	Russell, G. W.
Carncross	Mackenzie, T.	Smith, G. J.
Duncan	Massey	Stout
Flatman	McGuire	Te Ao
Guinness	McNab	Wilson.
Hall-Jones	Miller	
Heke	Mitchelson	Tellers.
Hutchison, G.	Newman	Earnshaw
Hutchison, W.	O'Regan	Tanner.

PAIR.

For. Against.
Pera. Ball.

Majority for, 13.

Order of the day discharged.

COUNTIES VEHICLE-LICENSING BILL IN COMMITTEE.

Clause 8.—Provisions as to traction-engines. Mr. McLAHLAN moved, after the word "Act," to strike out all the words down to "offence," for the purpose of inserting the following: "and the provisions of subsection one of section two of 'The Police Offences Act Amendment Act, 1890,' shall not apply within the district of a County Council or other local authority having power to make by-laws for regulating the conditions on which traction-engines shall be allowed to pass along roads or over bridges."

Amendment agreed to.

Mr. BUDDO moved to add the following new clause: "In any county where the average rateable value of land held in fee-simple exceeds two pounds an acre this Act (with the exception of section eight) shall not apply."

New clause agreed to.

Mr. SEDDON moved to add the following proviso: "Provided that, notwithstanding the average rateable value of lands held in fee-simple exceeds two pounds per acre, it shall be competent for the local authority, by special order, to make by-laws relating to vehicles other than traction-engines should the said local authority be petitioned by a majority of the ratepayers so to do."

Amendment agreed to.

Bill reported, and read a third time.

"POLICE REFORM."

Mr. G. J. SMITH asked the Minister of Defence, Whether he has received any report from Inspector Broham in reference to the charges contained in a letter appearing in the Christchurch *Star* of the 1st instant headed "Police Reform," signed "Bull's-eye"? If so, will the Minister state whether the report admits the correctness of the charges, or any of them, and whether any steps have been taken by the police since the appearance of the letter with reference to the alleged breaches of the licensing law? Since giving notice of the

question a few days ago he had seen that certain proceedings were taken by the police in connection with the letter. He now wished to know from the Minister in charge of the department what action had been taken.

Mr. SEDDON said he had received a report from Inspector Broham in reference to the charges contained in the letter referred to, signed "Bull's-eye." The report was somewhat lengthy. There was also a report from the police at Lyttelton in reference to the public-house there. With regard to the bars, there was more than one bar, and that was in accordance with the law. Then, as to the connection between the hotel and the tobacconist's shop, the report of the police was that that was also in accordance with law. There was a defect in the Act at the present time. Certain places were prohibited from being connected with hotel premises—such premises as were used for public entertainments, or as refreshment-houses; but tobacconists' shops were not prevented from being connected with hotels. Notwithstanding that, the Inspector had given instructions to close the connection. With regard to illicit distillation, the Inspector said there were a number of Donegal men somewhere about Timaru. There was some illicit distillation going on in the Timaru district years ago, but he had suppressed it. Every precaution was now taken, and so far as he was aware there was none going on now. With regard to the sly grog-selling, Cheviot was forty-five miles from the nearest police-station, but instructions had been given to suppress as far as practicable sly grog-selling in that part of the colony. The writer of the letter under the *nom de plume* "Bull's-eye" was a canvasser for the New Zealand Government Insurance Department, named Theophilus Wicks. He might say that he intended to lay the two reports on the table; and it was satisfactory, he thought, to the House to know that, at all events, the reflection cast upon the police was not warranted by the facts.

WAIHAO AND WAITAKI NATIVES.

Major STEWARD asked the Native Minister, Whether he has concluded arrangements for providing medical assistance for the Natives resident at Waihao and Waitaki; and, if so, will he state the nature of those arrangements, and the names of the medical men appointed? Some weeks ago his honourable friend the member for the Southern Maori District brought under the notice of the Native Minister the desirableness of making some provision for medical assistance for the Natives resident at Waihao and Waitaki. Some correspondence, he believed, had taken place since then with certain medical gentlemen; and he would like to know what arrangements had been made, and what gentleman had been appointed.

Mr. SEDDON said negotiations had not yet concluded, but were still proceeding.

DUNTROON-LIVINGSTONE MAIL AND WAIMATE POST-OFFICE.

Major STEWARD asked the Postmaster-

General,—(1.) Whether a tender has been or will be accepted for a tri-weekly mail-service between Duntroon and Livingstone? (2.) Whether it has been decided to paint the roofs of the post-office buildings at Waimate? He believed tenders were to be called for within a week or ten days. Earlier in the season he had asked the honourable gentleman to whom this question was addressed if he would endeavour to give further postal facilities to the residents at Livingstone and in that part of the country. There was a semi-weekly service between Duntroon and Livingstone; and, as he had told the honourable gentleman, he believed a tri-weekly service could be obtained at an additional expenditure of £10. The second point was with regard to the post-office buildings at Waimate, regarding which he believed an officer of the department had made a report more than a year ago.

Mr. WARD said the acceptance of the tender had been deferred till after the House rose. The matter would then be gone into, and a decision arrived at. In regard to the second portion of the question, instructions had been given to paint the roof of the new portion of the building.

WESTPORT AND KORANUI COAL- LEASES.

Mr. PIRANI asked the Minister of Mines, Whether, in the amalgamation of the Westport and Koranui coal-leases, there was any limit to the time when the fulfilment of the labour clauses should be deemed satisfactory while complied with by one lease only; and, if so, when does that time expire?

Mr. CADMAN said there was no lease in existence known as the "Koranui" lease, as the ground held by the Koranui Company was formally surrendered, part of it being subsequently taken up by the Westport Coal Company. There was, accordingly, no question of amalgamation of leases by these two companies ever under consideration.

HOROWHENUA POST-OFFICE.

Mr. PIRANI asked the Postmaster-General, If he has yet determined as to the course of action he will take in reference to the Horowhenua Post-office?

Mr. WARD said the matter had not been definitely disposed of, but inquiries would be made during the recess.

MIDDLE DISTRICT UNIVERSITY COLLEGE.

Sir R. STOUT asked the Minister of Education, What steps, if any, have been taken to appoint a Council for the Middle District of New Zealand University College? The Act provided for the Council being elected by members of both Houses, and if the matter were not set about at once it would be impossible to get the Council elected. It was a purely administrative matter, and the Minister of Education could do it without referring the matter to the Cabinet. He hoped, therefore, that

honourable gentleman would say that he was now taking steps to have it carried out.

Mr. REEVES said he had been waiting for two things. One was that, with all due deference to the honourable gentleman, he would like to have the matter discussed in the Cabinet, and hoped to have it discussed on the following day. The other matter had been referred to the Law Officers of the Crown, and he was waiting for their answer, which he also hoped to get on the following day.

GORE TRAFFIC-BRIDGE.

Mr. McNAB asked the Government, — (1.) Whether they propose to act in accordance with the opinions expressed by Mr. Commissioner Hawkins regarding the Gore Traffic-bridge, and give effect to his recommendation? (2.) When they intend to authorise the Gore Borough Council to execute the work, in accordance with section 15, subsection (5), of "The Public Works Act Amendment Act, 1889," and to declare that a proportion of the cost shall be borne by the other parties mentioned in the report of the Commissioner? (3.) Whether they propose to contribute the £1,000 mentioned by the Commissioner; and, if so, what provision is being made to supply that amount when required by the Gore Borough Council?

Mr. J. McKENZIE said the Government were prepared to carry out the terms made last year in connection with the matter when the local bodies were prepared to find their portion of the money. He was not aware that the local bodies had signified their intention of raising the necessary funds to provide for the erection of the bridge, but whenever that was done the Government were prepared to carry out their promise.

KAURI LAND.

Mr. HOUSTON asked the Minister of Lands, if he will give instructions to the Crown Lands Board at Auckland, when any land with kauri growing on it is disposed of, that the land and the kauri be sold together, in order that the local bodies may get the benefit? He was understood to say that if the Board sold the kauri the result was that the local bodies received no benefit, the land remaining in the hands of the Board. The local authority did not receive the "thirds." A block had been sold in the Whangarei district, and the result had been that the traffic on the road had completely destroyed the road for a distance of twelve miles; and he understood that the Board contemplated selling another block in the same district. He thought, therefore, that in selling the kauri the land should be sold at the same time.

Mr. J. McKENZIE said he did not deem it advisable to interfere with the Board in this matter. He thought the Board's local knowledge of the district over which they had to administer the law would lead them to do what was best in the interests of all concerned. He understood that their objection to selling

the land with the kauri was that large areas of kauri-land contained gum, and they wanted to retain it for gum-digging purposes. However, now that attention had been drawn to the matter, it was possible they might find it advisable in some cases to dispose of the land with the timber. While in no way dictating to the Board as to the course which should be pursued, he would make representations to it that he thought it advisable some steps should be taken so that the local bodies might get the necessary revenue to keep up their roads.

OLD SOLDIERS' CLAIMS.

Mr. DUTHIE asked the Minister of Defence, Whether, in dealing with old soldiers' claims, he will rectify the injustice to Volunteers who were on active service and under fire at various times from 1860 to 1870, but who, through the disbandment of their corps or otherwise, were unable to complete five years' continuous service?

Mr. J. McKENZIE said the existing Act was specific in determining the period of service which was recognised, and there was no power to vary it without fresh legislation. There was at present a return on the table showing the whole position; and the whole question would have to stand over to another session.

TAIPU-PERIA TELEPHONE.

Mr. HOUSTON asked the Postmaster-General, if he will make provision during the recess to extend the telephone from Taipu to Oruru, and thence to Peria, in the County of Mangonui? When the line was extended from Mangonui to Kaitia he had pointed out to Dr. Lemon that the line should go by Oruru and Peria, as these were settled districts, and there would be a larger revenue. He hoped the Minister would consent to make the connection now.

Mr. WARD said he would have another report furnished on the matter. As it stood at present the cost would be rather too much to warrant the department in constructing the line. According to the present report the cost was estimated at £370, and the revenue at £13 per annum. If it were possible for the contribution of £106 to be made by the people in the locality the line would be proceeded with. This estimate was on the basis of the information in the last report; but he would have another report made, to see if business had increased, or if there was anything fresh to warrant the extension.

Mr. HOUSTON asked how the estimate of revenue was arrived at.

Mr. WARD replied that there was a process in connection with the service upon which the estimate of revenue was based, and which had proved very reliable, and it worked out in nearly every case. It was based on the amount of mail-matter circulated within the area over which the line was to be erected, and the proportion of telegraph and telephone business was arrived at under an estimate of 5 per cent.

Sir R. Stout

WHANGARATA AND PAIRATA RAILWAY STATIONS.

Major HARRIS asked the Government, If they will approach the Railway Commissioners with a view of causing the stoppage of passenger-trains at Whangarata and Pairata Stations, on the Auckland and Waikato Railway?

Mr. SEDDON said that a reply was given to a similar question on the 3rd August, as follows:—

“The present time-table provides for stoppage of trains at these stations twice daily each way. The Commissioners do not see their way to stop the through trains, as there is not sufficient traffic to warrant it.”

G. W. ELL.

Mr. G. J. SMITH asked the Government, If they will give effect to the report of the A to L Committee on the petition of G. W. Ell? The petitioner referred to had a petition before the House last year, and received a favourable report from the Petitions Committee, but the terms of the receipt drawn up in connection with the report were such that the petitioner was advised not to sign it, as it would preclude him from taking any further steps he thought he was entitled to take. He had petitioned the House again this year, and he (Mr. Smith) believed the Committee had again made a favourable recommendation, and had altered the terms of the receipt. He wished to know whether the Government proposed this session to give effect to the recommendations of the Committee.

Mr. CADMAN said the Government had not yet been able to consider reports of the Committees. Personally he would be very glad to give a reply in the affirmative, but the matter was of so intricate a nature that they had to act on the advice of the Crown Law Officers all through, and the Government were advised that the receipt proposed by the Committee would not do. The sum of £200 had been available whenever Mr. Ell chose to sign the receipt drawn up by the Solicitor-General.

POHANGINA “THIRDS.”

Mr. PIRANI asked the Minister of Lands, If he has received a reply to his promised inquiry as to the liability of the Wanganui Harbour reserves at Pohangina to contribute “thirds” to the local body of the district?

Mr. J. MCKENZIE said that section 4 of “The Wanganui Harbour Endowment Borrowing Act, 1887,” under which most of the Wanganui Harbour endowment was disposed of, provided that, after deducting the cost of survey only, the whole of the proceeds should be paid to the Wanganui Harbour Board Fund; and section 3 of “The Wanganui Harbour Endowment Sale Act, 1892,” specially exempted the block taken up by the special-settlement association from the payment of “thirds.”

MOUNTAIN HUT WATER-RACE.

Major STEWARD asked the Minister of Mines, Whether he has considered the petition of J. J. Ardagh and sixty-five other miners and

others of the Maerewhenua district, praying for assistance towards the completion of the Mountain Hut Water-race, which was referred by the Goldfields Committee to the favourable consideration of the Government; and, if so, what he proposes to do in regard to this matter? This was a very important matter to a considerable number of his constituents in connection with the Maerewhenua goldfield. They were badly in want of a supply of water. A number of miners had, during the last two years, been busily engaged in bringing in a race to the western portion of the field. They had expended some £6,000 in the construction of about eight miles, and had arrived at the end of their funds. They had now to cross a gully over which a fluming would cost about £2,500 more, and if this were completed they would be able to deliver a supply of water which would command a large area of auriferous country. They did not ask for any money except in the shape of a loan, which they wished to be able to obtain at the lowest possible rate; and he thought, under the circumstances, as the goldfield was capable of providing employment for thousands of persons, the Native Minister might step forward to assist the miners in question. The petition had been referred to the Committee, and they had taken the evidence of his honourable friend the member for Oamaru,—who, with himself, had visited the race and inspected every inch of it,—and, as he had said, the Committee had recommended the matter to the favourable consideration of the Government.

8.0. Mr. CADMAN hardly knew what reply to give to the honourable gentleman, because, although the Committee had reported favourably on the petition, still at the same time they had had a communication from some of those whose signatures were appended to the petition, asking to have their names excised, and stating that they had foolishly signed blank sheets of paper on the verbal statement of those who went round with the petition, and stating further that the petition contained untrue statements. A Government officer had reported on this work, and his report was rather unfavourable as to the constructing of the work. However, he proposed visiting the Otago goldfields during the recess, and he intended visiting this district if he were able.

Major STEWARD said the information which had just been given to the House was entirely new to him. It had not been communicated to him, and had it been he would have stated it to the House.

LOCAL BODIES’ “THIRDS” AND “FOURTHS.”

Mr. G. HUTCHISON asked the Minister of Lands, If he has yet received, or is likely before the end of the session to receive, the opinion of the Law Officers on the point as to whether the moneys deposited on the selection of unsurveyed land on account of the survey-fees, and afterwards credited to the selectors against the payments by them under the various tenures (other than cash purchases), should not be sub-

ject to the "thirds" or "fourths" payable to the local bodies? Some time ago he had put a question to the same effect to the Minister, who was not then in a position to reply. He hoped the honourable gentleman would be in a position to reply to-day, because it was just probable this was the last opportunity that he or any other member would have of raising this question, which was somewhat important to local bodies. He had previously pointed out that there was a provision in the Land Act which provided that "thirds" or "fourths" of "the price or value of the periodic payments and rental of land under the various tenures" should be paid over to the local bodies for the purpose of spending the money on roads leading to or opening up the lands from which those payments accrued. It was a matter of settlement, and he hoped the Minister would find himself justified in making provision for such a desirable object.

Mr. J. McKENZIE said he had not received a reply from the Law Officers. He had given instructions that the opinion should be given before next Monday.

SMALL-FARM ASSOCIATIONS' ROADS.

Mr. PIRANI asked the Minister of Lands, Whether the 5s. per acre loading on small-farm associations' lands for roads is intended to complete and metal the said roads, and how long the settlers alluded to have to pay 4 per cent. interest upon the 5s. per acre loading? He would like to point out to the Minister of Lands that in regard to the deferred payment and perpetual-lease and lease-in-perpetuity lands the "thirds" would only be payable for a certain period—in the case of deferred-payment land for fourteen years, and fifteen years in the case of perpetual-lease lands; but in the case of lease-in-perpetuity lands those unfortunate people, whose lands were loaded with the cost of roading, on the same principle the "thirds" would not be paid until 999 years. He would like to know whether that was correct, or whether it was merely an oversight.

Mr. J. McKENZIE said the honourable gentleman had put an entirely wrong construction upon this matter. The money added to the value of this land for roading purposes was not in the same position as a grant for roads. It was added to the capital value of the land, and, as the land was disposed of, from the capital value of the land was taken the amount required for roading, and it was considered, as these people got roads made for them to improve their lands, and as the loading for roads was part of the capital value of the land, seeing that they would only have to pay rent upon that capital value at the rate of 4 per cent., no injustice was done to them. The adding of the roading to the land was quite fair, more especially as large sums were spent outside of the sums put on for loading.

MINISTERS' TRAVELLING-ALLOWANCES, ETC.

Mr. G. HUTCHISON asked the Premier, If he expects before the end of the session to be

Mr. G. Hutchison

able to lay before this House the return ordered more than three months ago of the particulars of the travelling-allowances and -expenses drawn by each of the Ministers during the last financial year?

Mr. SEDDON would make inquiries into the matter, and give instructions to have the return ready as soon as possible.

LICENSES.

Mr. WILSON asked the Government, If the Licensing Bill is not passed, will they bring in a short Bill of one clause prohibiting the transfer of a license from one township to another?

Mr. SEDDON thought it was rather soon for the honourable member to presume that this Bill would not go through. He might say it would be as well for the honourable gentleman to wait and watch; and in the meantime he would say it was undesirable for Licensing Committees, and it was against the spirit of the law, to consent to these removals long distances.

AWARUA BLOCK.

Dr. NEWMAN asked the Minister of Lands, Upon what date the Awarua Block, to be traversed by the North Island Main Trunk Railway, will be open for selection by the public? He asked this question because a large number of people were anxious to know when this land would be opened up.

Mr. J. McKENZIE said the portion of the Awarua Block purchased by the Government contained 140,000 acres, and, as a large portion of it was bush-land, to make sure that they should get the best possible grades for the roads it would take some considerable time to have the lines graded, and until this was done they could not proceed with the surveying of the land into sections. It was desirable, he thought, that the surveys should be made before the land was disposed of. The department had not been idle in this matter. As soon as the Court affirmed the Crown's right to the land they took action at once for the purpose of getting the land into the market, and at the present time six survey parties were on the block, and two more were about to start, so that within the next eight or nine days they would have eight survey parties on the block for the purpose of getting it surveyed and put into the market as soon as possible. He hoped by the first of the year to have the new township which would be necessary at the place called Three-log Whare in the market as the first instalment.

Dr. NEWMAN said the Minister had not stated when the land outside that would be ready. Would it be ready in six months, in a year, or in two years?

Mr. J. McKENZIE hoped there would be some in the market in February, in March, and so on. There would be, as he had already stated, eight survey parties employed next month, and as soon as the survey parties came in and their maps were prepared the land would be brought into the market. They had no intention of keeping the land back.

CHARITABLE AID TO CHINAMEN.

Mr. HOGG asked the Premier, Whether he is aware that the Inspector-General of Hospitals is collecting information from the Benevolent Boards of the colony concerning the amount of charitable aid dispensed to Chinamen? (2.) If so, will he ascertain for what purpose or at whose instigation this information is being obtained? (3.) If the information is considered desirable, will he direct the Inspector-General to obtain statistics of the persons of various nationalities who have received charitable aid from State institutions? He noticed from the newspapers that the Inspector-General under the Hospitals and Charitable Institutions Act had written to the Masterton Benevolent Trustees asking for a return of the number of Chinese and other Asiatics who had received charitable relief during the year ending the 31st March, 1894. Now, at the present time there was an agitation going on pretty well all over the colony against the influx of Chinese and other Asiatics, and he would like, therefore, to know what was the meaning of this movement on the part of this officer of the Government—whether it was intended as a counter-move in defence of Chinese immigration.

Mr. REEVES was about to confess his absolute inability to see how, under any circumstances, it could be a counter-move in defence of Chinese immigration. That probably was due to want of perception on his part; but, at any rate, this was being done not only in the case of the Masterton Benevolent Trustees, but in the case of all Charitable Aid Boards, and was being done at the instigation of no less a body than that honourable House, which ordered a return, on the motion of the honourable member for Ashley, some time ago, that had caused the collection of this information, relating not only to Chinese, but to other Asiatics.

RAILWAY PLANT, ETC.

Mr. G. W. RUSSELL asked the Government,—(1.) Whether they propose to have an examination of the railway plant, permanent-way, and bridges made prior to taking over the lines from the Commissioners? (2.) Will they appoint a competent Inspector for each Island, who shall be independent of local control, and whose duty shall be to report in detail from time to time to the Minister on the state of the bridges, permanent-way, and plant? The second part of the question was a most important one.

Mr. SEDDON said that, as to the first part of the question, the answer was in the affirmative: they did intend to do this. They did not think they would be justified as a Government in taking over these lines unless their condition was shown. They thought it necessary this examination should be made, both in fairness to the Commissioners and in justice to the Government and the House. As to the second part of the question, that was a matter of detail which the Government could determine when they took over the railways.

CUSTOMS TARIFF.

Mr. G. W. RUSSELL asked the Government, If they will, early next session, lay before this House proposals for a revision of the Customs tariff in the interests of local industries? With that view, will they collect information during the recess supplementary to that obtained by the Tariff Committee, and be prepared with the proposed revision when Parliament next meets? Of course it was hopeless for anything to be done this session, but he would ask for a clear and emphatic promise from the Government that they would be ready to deal with this question next session, in view of the necessities of the local industries.

Mr. WARD said every effort would be made by the Government to compile the necessary information to enable this to be done.

M. TAUTARI.

Mr. HOUSTON asked the Minister of Lands, If the Government will give effect to the report of the Public Petitions M to Z Committee on the petition of Mere Tautari? It was unnecessary to go into particulars in reference to the question. He might state that the Committee which considered the matter, after taking the evidence of the departmental officers, unanimously came to the decision to recommend the Government to grant the prayer of the petition. The petitioner was a respectable woman, living in the Bay of Islands district, and he hoped the Government would accede to the prayer of the petition.

Mr. J. McKENZIE had not had time to bring this matter before the Government since the report of the Committee was made, but careful inquiry would be made into the whole question, and the Government would then consider it, and no doubt justice would be done in the case.

JUNCTION ROAD AND ZIGZAG.

Mr. McGUIRE asked the Minister of Lands, If he will place a sufficient sum on the supplementary estimates to allow the Junction Road and Zigzag to be placed in sufficient repair to allow the Crown tenants and special settlers an outlet to their market town and to the railway?

Mr. J. McKENZIE said this was one of those roads that were under the control of the local authority of the district, and the Government was therefore under no obligation to find the money for repairs. However, knowing as they did from reports received by the department that the road was in a very bad state, and that there were a number of Crown tenants and settlers upon the lands in the neighbourhood, the Government had put a certain sum on the estimates for doing something to these roads. He would ask the honourable member to inform the local authorities that they would be expected to keep these roads in repair for the future. These roads had been a considerable expense to the Government, owing to the neglect of the local authority, on account of their being allowed to get out of repair.

MINING INDUSTRY.

Mr. McGOWAN asked the Government, If their attention has been directed to a paragraph in the *New Zealand Times* of Saturday, referring to the indignation felt by the Auckland and Thames people at the neglect of the Government in not making sufficient provision for aiding the mining industry? (2.) In view of the aid given to banking interests and the provision by legislation for aiding the settlers in the colony by cheap money, expert advice, and encouragement generally, will the Government at once recognise the hitherto-neglected deep gold-mining in the North by substantially subsidising any company prepared to undertake this important colonial work? (3.) Are they aware that many of the best-skilled young miners are leaving that part of the colony owing to the apathy of the Government towards this industry? Out of consideration for the House, and owing to the late period of the session, he had refrained, when the Public Works Statement came down, from moving the adjournment of the House to bring up the question of the very small amount that was to be devoted to this important industry of gold-mining. Not only did this question affect a considerable portion of the northern district, but it affected the colony as a whole. With regard to the deep gold-mining, he thought, considering the amount of interest that was being taken in other colonies in this matter, New Zealand was taking what appeared to be a very suicidal course in not devoting more attention to these processes. He hoped the question would be answered in the affirmative.

Mr. CADMAN said, in regard to the first part of the question, his attention had been drawn to the paragraph mentioned. Some uneasiness seemed to have been caused in the goldfields districts as to the amount of the vote. But people did not seem to understand that the amount appropriated was for expenditure during the year. If certain work would cost, say, £100,000 or £150,000, it was of no use to vote all this money at once, as it could not be expended during this financial year. They must place on the estimates only what was expected to be expended during the financial year. The Government would be prepared to go into the individual cases and make proper business arrangements, so that negotiations entered into might be continued. However, the vote was considered sufficient for the year, because it would take some time to start preliminary operations, even to sink the deep-level shafts on the goldfields. If the people in the various districts were prepared to put their own shoulders to the wheel the Government would be quite ready to grant them substantial assistance in every reasonable way.

R. C. MAJORIBANKS AND OTHERS.

Mr. McNAB asked the Minister of Lands, Whether he will give the necessary instructions to the officers of the Forest Department in Southland to carry out the recommendations of the Petitions M to Z Committee on the petition of R. C. Majoribanks and others?

He said the question arose out of a petition presented to the House by himself. The petitioners referred to were bushmen residing about Hokonui and Gore, and the petition related to some hardship which they suffered in connection with the State forest there. The petitioners prayed,—

"1. That licenses should be granted for a certain time, instead of for a certain quantity of material.

"2. That, in case of disputes with the department having control of the forests, the bushmen should not be required to attend the Stipendiary Magistrate's Court at Invercargill, but at Gore, in the immediate locality.

"3. That fines should only be inflicted before a Stipendiary Magistrate.

"4. That the regulations should permit of standing timber being cut."

The petition was referred to the Public Petitions Committee, and that Committee had given a favourable recommendation. He regretted that they were unable to give a more favourable recommendation with regard to the first portion, but with regard to the second and third their recommendation was a favourable one. He hoped the Minister of Lands would give the necessary instructions to have the prayer of the petitioners carried out. The bushmen resided six or seven miles from where the sitting of the Board was held, and when any difficulty arose they had to go past Gore to Invercargill, a distance of some forty miles. Complaints had been received by him from all sides; and he hoped the Minister would give a favourable reply.

Mr. J. McKENZIE thought that, instead of this petition being referred to the Public Petitions Committee, it should have gone to the Waste Lands Committee, as it certainly related to a subject that came under the jurisdiction of the Lands Department. The Commissioner of Crown Lands at Invercargill was also Commissioner of State Forests. He (Mr. McKenzie) had not seen the petition or the report of the Committee, but any recommendations made by the Committee would receive his careful consideration, and, if he could see that these recommendations could be carried out without detriment to the interests of the colony, he would give the necessary instructions accordingly.

LEGISLATIVE COUNCIL.

Mr. G. W. RUSSELL asked the Government, If they propose to make any appointments to the Legislative Council during the recess? If so, how many?

Mr. SEDDON would have no difficulty in replying to this question. The action of the Government would depend upon circumstances, and he thought none of the circumstances would warrant the Government in doing what was mentioned in the question.

SEAWARD BUSH SETTLERS.

Mr. J. W. KELLY asked the Minister of Lands, If he has received any report from the Commissioner of Crown Lands, Invercargill, against the further expenditure of money for

the benefit of village settlers in Seaward Bush Township? If not, will the Minister explain the reason why the vote of £200 granted to the village settlers mentioned for the last three years has been stopped this session, notwithstanding the very large increase in the vote for roads throughout the colony generally?

Mr. J. MCKENZIE had not received a report from the Commissioner of Crown Lands against any further expenditure. The reason for the amount not appearing on the estimates this year was that it was not considered desirable to spend further money in the construction of roads in this district. The fact that for the last three years the sum of £200 had been voted was no reason why it should be placed on the estimates this year. But further inquiry would be made, and, if necessary, the sum would be voted.

FRUIT-EVAPORATORS.

Mr. J. W. KELLY asked the Minister of Agriculture, if he will consider the advisability of importing, during the recess, one of the latest and most improved fruit-evaporators, and exhibit the same in various parts of the colony, for the purpose of encouraging the fruit-growing industry by showing those interested a more profitable method for disposing of their surplus fruit?

Mr. J. MCKENZIE said some of the Inspectors had already given information on this subject; also the question of importing a fruit-evaporator had been considered, and a machine had been sent for.

NATIVE-LAND PURCHASE.

Mr. G. HUTCHISON asked the Colonial Treasurer, if the amount of £300,000 under the Lands Improvement and Native Land Acquisition Bill, mentioned in the Public Works Statement as intended to be appropriated this year, includes the sum of £50,000 for which debentures have been already issued during the current financial year under "The Native Land Purchases Act, 1892"; and, if not, to what purpose such last-mentioned sum is to be applied? There would be found on page 4 of the Public Works Statement, under the head of "Appropriations proposed," two items of £150,000 each, under the Lands Improvement Account and Purchase of Native Lands Account—these made up the £300,000 referred to in the question; the other amount of £50,000 appeared by Return H. 167, under the head of "Native Land Purchases Act, 1892," as already raised by debentures issued between the dates 1st April and 30th June, 1894.

Mr. WARD said Yes, this sum of £50,000 was included in the amount of £300,000 under the Lands Improvement and Native Lands Acquisition Bill.

REVENUE AND EXPENDITURE.

Mr. G. HUTCHISON asked the Colonial Treasurer, if the return of revenue and expenditure for the quarter ended 30th September last will appear in this week's *Gazette*? The *Gazette* was due that day, and he hoped his honourable friend would state that the returns

would appear in the *Gazette*, because, according to precedent, the returns were now due.

Mr. WARD said the returns would appear in this week's *Gazette*. Instructions had been given to that effect before the honourable gentleman gave notice of his question.

H. MAIOHA.

Mr. MITCHELSON asked the Native Minister, if he has considered the petition of Henana Maioha, such petition having been referred by the Native Affairs Committee to the Government for consideration; and, if so, what action he proposes to take upon it?

Mr. CARROLL said the report referred to had not yet been received.

GISBORNE-OPOTIKI MAIL-SERVICE.

Mr. W. KELLY asked the Postmaster-General, whether, considering the growing importance of the East Coast and Bay of Plenty districts, the rapid spread of settlement in each respectively, the vast area of land being acquired therein by the Crown for settlement purposes, and the urgent necessity for proper and efficient communication between Gisborne and Opotiki *via* the Motu Township, the Government will at once establish a weekly overland mail-service in provision thereof? He wished to prevail upon the Government to have some means adopted at once whereby the settlers in the Motu district could get their letters sent to them regularly. The Motu Township was some fifty miles from Gisborne and fifty miles from Opotiki, and the Government had acquired large areas of land between Opotiki and Gisborne, and the settlers there found it very difficult to keep up communication. He hoped the Government would endeavour to have the mails sent regularly—say, once a week—to the Motu Township, which was about half-way between Opotiki and Gisborne.

Mr. WARD thought the order was rather a large one. To meet the requirements of the honourable gentleman, and give the service asked for between Gisborne and Opotiki, would cost about £200, and the revenue from it was estimated at only £38 per annum. It would therefore not be possible for so expensive a service to be authorised, when the returns would be so small. A service to Motu Village, about half-way, would cost £78; and a service already existed to within twenty miles of Motu Village, for which they were now paying £52 a year, and it could be extended to the village for an additional payment of £26, and this was as much as could be done at present.

WAIROA NATIVES.

Captain RUSSELL asked the Premier,—(1) If he is aware that the potatoes sent to the Natives at Wairoa by the Government were distributed to men many of whom are wealthy, and not in need of such assistance; (2) whether he is aware that many of the potatoes were immediately sold in the neighbouring township; (3) whether any other Natives were treated with the same disregard of prudence; and (4) on what system, and on whose recom-

mendation, the distribution was made? He had received letters from the district assuring him that all these were facts, and it seemed to him, if it was desirable that these persons should be relieved, a certain amount of prudence should have been exercised.

Mr. CARROLL might say, in regard to sections (1) and (2) of the question, the department had heard nothing of the kind. In regard to part (3), the department was not aware that

380. there had been any disregard of prudence in this or other cases. In reference to No. (4), Mr. J. Hunter Brown, Chairman of the Wairoa County Council, Mr. Thomas Carroll, a member of that Council, and the Rev. Tamihana Huata, Native clergyman of the district, undertook to see that the potatoes were properly distributed. This course was adopted on his (Mr. Carroll's) recommendation, after receiving advice from the district; and the distribution of the potatoes was made as follows: Te Whakaki, 10 sacks; Korito, 10 sacks; Ngamotu, Kihitu, and Ahaka, 35 sacks; Whakaahurau and Pukepoto, 10 sacks; Teuhi and Mangatutu, 20 sacks; Waihirore Makea Kea, 15 sacks; Tokiahi, Whakapau, and Parara, 15 sacks; Ruataniwha and Matiti, 15 sacks; Hikawai and Temira, 15 sacks; Ramoto, Pakowhai, and Mangaruke, 20 sacks; Arimawha and Te Waiata, 30 sacks; Te Paina, 5 sacks; Nuhaka Natives, 2 sacks; Mohaka, 2 sacks; Te Reinga, 2 sacks. He regretted this question had been put on the Order Paper without the honourable gentleman first making himself thoroughly sure of the facts.

Captain RUSSELL. — I am sure of the grounds.

Mr. CARROLL said he had wired to the Chairman of the County Council, and he had received a reply stating that there was no truth in the allegations. He regretted what the honourable gentleman had done the more because an insinuation had been cast on the character of those who were intrusted with the distribution of the food.

Captain RUSSELL asked if potatoes were distributed in any other part of Hawke's Bay.

Mr. SEDDON said No, but food had been sent to Natives at two or three other places.

LYTTELTON TUNNEL AND SUMNER ESTUARY.

Mr. JOYCE asked the Premier, Will he take the earliest opportunity of ascertaining from the Government Civil and Marine Engineers the probable cost of duplicating the line of railway through the Lyttelton Tunnel, and obtain an approximate estimate of the cost of opening the Sumner Estuary and of the formation of a ship-canal from such estuary to Christchurch? There had been considerable agitation at Christchurch and in the surrounding district in reference to this matter. This question must be faced shortly. The trade of Canterbury had so largely increased that it was necessary something should be done to relieve the pressure.

Mr. SEDDON said that to provide for a double line of railway through the Lyttelton Tunnel it would be necessary to increase the width

of the present tunnel by 8ft., which would involve a considerable enlargement of the whole section of the tunnel; and, as the traffic on the present line would have to be kept open during the progress of the work of enlarging the tunnel, it would cost as much as an entirely new tunnel for a single line—probably, from £80,000 to £90,000. An approximate estimate of the probable cost of constructing a harbour for large ships at the Sumner Estuary and connecting it by canal with the City of Christchurch could be made without survey, but extensive surveys would be necessary before any practical scheme of the works could be devised. The Government had not yet received any information that the tunnel was not of sufficient capacity for the traffic. In other places if the goods-traffic became very great they generally ran trains at night. So far the Government had not received any information that any inconvenience had been caused in this respect. Inquiries would be made. For his own part, he thought it was rather too soon to think of a canal.

CHINESE, ETC., POLL-TAX.

Mr. COLLINS asked the Premier, Will the Government, in case the Undesirable Immigrants Bill should not be reached this session, bring in a short Bill raising the poll-tax on Chinese and other Asiatics to the sum of at least £50? It would generally be conceded that this question was one of very grave importance; and as this would be the only opportunity the House would have of dealing with this matter, and as it was probable a short Bill would meet with the general approbation of honourable members, he hoped the Government would give a favourable reply to the question.

Mr. WARD said, in view of the Bills which had been struck off the Order Paper that day, honourable members would see that it was unlikely that what the honourable gentleman asked could be done.

WEST HARBOUR.

Mr. MILLAR asked the Colonial Treasurer, If he will place a sum on the supplementary estimates to pay the claim of the West Harbour Borough Council for land taken for a railway? He had been asked by the West Harbour Borough Council to put this question on the Order Paper. Last session when this matter came before the House it was favourably recommended to the Government. It seemed that a sum of £10,000 which ought to have been paid for this land had not been paid. While in Dunedin the Colonial Treasurer promised the Council that a sum would be placed on the estimates for this purpose.

Mr. WARD said what the honourable member had stated was quite correct. When the estimates were under the consideration of the Cabinet he submitted a recommendation, but, as a result of the deliberations of the Cabinet, the recommendation he had promised to make was not assented to. He might say that he would again submit the matter to the Cabinet

Captain Russell

when the supplementary estimates were under consideration.

W. WHITEROD.

Mr. WILSON asked the Minister for Public Works, If he will make inquiries from the Railway Commissioners whether they have received the report of the Railways Committee on the petition of W. Whiterod. If so, do they propose to carry out the recommendation of the Committee?

Mr. SEDDON said the Commissioners replied as follows:—

"W. Whiterod is in the employ of the Manawatu Railway Company, in a position fully equal to the one recommended by the Railways Committee; but the Commissioners—irrespective of the Committee's recommendation—are of opinion it would not be advisable to re-employ him in the Government railway service, as by so doing he would be in the way of the promotion of the younger men who have gone through all the training of the two grades at small pay."

NEW ZEALAND CROSS.

Mr. JOYCE asked the Premier, Will the Government, during the recess, take into consideration the advisability of providing a Civil Division of the New Zealand Cross, to be awarded for acts of bravery in saving lives from fire, shipwreck, drowning, &c.? This question was brought before the House in 1891, when the late Mr. Ballance said that the Government sympathized with the object of the question, and that he would take the matter into his serious consideration during the recess. Owing to Mr. Ballance's illness and death the question was not dealt with. At the present time we were depending on Australia for such recognition of acts of bravery. Surely the time had arrived when this colony should do something in the direction suggested in the question.

Mr. SEDDON said this matter had his entire sympathy, and he was at one with the honourable member in thinking that the time had come when we might deal with matters of this kind in New Zealand. He would go into the matter during the recess, and see what could be done. He did not think it would detract at all from the rewards simply because they were New Zealand rewards.

AMALGAMATION OF BANK OF NEW ZEALAND AND COLONIAL BANK.

Mr. G. W. RUSSELL asked the Colonial Treasurer,—(1.) Would the power of veto possessed by the President of the Bank of New Zealand be sufficient to prevent an amalgamation of that bank with the Colonial Bank during the recess and without the consent of Parliament? (2.) Is any change contemplated in the banking arrangements of the colony by which the Colonial Bank will receive any share of the Public Account, or participate in any beneficial interest in the colony's business?

Mr. WARD, in reply to the first part of the question, thought the President could stop

anything of the kind; but the honourable member would see when the Bill was circulated that afternoon that in this respect the whole matter was put perfectly clear. Beyond that, there could be no doubt whatever as to what that power would be. In reply to the second part of the question, he might say that no change was contemplated. There had been no representations made for some time. The representations made were made before the last proposals of the Government. There had been nothing since.

ASSETS COMPANY.

Mr. G. W. RUSSELL asked the Minister of Lands, Will he, during the recess, consider the desirability or otherwise of formulating a scheme to lay before next session of Parliament by which those estates belonging to the Assets Company which are suitable for settlement may be taken over by the Crown on the principles of the Land for Settlements Act? It had occurred to him that possibly the unloading of the Assets Company, so far as its land was concerned, might be taken advantage of in connection with the Land for Settlements Act.

Mr. J. MCKENZIE said the desirability of formulating any special scheme in connection with this matter had not yet been considered by the Government. As honourable members were aware, the Government had many things to attend to every day, and this was a question which required a large amount of consideration. However, he thought, if the company offered land to the Government in the same way as other lands were offered, and if the land was suitable for purposes of settlement, and the price was reasonable, something might be done. He hoped during the recess to see some of these estates, now that the colony was interested in them, and he might be in a very much better position next year to tell the House whether he thought it was desirable that the colony should take over some of these estates for settlement purposes or not.

CLOSURE.

Dr. NEWMAN asked the Premier, If the Government will this session add to Standing Orders of this House the closure rules in use by the House of Commons? He thought the closure rules in force in the House of Commons would be exceedingly useful if they were adopted here. The House of Representatives had had two or three striking object-lessons this session of the necessity for some such new rules.

Mr. SEDDON was not at all in favour of the closure. There was no doubt that this session some legislation which was wanted by the country had been obstructed, and the people had thus been denied legislation which they were entitled to, owing to that obstruction; but he did not think, himself, that it required the closure to deal with the difficulty. The present Standing Orders allowed every member to speak forty minutes in Committee upon every amendment, in periods of ten minutes. He

thought the time so allowed should be reduced. He would prefer that that should be done by the Standing Orders, rather than to give the power to any Chairman, or even to the Speaker of the House itself, of preventing any man from speaking.

TOPHOUSE TRAGEDY.

Mr. GRAHAM asked the Government, Whether, in view of the awful tragedy which has been perpetrated at the Tophouse Telegraph-station, in the Nelson District, by which the late telegraphist, Mr. W. Wallis, who was only promoted to the position some five months ago as a mark of appreciation of his conduct and services at Cable Bay Station, fell a victim to a foul murderer on the night of Thursday, the 4th instant, simply, as is evident from subsequent disclosures, to prevent him from performing his duty by conveying to town information concerning a previous terrible murder which had been committed there on the same night, they will place a sum upon the supplementary estimates as some poor compensation to his unfortunate widow for the sudden and terrible loss of her husband under these circumstances, and also ask this House to express its sympathy with Mrs. Wallis and the young woman, Miss Wylie, who was with her, upon their most trying experience and helpless condition throughout the dreadful time referred to?

Mr. WARD said the lamentable circumstances surrounding this tragedy had received the consideration of the Government. Of course, Miss Wylie, who was referred to, was not in any way connected with the Postmaster at Tophouse, and, much as one regretted the unfortunate position in which this young woman was placed, the honourable gentleman would see that the sympathy of the Government could not go beyond sympathy. So far as Mrs. Wallis was concerned, instructions had been given to offer her the position of Post-mistress in some part of the colony, at a salary of £70 a year. If she did not accept that offer the Government would recommend that the usual allowance should be paid to her which was paid on the death of officers in the service.

PATEA RAILWAY REFRESHMENT-ROOMS.

Sir R. STOUT asked the Premier, Whether alcoholic liquors are sold at the Patea Railway refreshment-rooms, and, if so, at what hours and under what authority? He was informed that alcoholic liquors were being sold at these rooms at all hours, not merely when trains arrived and left—in fact, that it had simply become a drinking-place. If this was true it ought not to be permitted. If alcoholic liquors were to be sold at railway refreshment-rooms, which he very much regretted, they should only be sold when passenger-trains were arriving or leaving. The place should be open only during certain hours.

Mr. SEDDON said the reply of the Railway Commissioners was as follows:—

"The refreshment-rooms at the Patea Rail-

Mr. Seddon

way-station have just been reopened in consequence of a demand for refreshment accommodation at this part of the line. The rooms have been let to the 31st December, 1895, and a license issued by the Commissioners in terms of sections 83 and 84 of 'The Government Railways Act, 1887.'"

He had given, he thought, his views on the question to the House in the Licensing Bill.

Sir R. STOUT said this was not an answer to the question. The Commissioners had not fixed any hours, but had simply given an open license. Now that the Act was repealed the license would lapse. They had no business to give a license, with the fact known to them that there was a repealing Bill before the House.

Mr. SEDDON said this showed the wisdom of bringing the lines under the Government.

NORTH ISLAND TRUNK RAILWAY.

Mr. MITCHELSON asked the Minister for Public Works,—(1.) If any compensation has been paid for land taken for railway purposes on the Rangitira-Mangaonoho Section of the North Island Trunk Railway? (2.) Had the Government not the right of taking the land without compensation out of the 5 per cent. set aside in Native lands for the purpose of roads and railways?

Mr. SEDDON said the reply of the Commissioners was as follows:—

"This refers, apparently, to Mr. Dalziel's land. A claim for £3,348 was received from Mr. Dalziel: and the question of the right to take the land without payment of compensation was referred to the Law Officers, who advised that, although the Government was entitled to take 5 per cent. of the area granted without paying compensation, there was no warrant to take an excessive width of land, or to take a block for station purposes, without payment; and, further, that all substantial damage must be paid for. The line runs for more than four miles through Mr. Dalziel's land, and occupies seventy-eight acres, and for a considerable distance a width of more than 3 chains is taken. An area of eight acres is also taken for a station. The awkward manner in which the railway cuts through the property, running as it does for nearly a mile in a horseshoe curve, rendered it necessary to rearrange a number of paddocks; fences had to be moved and re-erected, provision made for supplying water to paddocks cut off from water, and fresh sheep-tracks, with bridges over gullies, had to be made by the owner. The cost of working the farm has also been materially increased. Some loss accrued to Mr. Dalziel also through the sheep being disturbed by the railway-works during the lambing season. After a good deal of negotiation the claim was settled for £800, to cover everything. This amount included also payment for an additional fifteen acres purchased from Mr. Dalziel."

He might say this was a matter that had given a considerable amount of anxiety, but an arrangement ultimately was made which he thought was a very fair one for the colony and

a just one for Mr. Dalziel. In this matter Mr. Dalziel had behaved very well. Had he gone to law he (Mr. Seddon) believed the Government would probably have had to pay more, besides a considerable amount in expenses.

EEL-WEIRS ON WHANGAPE LAKE.

Mr. LANG asked the Premier, if he will take the necessary steps to have the obstructions in the shape of eel-weirs removed from the navigable creek flowing from the Whangape Lake into the Waikato River, so as to enable the steamers now running on the Waikato River to carry goods for the settlers in that district? Some weeks ago he had forwarded a letter to the Premier giving full particulars of this matter, but he had received no reply. The settlers were very anxious to have the matter arranged, and he had put the question on the Order Paper in order that it might be settled before the end of the session.

Mr. SEDDON said it was proposed to make inquiries as to what were the actual legal rights of the Maoris to eel-weirs in the stream forming the outlet to Lake Whangape. In case it was found they had any claim to this right, then arrangements could be made by which the entrance to steamers into the lake would be facilitated.

INTERNATIONAL CABLE CONFERENCE.

Mr. DUTHIE asked the Postmaster-General, What steps he has taken to protect the public against the decisions expected to be agreed to at the International Cable Conference in 1896 to enforce the use of the official vocabulary for extra-European telegrams? He had already drawn attention to this question in the early part of the session. Since then a communication had been received making it certain that the associations proposed to enforce this code on the colonies. There would probably be a much better chance of the thing being stopped if active steps were taken at once. He would be glad to learn if the Government had made representations to prevent this code from being forced on the colony.

Mr. WARD might say that strong representations had been made to the Eastern Extension Telegraph Company, protesting against this code being enforced. In addition to that, the next representative to the Intercolonial Cable Conference would be instructed to protest; and, if that was not sufficient, he thought the colonies contributing towards the maintenance of the cables should seriously consider whether they should not withdraw from the whole thing. Of course it required consideration whether they should do that or not, but he thought there could be no doubt that the introduction of a cable code such as the company was desirous of pressing upon everybody was not right. People should be allowed to use their own codes. It seemed to him wrong, when they were paying the companies to carry their messages, that they should be told by the company what cable code they should use. The Government would do all

they could to prevent the introduction of the cable code; he could assure the honourable gentleman of that.

BANK OF NEW ZEALAND.

Mr. DUTHIE asked the Colonial Treasurer, Whether he will lay before this House a copy of his instructions to the President of the Bank of New Zealand, and whether it is his intention to insist that the business of the bank will be reduced as speedily as practicable to within such volume as can safely be conducted on the shareholders' available paid-up capital; further, will the Treasurer also definitely state the terms and conditions of the President's appointment? He recognised that the colony was associated with this bank for the future, and he had refrained from taking any part in connection with the question that would be likely to prove disturbing. If the bank was to be a success under its new management the less it was before the House the better. It could not be a success if it was constantly before the House. But at this stage, when a fresh departure had taken place, he thought they should have an explanation of the policy of the Government on the matters indicated in the question. If a satisfactory answer was given to this question he believed the matter might be allowed to lie dormant in future. He trusted, therefore, that he should receive an explicit statement from the Treasurer, and also as to the terms of the appointment. The Colonial Treasurer had said that the latter was during good behaviour; but that was exceedingly vague, and his subsequent remarks had not conveyed a lucid idea of what the terms really were.

Mr. WARD said that perhaps the more convenient way of answering the question would be to read the letter of appointment, which was as follows:—

“Wellington, 12th October, 1894.

“SIR,—I have now the pleasure to hand you herewith a warrant of appointment under the hand of His Excellency the Governor wherein you have been appointed President of the Bank of New Zealand, in terms of section 12 of ‘The Bank of New Zealand Share Guarantee Act, 1894.’ The appointment dates from the 6th instant, during good behaviour and efficiency, and the salary is to be at the rate of £2,250 per annum, to be paid by the Bank of New Zealand.

“You will understand that, as the appointment has been made entirely in connection with the colony's guarantee of two millions to the bank, which said guarantee ceases at the expiration of ten years from the date of the issue of the guaranteed stock, the Government do not in any way bind themselves to a continuance of the appointment after the expiration of the term of the before-mentioned guarantee; and, of course, your appointment will end should the statutory Board of Directors cease to exist. It is almost unnecessary for me to refer to what, in the opinion of the Government, your duties should be. Section 12 of the Act under which you are appointed recites that you ‘shall have and shall exercise all the duties,

powers, and responsibilities of a director, and shall also have the power of veto.' It is in connection with this power of veto that the Government are most anxious that you should use the utmost discretion, so as to prevent any interference with the legitimate business of the bank.

"I also desire to draw your attention to section 15 of the Act, which provides that if, upon the report of the Auditor, confirmed by yourself, I shall be of opinion that the affairs of the bank are in any respect being improperly or unsafely conducted, it will be my duty to call the attention of the directors thereto. As the action of the Colonial Treasurer in such case must of necessity be guided by the opinion and advice you will be called upon to offer, I need hardly state that your first duty will be to see that the interests of the colony, as represented by their guarantee of two millions, are always safeguarded, and it will be imperative upon yourself and co-directors to manage and conduct the affairs of the bank so that on the one hand the best interests of the shareholders shall be preserved, and on the other there shall be no danger of the State making any loss in respect of its guarantee.

"In case it becomes necessary to appoint a Receiver, as provided by section 9 of the before-mentioned Act, the duties of the Board of Directors will cease in the ordinary course, and your office as President of the Board will thereupon be determined.—I have, &c.,

"J. G. WARD.

"William Watson, Esq.,

"Bank of New Zealand, Wellington."

That was the letter of appointment, and it constituted a reply to the first portion of the honourable gentleman's question. In reply to the second part, as to whether the Government would not interfere with the administration of the bank as suggested,—whether it would not insist that the business of the bank be reduced as speedily as practicable to within such volume as can safely be conducted on the shareholders' available paid-up capital,—that was a point on which the Government would not dictate to or interfere with the executive administration of the bank; neither did he think it was right or proper that they should do so.

RECAPTURING PRISONERS.

Mr. R. McKENZIE, for Mr. E. M. Smith, asked the Government, If there is any system by which rewards are given to persons who recapture prisoners who escape from Her Majesty's gaols; and, if so, will they grant rewards to Thomas Partington and Thomas Hargreaves, who captured the prisoner Wallath in New Plymouth while the warders were firing at him?

Mr. SEDDON said the reply to this was,—

"There is no system by which rewards are given to persons who recapture escaping prisoners, unless they are specially recommended for a reward by the Judges, Magistrates, or Visiting Justices. In the case of the escaping prisoner Wallath no recommendation for rewards was made."

Mr. Ward

The persons named must have had a very narrow escape. He would make inquiries into it.

COMPENSATION FOR MILITARY SERVICE.

Mr. HALL asked the Minister of Justice, Seeing that many petitions have been presented to this House this session by claimants for compensation for military service, and that these petitions have been referred to the Government for consideration, will the Government inform the House whether they have considered the claims, and whether they, or any of them, have been sustained as deserving of compensation; and, if so, will the Government make provision for satisfying them?

Mr. J. McKENZIE said there had been no time for the consideration of the various petitions referred to the Government respecting this matter. Moreover, as he had said already, there was no power to deal with unsatisfied claims without legislation. During the recess the matter would be carefully gone into, in the hope that a decision would be come to next session.

HEMI PAREARA.

Sir R. STOUT, for Mr. Heke, asked the Native Minister, Whether the Government will give effect to the report of the Native Affairs Committee of last year on the petition of Hemi Pareara? He might say that the report recommended that this petition should be inquired into, he thought, by Mr. Fenton. If that was not to be done he would like to know what the Government intended. These Native matters were coming up continually year after year, and he thought it was far better they should be dealt with, if possible, by a Magistrate. There were very great complaints that when Committees reported nothing came of it. He hoped this would be inquired into.

40. Mr. CARROLL said, after looking into it, the Government had decided not to take any steps in the matter.

DUNEDIN CEMENT.

Mr. PINKERTON said a question had been asked some time ago by the honourable member for Eden about the quality of Dunedin cement, that of the Milburn Lime and Cement Works having been rejected by the Government. The question and the answer given had very seriously affected the company. After the question was asked it was agreed by the department and the company that the cement should be submitted to a test by an expert not connected with either the department or the company. He had reason to believe the test had been made, and a report received by the department a fortnight ago. When would that report be laid on the table?

Mr. SEDDON said he had inquired of the department, and had received a reply that the report of the expert had been received. He hoped to be able to lay it on the table the following day. He was not in a position to say whether the report was favourable or not, but

he thought the company was entitled to have it made public.

WOODVILLE CO-OPERATIVE WORKS.

Mr. HALL asked the Minister of Labour, If he will inquire into the allegation of four gangs of co-operative labourers employed at the Woodville end of the Woodville-Eketahuna Railway, under Messrs. Joyce, Ellery, Dumphy, and Wilks,—(1) That they have been set to work on sections of stumping and formation without being informed of the price to be given; (2) that they have been paid in some instances for formation only; (3) that no plans and specifications have been given them by which to carry on their work? (4.) If all or any of those allegations are correct, will the Government see that in the future these matters shall be remedied?

Mr. SEDDON said inquiries had been made, and the result had not yet been received. When received the result would be made known to the honourable gentleman.

"NEW ZEALAND YEAR-BOOK."

Mr. SEDDON laid the "New Zealand Year-book, 1894," on the table. He said this book was year by year improving. Although a superficial observer might think the contents very similar to those of the book for 1893, there was really a great deal of new, besides revised, matter, and all the figures were brought on a year. Section 1 of the special articles, which exhibited the trend of the recent legislation under the heads of Land-laws, Labour Laws, Co-operative Public Works, State Farming, Direct and Graduated Taxation, the Franchise, Licensing, *et cetera*, was quite new, and these subjects were made to take precedence of the articles on the resources of the colony. He thought they would be found well timed. In Section 2, Mr. Sladden's excellent article on frozen meat was a good instance of completely new matter under an old title. A good deal of what was fresh had been introduced into the statistical report—remarks on birth-rate, cancer, wool-production, cost of living, average incomes and earnings from wages, banking legislation, *et cetera*.

SOUTHERN BRIDGES: PRIVILEGE.

Mr. G. J. SMITH asked Mr. Speaker's ruling on what he considered to be a question of privilege. Some little time ago the Railways Committee laid on the table of the House a report dealing with the southern bridges. He understood that that Committee had that day, by resolution, decided not to lay on the table of the House the evidence they had taken. He wished to know whether the Committee had power to do that—to retain the evidence in its own possession, and retain it from the possession of the House.

Mr. SPEAKER said that no Committee had power to keep in its own possession papers of the kind referred to. They should be handed over to the Clerk of the House, who was the custodian of all records of Select Committees, as well as of those of the House.

ADJOURNMENT.

Mr. McNAB desired to move the adjournment of the House in consequence of the unsatisfactory answer he had received to his question with reference to the Gore Traffic-bridge. Owing to the advanced period of the session he would not detain the House at any great length. He had asked the Government three questions that afternoon. The first was, "Whether they propose to act in accordance with the opinions expressed by Mr. Commissioner Hawkins regarding the Gore Traffic-bridge and give effect to his recommendation?" He might mention that the circumstances surrounding this question were as follow: For some considerable time the people of Gore had made every effort to secure a traffic-bridge over the Mataura, and last year the sum of £1,000 was placed on the estimates to be granted in the form of a pound-for-pound subsidy. This amount was not expended; and towards the latter portion of the year action was taken by the local authorities there in order to saddle the different bodies with a certain proportion of the cost, as it was utterly impossible that the Gore Borough Council alone could bear the whole cost of this bridge. Proceedings were commenced by the Government appointing Mr. Commissioner Hawkins to take evidence and send in a report. That report had not yet been made public; and what he (Mr. McNab) wanted to point out was this: that under section 14, subsection (4), of "The Public Works Act Amendment Act, 1889," as soon as the report was in, the section stated, "It shall not be obligatory upon the Government to act in accordance with the opinion that may be expressed by such Commissioner or Commissioners, nor to give effect to any recommendation that may be contained in his or their report." Now, he understood that the opinion expressed by the Commissioner was that the £1,000 should be granted by the Government, or he expressed his approval of the grant which had already been passed, and indicated his opinion that the Gore Borough Council and the Southland County Council ought to share the remainder of the cost between them. Hence he (Mr. McNab) asked that portion of the question which he had just quoted—namely, whether the Government proposed to act in accordance with the Commissioner's opinion. Now, the answer which he received from the Minister, evidently not understanding the full tenor of his question, was that, as soon as the local authorities were prepared to find their portion of the money, the Government were prepared to grant their share of it. Now, the section of the Act which he had quoted went on to say,—

"If no objection be lodged within the two months aforesaid, or if, although an objection be lodged, the Governor is of opinion that the work should be done, he may, if he think fit, by warrant under his hand publicly notified and gazetted, authorise any local authority to execute such work, and may declare that a proportion of the cost thereof, to be mentioned in such warrant, shall be borne by any other local

authority or local authorities, and such proportion shall be paid by such local authority or local authorities accordingly."

The result of that section was that until the warrant under the hand of the Governor was issued the Gore Borough Council could not compel the other local authorities to contribute to the cost of erecting the bridge. Hence he asked the second part of his question—namely, "When they intend to authorise the Gore Borough Council to execute the work, in accordance with section 15, subsection (5), of 'The Public Works Act Amendment Act, 1889,' and to declare that a proportion of the cost shall be borne by the other parties mentioned in the report of the Commissioner?" No answer had been given to that question, and, although the Gore Borough Council in this case had a favourable report from the Commissioner as the result of his investigation, still, until the warrant was issued under the hand of the Governor, they were utterly unable to enforce his recommendation or judgment upon the other local authorities; and the answer they had received to the question did not bring this difficulty one bit nearer to a termination. Then, the third part of the question, which, from the local authorities' point of view, was the most important of all, was "Whether they propose to contribute the £1,000 mentioned by the Commissioner; and, if so, what provision is being made to supply that amount when required by the Gore Borough Council?" The advance of £1,000 was recommended by the Commissioner, and he would point out to honourable members that in last year's public-works estimates it was agreed to pay a pound-for-pound subsidy to the extent of £1,000. In answer to that, he understood the Minister to say that the Government would carry out the promise. The question was, What was the promise? They had the pound-for-pound subsidy to the extent of £1,000 on last year's estimates, and he presumed that the fulfilment of the promise would be the reinstatement of that subsidy. Now, looking at the public-works estimates, the amount did not appear there, and the promise could hardly have been said to have been carried out; otherwise the matter would have been brought before the Government in another direction. He understood that one member of the Government actually gave a promise that he would undertake that the sum should be reinstated—namely, a subsidy of £1 for every £2 contributed by the local bodies, but not to exceed £1,000 in all. This promise was given by the Colonial Treasurer to a deputation of the Gore Borough Council which waited on him in Invercargill in February last. The questions which he asked were not particularly in regard to the giving of that £1,000, because he had no doubt that if the £1,000 was put on the estimates, and the bodies constructed the bridge, they would then get that £1,000. But the £1,000 was not on the estimates, and the position of the matter was such that until the Government took some action in regard to it the Gore Borough Council could not possibly enforce

Mr. McNab

the contribution of the remaining £1,000 from the Southland County Council. He would not detain the House any longer, but he had laid before it the facts of the case so far as he was aware of them, and he thought it would have been better had the Minister answered categorically the various questions asked him. At the present time, the Gore Borough Council was absolutely powerless, and the answers given to the questions did not advance the position of the local authorities in the slightest degree.

Mr. J. McKENZIE said the honourable gentleman had no doubt gone into the matter of this bridge very fully, with the evident idea that he was the only one who knew anything about it; but he could assure the honourable gentleman the Government knew all about the matter. They were quite aware that this warrant would have to be issued before the Gore Borough Council could force the other bodies to provide the funds necessary for their share of the cost of the erection of the bridge. But they had heard it stated in the House time after time that it would be tyranny on the part of the Government to force any local Board to do anything that was not approved of by themselves. What would it mean if this warrant were issued and the Gore Borough Council were placed in the position of being able to call upon another local body to find a large sum of money—say, £3,000? It might put the finances of that local body in a very peculiar position, and the people who had to find the funds might have a good claim against the Government for issuing the warrant for one local body to force the other local body to find such a very large sum of money. This report only came up lately from the Commissioner who was appointed to inquire into the matter, and surely before being called upon to say whether they would take any action in the matter they might claim the right to have time to consider it, and to communicate with the local bodies that were interested, in order to see how far it would involve their finances, and how far they were prepared to go towards meeting the request. That was the reason why the authority which the honourable gentleman had spoken of had not been issued, and he was sure honourable members would agree with him it was a wise course for the Government to pursue not to issue a warrant of that nature, which would enforce upon the local authorities the necessity of finding money which they might not be prepared to find. His answer was this: that the Government would carry out the promise as regarded the £1,000, and would pay that amount whenever the local bodies interested were in a position to find the balance of the money. He thought that, as it was a matter in which two local authorities were concerned, and as they now knew what the report of the Commissioner was, and also knew the position of the Government, all they had to do was to consider among themselves the best way of finding the money for the purpose of erecting the bridge. He thought all that the Government had to do was to find the money

when the local bodies interested were able to do their share in the matter.

Mr. J. W. KELLY said it was all very well for the Minister of Lands to stand up and try to find some excuse for the Government not placing this sum on the estimates, as was promised by the Colonial Treasurer to the people of Gore, but the explanation which the honourable gentleman had put forward was, in fact, nothing more than drawing a red-herring across the scent. There was no doubt about that. He thought it was strangely suggestive that the sum of £1,000, as promised by the Colonial Treasurer, should be kept off the estimates, considering the way the honourable member for Mataura had acted towards the Government during the present session. It was much on a par with the manner in which they treated his (Mr. Kelly's) constituents in a matter with reference to which he put a question on the Order Paper. When he was a loyal supporter of the Government he was in a position to do a little more for his constituents whom he represented. It was strange to see that, although he would not for a moment say the Government had done it on purpose. He was not accusing the Government of anything unfair, because they were nothing if not magnanimous. It was, however, a strange coincidence that now, for the first time in some four or five years, this had happened, because the Atkinson Government, even at the time the district was represented by a member of the Opposition, had granted an amount to the village settlers of the Seaward Bush district for the purpose of giving access to their land. It was a strange coincidence that this session, when he had been compelled to walk into the lobby against the Government very often, the £200 vote had disappeared from the estimates. He was sure every member of the House sympathized with him very much; and no doubt his constituents, the village settlers, when they came to understand the position of affairs, would be very thankful for the way they had been treated by the Liberal Government now in power, which was prepared to punish them at any moment when their member did not vote straight according to the Government's ideas. Talk about

4.30. party government after that! He had never once, during the four years he had been in the House, voted with the honourable member for Waitaki on the Elective Executive Bill, but he would ask honourable members if the Government were not taking the very best steps possible to compel their supporters to walk into the lobby with the honourable member for Waitaki, by punishing members for not voting as the Government considered right. He did not know whether he would be allowed to characterize the action of the Government as contemptible. At any rate, he could not use the language he would like to use, for fear of breaking the rules of the House. He would have a favourable opportunity, however, in a few weeks' time, when addressing his constituents. He would be able to show the people of Southland their true friends at

last. He thought there could be no doubt that the reason of this £200 being struck off the estimates this year was simply an endeavour on the part of the Government to make him (Mr. Kelly) unpopular in his district, and it was in order to put the electors against him. He could assure the honourable gentleman, however, that it would have quite the opposite effect. There was an old saying that curses, like chickens, came home to roost, and the honourable gentleman, in his effort to curse him over this little matter, would find that it would recoil upon the Government. He was glad the honourable member for Mataura had moved the adjournment of the House, because it would result in showing how the members from Southland who had occasionally voted a little crooked against the Government that session had been treated. The honourable member for Wallace had voted with the Government on almost every division.

An Hon. MEMBER.—How has he been treated?

Mr. J. W. KELLY would ask honourable members to look at the estimates and judge for themselves. He thought, if this was the principle upon which the different districts were to be dealt with, the sooner our political machine was reformed the better. He had very much pleasure in seconding the adjournment of the House. He hoped in a few weeks to have an opportunity of letting his friends the present occupants of the Government benches know in very plain words what he thought of them.

Mr. REEVES did not forget old times as quickly as the honourable member, and, in consequence, was not likely to say anything of an unpleasant nature in reply to him. He had, however, to assure the House that the honourable gentleman was entirely under a delusion in regard to this £200. He could assure the House positively that the Government had not struck this sum off the estimates on account of anything that either the honourable member for Mataura or the honourable member for Invercargill had done.

Mr. McNAB.—I did not insinuate it.

Mr. REEVES said the other honourable gentleman did not insinuate it either; he very plainly stated it. It was, however, absolutely incorrect. No doubt the honourable gentleman honestly believed what he said. If the public-works estimates were looked into it would be found that honourable gentlemen who had voted against the Government far oftener than his honourable friend the member for Invercargill had come out very well.

Mr. J. W. KELLY.—That is what I complain of.

Mr. REEVES said it appeared to him that what his honourable friend was angry about was that the Government had given too much to its enemies.

Mr. J. W. KELLY.—Then, of course, you punish your friends.

Mr. REEVES said of course the Government did their best for their friends.

Mr. J. W. KELLY.—You have not done it for me.

Mr. REEVES said they did the best they could for everybody. They did their best, for instance, for the honourable member for Patea and the honourable member for Egmont, also for the honourable member for Marsden, who was a very warm friend of his own. They all came out of the little scramble tolerably well, and that was simply because it was the endeavour of the Government to be just to all districts, irrespective of what their representatives might do or say in the House.

Mr. T. MACKENZIE rose to speak.

Mr. REEVES could quite recognise the gushing gratitude which impelled the honourable member for Clutha to stand up to very warmly indorse what he had said. He thanked that honourable member, in anticipation, for the grateful thanks he was about to give to the Government for the even-handed justice with which they had treated his district.

Mr. T. MACKENZIE had to complain very bitterly that a number of important works in his district had not been attended to by the Government. There were bridges, post-offices—

Mr. SPEAKER said the honourable member was not entitled to refer to them if they were not the subject of any of the questions on the Order Paper, or of the Ministerial answers to such question.

Mr. T. MACKENZIE would not encroach any further in that direction, beyond saying that, considering the funds at the disposal of the Government, they had fairly attended to some of the requirements especially of the Catlin's district, and which might be taken as a reply to some who had opposed him there on the ground that because he was in opposition local wants would be ignored. What, however, amused him was the complaint of the honourable member for Invercargill; because if there was any district in the colony in which there had been expenditure from the colonial funds it was the Southland District during the last few years. Look at the railway to the dismal swamp called the Seaward Bush.

Mr. J. W. KELLY.—There is no swamp there.

Mr. T. MACKENZIE said, well, joking apart, if they read the Public Works Statement they would find that this railway had been completed to the Maitara Swamp.

Mr. J. W. KELLY.—That is not in the Seaward Bush.

Mr. T. MACKENZIE said the railway to the Seaward Bush had been prosecuted steadily from year to year, and when honourable members had seen the votes going in that direction every year they wondered what influence Invercargill had with the Government to secure such votes. He thought, therefore, it came with a very bad grace from the honourable gentleman to take up the attitude he had done, when the House and the honourable gentleman must know that the aid which the Government had given to that district had had a very great influence on his return to the House. Personally, he thought the Govern-

ment had shown a want of regard for the district he represented, in connection with the Kelso and Waipahi Bridges. These were important works that had not been attended to, though he was in some hope, after the avowal of friendship which the Minister of Labour had made towards him that afternoon, that there might be something placed on the supplementary estimates.

Sir R. STOUT did not intend to deal with the local grievances of the honourable member for Invercargill or the honourable member for Maitara, further than to say that it was his opinion they would always have these complaints if they went on dealing with borrowed money as they had been doing. Their only chance of doing away with these complaints was, he believed, to have an elective Executive, and to have a Public Works Committee, who should report to the House, so that each item would be considered entirely on its merits. They could not then have these constant complaints and heartburnings. With reference to the question asked by the honourable member for the Northern Maori District upon the case of Hemi Pareara, that case was before the Committee last year. The Committee had investigated it, and they made the following report, which would be found in Parliamentary Paper I.—3, page 8:—

"I have the honour to report that the Petitions Committee is of opinion that the petition should be referred to the Government, with the recommendation that Mr. Clendon, Resident Magistrate of the district, should be appointed to investigate the matter referred to, with a view to having the question settled."

Now, it appeared that the Government had done nothing, and no wonder the Natives complained. It would have cost the Government nothing if they had asked a responsible Magistrate to examine and report upon the matter, and then the Natives would have been satisfied. Recommendations were made by the Native Affairs Committee year after year, on petitions and complaints made by the Natives, at great expense, and when they got the Committee to recommend in their favour they could get no relief. Here was a case where the Government could have carried out the recommendation of the Committee without any cost to the colony, and the least the Government could have done was to have made inquiries. The complaint was that certain lands had been taken from the Natives in a wrongful manner by Europeans, and he thought it was a great pity their petition had not been attended to. This was only a sample of others, and he thought the Native Department ought to attend to cases of this sort.

Mr. COLLINS wished to refer very briefly to the reply given to his question in regard to the poll-tax on Chinese. He had from time to time during the session endeavoured to force this matter on the notice of Ministers and the House, and if the adjournment of the House had not already been moved by the honourable member for Maitara, he should have moved it himself. He would not have done so had not

this matter been one of national importance, and he thought that the House ought not to allow the session to pass by without endeavouring to deal with it. There was a great stream of human beings flowing from China to every part of the world, and it was a well-known fact that a stream of human beings would, like a stream of any other description, flow in the direction of least resistance or of greatest attraction, and naturally the Chinese would continue to flow in the direction of this colony when it offered such attractions as it did; and unless the House did something speedily they would find that within a very short space of time it would become a very large and difficult question to grapple with. He would ask honourable members to fairly endeavour to face this question. Was it not fair to ask the Government to promise to at least make some endeavour to deal with this real evil—an evil which the workers had had to put up with in every direction? There was scarcely any important industry which was not overcrowded by these undesirable people. He would be the last person in the House to say anything derogatory of any people, but he felt that the class of Chinese that were coming into the colony were not a desirable class. Latterly a large number of half-castes, owing to the intermarrying of the women of this country with the Chinese who had come to the colony, might be seen in all our large cities, and many of the industries of the colony were being menaced. These people were now competing with our miners in the gold-mining districts, with our gardeners, and even with our laundrywomen; and in a city like Wellington they were absolutely ruining the storekeeping business, so that it was absolutely impossible for people engaged in this class of business to earn a decent living owing to the competition of these Chinese. These people had no interest in our affairs or in our national business, and were never likely to become a part and parcel of the constituencies of the country. They took the bread from the families of the unemployed artisan and from the widow of the deceased artisan. He did not know whether he would be in order in referring to a previous question, but, if so, he might say that the Minister of Labour had stated that the number of arrivals just about balanced the number of departures, and therefore these people were not increasing in the colony. But that showed that they kept up their numbers. They gathered together a sum of money here, and then returned to China, and other poor Chinese came to take their places. As a matter of fact, China was levying an annual tax on New Zealand, and large sums of money were constantly flowing from this country to China. The Chinese gave us absolutely nothing by way of return. They did not assist us in maintaining the revenue of the colony, or in opening up the resources of the country. They simply bled us. He knew that some landlords in some parts of New Zealand were glad to have Chinamen as tenants, because they paid high rents; but that was simply because they were willing to live under conditions under

which Englishmen would not live. A dozen or twenty men were often herded together in one small place. While we were talking about the loss of trade, and of the hardships which our own people had to contend with, and as to the "unemployed" difficulty, here was a very great evil, and one which should be dealt with without delay. If the Government desired to deal with the question they would find the House willing and ready to support them. If the Government wished to stop the influx of Chinese they could bring down a Bill of one or two clauses, and he was absolutely certain both Houses would readily pass such a measure into law. He thought he had a right to complain that in this matter the Ministry had not dealt with the House so candidly and straightforwardly as they should have done.

Mr. PIRANI wished to say a few words in reference to the reply of the Minister of Lands to his question about the "thirds" payable on the lands held by the Wanganui Harbour Board. If honourable members would look at the Act under which this endowment was given to the Wanganui Harbour Board they would see that clause 4 read as follows:—

"The Waste Lands Board may from time to time sell or otherwise deal with and dispose of such lands in like manner as other waste lands within the district may be sold, dealt with, or otherwise disposed of, and the Receiver of Land Revenue shall, after deducting the costs of survey of such land, pay the same into the Harbour Fund."

Honourable members would see that the Government had no power to pay the proceeds of these sales of land into the Harbour Board Fund. The only power given was to pay the costs of survey over to the Board. He had no doubt that was a mistake in the Act. The point the local body made was this: As the land had to be sold in the same way as other Crown lands, it therefore must be sold under the system by which "thirds" were payable to the local bodies upon deferred-payment land. That system had not been carried out in connection with these lands. The local bodies of the districts had been deprived of something like £2,000 in "thirds" on this land, and had to make many of the roads in connection with it. He thought, had the Minister given this question the consideration it deserved, had the Government made inquiry into the matter with the Crown Law Officers and examined the Act, they would never have said that the Act authorised the whole of the proceeds of the sale of the land to be paid over to the Harbour Board. Then, he desired to say something in reference to the loading of 5s. per acre upon lands sold under the lease-in-perpetuity system. Under the ordinary system of selling Crown lands, "thirds" were payable to the local bodies for fifteen or sixteen years; but under the system under which these lease-in-perpetuity lands were being sold there was a loading of 5s. and 7s. 6d. per acre put on the land, and the selectors had to pay 4 per cent. interest on those lands for 999 years. The difference in the treat-

ment of these two classes of tenants was enormous. He was very much surprised that some measure had not been devised by the Minister of Lands to give relief to the settlers who had to pay for the longer period. He was surprised that the Minister, seeing the injustice which was being perpetrated, had not brought down legislation to relieve these settlers, and to limit the period under which interest on the loading on lease-in-perpetuity lands should be paid.

Mr. G. W. RUSSELL desired to express his disappointment at the answer given to his question regarding the revision of the tariff. The matter of the revision of the tariff had now been for years before the House and the country, and it was to a large extent upon the promise that the tariff should be revised during the present session that Canterbury had returned so many members to support the present Government. During the whole session, throughout Canterbury, and particularly in Christchurch and its suburbs, extreme disappointment had been felt on account of the apparent inaction of the Government in this matter. It was quite true that a Committee was set up about the middle of the session for the purpose of collecting and collating information with regard to this matter, but the result of that Committee had been, of course, absolutely nil. He did think, on the strength of the information obtained by that Committee, that the Government would have been able to give a more definite assurance that early next session they would bring down proposals for the revision of the tariff, in the interests of local industries. That was the direction in which, he thought, the tariff should be revised. He did not ask for a revision in the way of abolishing duties on the necessities of life, because, however desirable that might be theoretically, they understood that practically it was impossible. What was desired was that the anomalies which now existed in connection with the tariff should be removed. A revision was required especially for the purpose of stimulating, promoting, and encouraging the industries of the colony. There could be no doubt that during the last month or two a very large number of the skilled workers of the colony had been compelled to leave. That unfortunate result had been brought about because we were importing boots, clothing, and other goods to the value of hundreds of thousands of pounds, which could be made in the colony out of our own raw material. Until we realised the importance of adjusting the tariff, so that it would not bear unduly upon the consumers, but so that it should be used as a means of assisting the industries of the colony, we should have from time to time, during periods of depression, numbers of departures of our skilled people who were unable to obtain work. Therefore he sincerely hoped the Government would take this matter fully into their consideration during the recess; and he would warn them—and he was not speaking without some consideration—that, if next session they were not prepared to deal with

Mr. Pirani

this question of the tariff in the interests of the local industries of the colony, they would probably be met with a danger the strength of which they would only appreciate when it came upon them. The country looked to the Liberal party to so adjust the duties on the articles he had referred to that such adjustment would help the private employment of the people. There was one other matter which he wished to refer to, and that was as to the inspection of railways and the bridges in connection with the railways. He referred more particularly to the second part of his question. So far as the first clause was concerned, the Government had given an assurance in the Public Works Statement that they would have an examination and inspection made of the plant, permanent-way, and bridges of our railways before they took over the control of the lines. With that he entirely agreed. But he thought also that they should appoint an Inspector for each Island, who should be independent altogether of local control—that was to say, not connected in any way with the local officers. He should be an officer from the central department, and it should be his duty to inspect all the bridges, and he should be thoroughly independent of the local officers. There was no doubt that as the age of our bridges increased there would be an increasing expenditure in connection with their maintenance. As the age of the bridges increased it would become necessary that the supervision should be more and more complete. He trusted that it would be regarded as a duty on the part of the Government that the very best form of supervision should be provided.

Dr. NEWMAN wanted to take this opportunity, as it would probably be the last one, of referring to the question of the old soldiers' claims, because he thought these men had been exceedingly unfairly treated. Last session, honourable gentlemen would remember, about twenty-seven members met the Premier, and the honourable gentleman promised that Mr. Cadman should be appointed as a Minister to inquire into these claims. After his election Mr. Cadman was appointed, and an officer was selected to look into and to schedule the claims, indicating the good and bad claims. At the beginning of the session he (Dr. Newman) asked, in relation to the matter,—and that question had been repeated from time to time,—whether the Government were going to redeem their pledge. The honourable gentleman at last had put on the table a schedule of all the claims, but nothing further had been done. The House had not been afforded an opportunity of expressing an opinion upon the matter. He thought the treatment of the claimants had been most unfair. They had already been put off for a considerable time, and there was no certainty that the matter would be dealt with even next session. It looked as if this delay would go on year after year till the claimants were all dead. The total number of claims amounted to 1,899; but an enormous number of the claims must be weeded out, because numbers of the men were discharged with bad records, and there were several de-

50. *serters*. One man applied because he had been cook on board one of the coastal steamers which conveyed the people to the seat of war, and there were a number of other sham and bogus claims; but if all these were taken out there would still remain, at the outside, four or five hundred justifiable claims made on definite grounds. They had in the past given grants of land and grants of money to the old soldiers; and he thought it was a most discreditable thing in every way to the Ministry that they should again shunt this question indefinitely and dismiss it; and it was all the more so because it was promised that something would be done. He thought the lists would show that there were something like two or three hundred deserving cases that were simply barred by technical reasons. Take the case of a man whose petition he had presented, and who had since died—Gerald Fitzmaurice. This man was in the war. He fought in all the branches of the service; and his claim was barred because he could not prove that he had completed service with Colonel Nixon's Force. The fact was that a certain number of Volunteers had been asked for, and this man had been picked among the number out of the ranks; and because he had gone on special service, and had left Colonel Nixon's Force in that way, his claim was barred, because the books had been imperfectly kept. He had been actually paid for the time he was on that special service, and yet it had been suggested that he might have been a deserter; and he had no redress, nor had his widow. Then, take such a claim as this: The man had fought at Gate Pa, at Rangiriri, at Meremere, and through the whole campaign. He had got the medal, and several distinctions, and "Very good" on all his discharges except the last, which was "Fair;" and yet his claim was barred after twenty-five years. He had assured these men that the Ministry would do what was just and right to them, and now he should have to tell them that the Ministry had no sympathy with these claims, and declined to do anything with them.

Mr. CROWTHER said it must now be apparent beyond all doubt that our railways would never be a success and that the bridges would never be safe until the honourable member for Riccarton was appointed Inspector. The honourable member had been set up to explain what the findings of the Railway Committee were. The findings of the Railway Committee had been furnished to the House, and had been discussed and accepted by the House several days ago; and what had been done since had been nothing more or less than that the Committee had agreed among themselves, by eight to three, that in the interests of the colony it was not advisable that the remainder of the evidence should be published to the world. That was all they had done. But the honourable gentleman's disposition was very inquisitorial, and it had got to this: that not only all the railways, but every bank in the colony, had to relate to this inquisitorial member what their private business was,

what relations they had with the Government, and whether the Government were going to allow any business to be done except under the supervision of the honourable gentleman during the recess. He was quite surprised that the usual common-sense and good judgment of honourable members did not enable them to see that they could not get the information asked for in their questions that afternoon, and that the Government could not relate the knowledge they had on those questions. Surely private institutions that were doing business in connection with a colony like this were not to have their affairs dragged on the floor of the House through questions such as had been asked. He thought they were having a picnic or something of the sort, but it was not interesting to the country, and was simply wasting time.

Mr. E. M. SMITH was sorry he had not been present to ask the question which had been asked for him by the honourable member for the Buller. Had he been he would have explained the reason why it had been asked. The men had applied to the Prisons Department for the reward; and the reply from Colonel Hume, the head of the department, was that, as no Justice of the Peace, or Judge who tried the case, or Gaoler had recommended any reward, he could not see his way to recommend the Minister to pay a reward. Well, he looked upon that as an evasion of the question. The prisoner had escaped from gaol, was being fired at by the warders, and these men rushed in, captured the man, and handed him over to the prison authorities; and their services ought to be recognised. If this man had got at large, from the terror he had caused in the district to women and children when he was foolishly playing the part of a highwayman, the Government would probably have had to expend a good deal of money to capture him; and he (Mr. Smith) only asked that these men should get the reward that was usually given—some £5—which was only a very small sum. If it went forth to the colony that men were to get no reward for such services, they would be very foolish to risk their lives in capturing prisoners. That was the object of his question. He was glad to have the opportunity of referring to the question of old soldiers' claims, mentioned by the honourable member for Wellington Suburbs. He had himself asked the Minister when he was going to pay the claims of the old soldiers who resided in Wellington, and the reply was that there was no Act of Parliament whereby he could satisfy those claims. As a member of that House he had taken, in common with other members, an active interest in endeavouring to wipe off these claims. He knew there was a large number of bogus claims, but he also knew there were many *bonâ fide* claims. He had not been connected with the Forces in New Zealand during the war, nor had he occupied the important position of Armourer and Inspector of Small Arms in Her Majesty's forces, and in the colonial forces, without knowing many of these men individually, and the engagements they had

taken part in, and in many instances the noble deeds they had done, and their many acts of bravery. The men whose claims had been investigated, and who had been recommended by the Commissioner as having complied with the law, were entitled to the land-grants, in terms of the Act that had been passed a year or two ago. These claims were undisputed, and it was an injustice that they had not got their grants. He knew one man who had been in the Imperial and Colonial forces for upwards of forty years. He was now almost blind, and almost penniless: and he had this claim against the colony, and yet had to wait another year. Was that the way to deal with such claims? There were some of these claims that wanted closely looking into, and the Government had done well to appoint an officer to go into them. As it was now too late in the session to introduce a Bill, he would say he hoped the Government would next session bring in a measure that would wipe off these claims once and for ever. He would say nothing further at that late period of the session, but he thought he should fail in his duty if he did not express the indignation he felt respecting the delay that had taken place in this matter.

Mr. R. MCKENZIE said he fully indorsed every word that had been said by the honourable member for New Plymouth and the honourable member for Wellington Suburbs respecting old soldiers' claims. No doubt there was a good reason for the delay. They would probably be told that it was owing to the illness of the Minister of Justice that the matter had not been gone into; but, at the same time, the delay was a great grievance with many people in the colony, and the matter ought to be attended to. He also wished to say a few words respecting the question of the honourable member for the Thames, as to the indignation felt by the Auckland and Thames people at the neglect of the Government in not making sufficient provision for aiding the mining industry. He would supplement that by asking if they were aware of the indignation caused in every mining district of the colony by the way in which the mining industry had been treated during the session. Of all the interests in the colony the mining industry had received the worst treatment. In the Financial Statement there was an elaborate paragraph by the Colonial Treasurer saying, "In order to encourage the development of the mining industry, I am of opinion that further aid should be given towards inducing miners to settle on the land." That went in the right direction; and he might say that during the recess he had introduced several deputations to the Premier, to the Minister of Lands, and to the Minister of Mines, and each and every one of them had told the deputations that they were going to bring in a Bill this session to provide for giving permanent land-tenures in mining districts. A Bill had been brought in and read a second time six or seven weeks ago, but it had never appeared on the Order Paper from that day to

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the present time; and it was not amongst the Bills that had been ordered to be struck off the Paper. With reference to the indignation of the people at the Thames, so far as he could judge from the estimates they were not at all badly treated. He supposed the population of the Thames only represented about one-tenth of the total population of the goldfields districts; yet he found that, for deep-sinking, out of a £10,000 vote for the colony, the Thames got £4,000; the West Coast—where 75 per cent. of the gold of the colony was got—was to receive £4,000; and the other £2,000 went to Otago. They had room for indignation on the West Coast, for if they only wanted a few hundred pounds for a track they could not get it; they could not get the slightest assistance to develop the mining industry. He might also point out that the coal-mining industry had been dealt with somewhat unreasonably. That was not the fault of the Government, but was principally the fault of some members who represented the working-classes. He blamed those members most, and the member for Dunedin City (Mr. Earnshaw) especially, for the treatment dealt out to the coal-miners on the West Coast. That honourable gentleman was responsible for a great deal of this; and no doubt the working-men of the colony, who had a great deal of sympathy with each other, would keep their eyes on the honourable gentleman.

Mr. HEKE wished to say a few words in reference to the answer given by the Hon. Mr. Carroll to his question. He was not at all surprised at the answer that honourable gentleman gave to the question. They all knew that the honourable gentleman represented the Native race in the Cabinet, and the least thing the Government could do for this Native, on the recommendation of the Native Affairs Committee, was to allow inquiry to be made as set forth in the report. He understood the answer was that the Government did not intend to consider the report. He was quite aware of the reasons why the honourable gentleman had been so kind as to answer his question in that manner. They all knew that a certain division had taken place in the House on the Midland Railway question. It was only fair to himself and to the Native who petitioned Parliament last year, to whom the Native Affairs Committee gave their support, that inquiry should be made by the Resident Magistrate. He was told by one of the Native members in the House that after the division the honourable gentleman was so "riled" because one of the Native members voted against the Government and another did not come into the Chamber that he went so far as to make this remark to the honourable members for the Eastern and Western Maori District: that they would see, in reference to their petitions, that they would never be given effect to by the Government. After such remarks as that, he was not surprised at the manner in which his question had been answered.

Mr. CARROLL asked if the honourable

gentleman was alleging this as a fact with reference to him (Mr. Carroll).

Mr. HEKE said he was. He could trust the word of the honourable gentleman who had informed him. So far as he himself was concerned, it did not harm him in any way. But he must say, if this kind of procedure was to be applied to a matter which had been brought before the House, and been considered by a Committee,—if a matter of petty jealousy was to be brought into anything of this kind—the procedure of Parliament would become a farce; it would be quite a farce if, instead of the merits of a case being gone into, one was cut short because he was not of "the right colour." Many members had expressed indignation at the manner in which the Government had answered questions or had treated them in reference to their own districts. He was not surprised, because ever since he entered the House he saw that promises made by any member of the present Government were not to be relied upon. He wished to refer, further, to the fact that in that evening's *Post* there was a reference to a certain matter which had been raised in the House. He referred to the Horowhenua purchase. They had had questions put in the House in reference to the moneys handed over.

Mr. SPEAKER said the honourable gentleman must not refer to anything not referred to in the questions on the Order Paper of that day, or in Ministers' answers to those questions.

Mr. HEKE said he would take another opportunity of referring to the matter. He supposed he could refer to the matter of the Little Barrier.

Mr. SPEAKER said that also could not be referred to unless a question had been asked about it on to-day's Order Paper.

Mr. HEKE said, then he only wished again to repeat that, if petty jealousy was to be brought into the House to oppose any matter an honourable gentleman might bring before the House, he thought Parliament was degrading itself, when a member of the House was cut short because he stood by his own conviction on any matter that came before the House.

Mr. CARROLL regretted very much to have heard the speech made by the honourable gentleman. There was a sad want of fairness in it. He did not think that the honourable gentleman was one who would perambulate the lobbies or frequent nooks and corners outside the House to pick up what information he could, and on such information level base insinuations against the Government. He gave an emphatic denial to the honourable gentleman's statement. He never spoke to either of the Maori members in the way referred to. He thought it "very bad form" to introduce into the debates outside talk of that nature. He thought the honourable gentleman's grievance was because his question had been answered in the negative. In the speech just made no word whatever was devoted to the question, which was not touched upon. The honourable member confined himself to the task of abusing the members of the Government and him-

self (Mr. Carroll) in particular. To set himself right, he might tell the House that he had in no way interfered with the honourable member for the West Coast so as to influence his vote. After the division he did say that he regretted, when members gave their word, they at times forgot the circumstance. With regard to the honourable the Maori member for the East Coast, he told him, in all good humour, that he thought his simplicity had made him an easy victim to the Whips, who were active on that occasion—that was, they had paired him with what was known as a "dead man." He would further state to the House that both of the Maori members referred to had, in the early part of the day, volunteered to him the information that they intended to vote in a certain direction, which gave grounds for these subsequent remarks. He made no complaints against those honourable gentlemen. They were all masters of their own actions. The honourable gentleman could go any way he chose. He (Mr. Carroll) would say nothing to influence him. He took this opportunity of telling the House and the honourable gentleman that he was always prepared to meet any legitimate charges brought against him, but he would never recognise anything gathered up from the street-corner. As one who represented an influential and important tribe in the North, it pained him to see the length to which the honourable gentleman's hostility carried him. He felt that, as they were representative men of the various tribes in this colony, they should not forget the old traditional reverence that their race had for honour. He himself was proud of his race, and would always assist in maintaining its good name. In regard to the question, he was sorry the senior member for Wellington City was not in the House. That honourable member had made it a complaint that all Native petitions were treated in the same manner. He contended that because a recommendation came from the Native Affairs Committee that the Government should inquire into a petition the Government should give effect to the prayer of that petition. He (Mr. Carroll) contended that that was not sufficient. The Government had to satisfy itself as to the merits of any petition, independently of the representation of the Committee. A Committee often gave a report without taking any evidence, and a Committee often disposed of a petition by simply referring it to the Government for inquiry or consideration; therefore, when the responsibility was thrown upon the Government, they had to be satisfied that something more was done than merely carrying out the report of the Committee. In many of these cases the Committee only heard one side—only heard what was alleged in the petition. The Natives would state that they had had land illegally taken—that they had been deceived and victimised by the Europeans or Government or by Government agents. As a rule, the Committee would not be in a position to decide the facts of the case, and they would refer it to the Government for inquiry. That was what happened, as a rule.

Now, in this case inquiries had been made by the Government. All the official records bearing on the matter had been carefully looked over. The matter of which the Natives complained had been settled in 1874 by an Act, which gave effect to a settlement arrived at by the Government and the Natives. It was settled that the Natives were to get two blocks of land in return for other land which had been wrongly awarded to them under certificate. The whole dispute between the Government and the Natives had been amicably settled. If grants had not yet been issued for the two blocks intended for the Natives, then they had a cause of complaint in so far as that was concerned; but when they attempted to go back and question the *bona fides* of the original transaction they were completely out of Court. The whole question had been gone into and investigated by Mr. Commissioner Bell under the New Zealand Settlements Act, and various awards were made to Natives north of Auckland as compensation. The Government did not see any necessity for reopening the case for the purpose of investigating the claims which the Natives had made, as such did not exist, according to the information at hand.

Mr. HEKE, as a matter of personal explanation said the honourable gentleman said he (Mr. Heke) went out of the House to gain his information. He wished to say he never did go out of the House for information. The information he referred to was given to him in that Chamber, and he had letters in his possession that would prove that the honourable member was fond of whipping for votes.

The hour of half-past five having arrived, Mr. SPEAKER left the chair.

HOUSE RESUMED.

Mr. SPEAKER resumed the chair at half-past seven o'clock.

CRIMINAL CODE BILL.

7.30. The Managers appointed by the House to confer with the Managers for the Council with reference to the amendments made in this Bill reported that the Conference had taken place, and that no agreement had been arrived at.

Mr. SEDDON moved, That a fresh Conference be requested. He thought the House would be justified in asking for this further Conference, because it would be a pity, in his opinion, that Parliament should dissolve without something being done in the direction of raising the age of consent. The Council's main reason for disagreeing was in respect of the amendment made by the House in reference to the case of the prisoner Chemis. He thought that those who had at heart that prisoner's case would, at all events, not be helping his case by preventing legislation from going through which would protect the now unprotected young girls of this country. He therefore asked that a fresh Conference should be asked from the Council. He hoped that honourable members who were interested in the case to which he referred would not make

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it a stumbling-block to relief of the kind he had indicated being given, and to legislation taking place which he said was imperatively necessary.

Sir R. STOUT asked, could it be done by sending a message to the Council to say the House would waive its amendment as to the Chemis case,—as that was where the difficulty lay,—and asking the Council to give way on the subject of the other amendment raising the age of consent? He had seen such a form used before.

Mr. SEDDON said the point of divergence as to the age of consent was as to whether it should be fifteen or sixteen. The Council sent the Bill down with the age fixed at fifteen, but he thought, himself, that they could manage to retain the amendment made by the House raising it to sixteen if there were not the other question in the way. His object in asking for another Conference was to have the age of consent raised to sixteen years.

Motion agreed to.

On the motion of Mr. SEDDON, Mr. Graham, Mr. Tanner, Sir R. Stout, and the mover were appointed Managers for the House.

NATIVE LAND COURT BILL.

Mr. SEDDON brought up the following reasons for disagreeing with the Council's amendments in this Bill, and moved, That the reasons be agreed to and transmitted to the Council:—

"The Committee appointed to draw up reasons for disagreeing with amendments made by the Legislative Council in the Native Land Court Bill have the honour to report that this House disagrees with the amendments made by the Legislative Council in—

"Interpretation clause, page 4, line 2. In the past the law in respect to this matter has been proved to be defective, and the descendants of half-castes have suffered thereby and have been deprived of participating in lands to which they were, by relation or succession, entitled.

"Section 14, page 8. The proviso to subsection (10), clause 8, is restrictive in character and defeats the object of the subsection.

"Section 31. The amendment made in this clause unduly limits the order of the Court.

"Section 33. The original intention of this clause was to permit the Court to extend the time, notwithstanding that the time had expired. The amendment made by the Council would prevent effect being given to the original intention.

"Section 39, line 14. The amendment made, restricting the time in which the Judge may rectify any mistake, error, or omission, is too limited, and would, if retained, defeat the object of the clause. There is no reason why the amendment made in the other part of the clause should not stand.

"Section 46. The amendment made in this clause is restrictive in character.

"Section 52. There is no reason why the amendment made should be disagreed with.

"Section 53. The remaining portion of the

clause being sufficient to give effect to what was originally intended, there is no objection to the amendment made by the Council.

"Section 56A is restrictive in character, and gives power which did not hitherto exist. The effect of the power given may be injurious.

"Section 56B. This clause would lead to the evasion of other provisions of this Act; and to declare that a half-caste shall have the same powers in respect to alienation as a European would be dangerous.

"Section 92. The amendment made in this clause defeats the intention of the Act, which was that the Appeal Court in this Act should be final. If permitted to stand it would lead to litigation, which it is wise to avoid.

"Section 115. The amendment made in the proviso of this clause would defeat the object aimed at, and would lead to Natives holding in severalty disposing of all their lands. Unless the proviso is safeguarded it would render them liable to become a burden on the State. The original scope of the proviso was restricted to the Middle Island, where the lands held by the Natives are somewhat different from the lands held in other parts of the colony. The sale of land is objectionable, more especially as the Crown has had to grant large areas of land to the landless Natives of the Middle Island.

"Section 116. The amendment made would lead to complications, and would enable very large blocks of land to be acquired for an indefinite period. It would tend to defeat the object of Division II. of this Act. The same objection as to Trust Commissioners (in section 56A) applies in the case of the last proviso of this section.

"Section 118. The extension of a lease of which only one-third of the term has expired is unjust to the Natives and against the public interests. It practically gives the right of renewal to all existing leases.

"Section 118B. This amendment may be used to defeat the operation of the Act by enabling Natives to transfer to other Natives, and thus bring land within the exception in section 115.

"Section 119. With the other limitation provided for in the Act there is no good reason for objecting to the striking-out of this clause by the Legislative Council.

"Section 129. The objection to striking out subsections (2), (3), and (4) should be withdrawn.

"Second Schedule. By the retention of this schedule the operation of the Act would be confined solely to the North Island, and would thus conflict with the portions of the Act having special reference to the Middle Island."

Mr. G. HUTCHISON said he agreed with most of the objections he had heard read out, but wished to know if the Premier had any good reasons for accepting one amendment made in clause 115. The Premier might remember that in Committee he had accepted an amendment of his (Mr. Hutchison's), exempting from the operation of the Act land granted

under the New Zealand Land Settlements Acts. He noticed that the Council had struck that out.

Mr. SEDDON thought that that had been done at the suggestion of the department, which found that the matter had a much wider significance and greater application than was mentioned when the honourable gentleman moved his amendment.

Mr. G. HUTCHISON suggested that the whole of the section, including the proviso, should be excised, as a considerable amount of injury might otherwise be done.

Mr. SEDDON said they would have no difficulty in dealing with the section on the Conference if, after discussion, they found it was necessary. At the present time he did not want to be placed in a false position. The Attorney-General had no doubt been acting on the advice of the department in striking it out.

Mr. G. HUTCHISON understood the amendment had been made by the Legislative Council, but now the Premier said it had been made at the suggestion of the Attorney-General. He would like to hear some reason for the change.

Sir R. STOUT said there was more reason for striking it out than for doing anything else. The honourable gentleman had not explained to the House what it meant. It meant lands formerly in the confiscated territory. The territory of the Maoris was limited, and if the House opened up all the land on the West Coast granted to them the Natives might be left landless.

Mr. G. HUTCHISON said that land was restricted. It could not be sold, mortgaged, or leased for a longer period than twenty-one years, without the consent of the Governor.

Mr. THOMPSON called attention to the reasons assigned under clause 115. He hoped those reasons were not in accordance with fact. The reason given for the proviso was that if the right were given to the Natives to sell their land they might become landless. He saw by clause 3 of the Bill that it was impossible for them to do so. They could not divest themselves of the whole of the land. If they wished to dispose of land the matter had to be brought before the Trust Commissioner, who must be satisfied that it was not wanted for their own use. If the Premier wished to get hold of the land in the North Island he would insist on the striking-out of that proviso. If he (Mr. Thompson) was not out of order, he would like to call attention to a telegram he saw in the newspapers a day or two ago, where it was stated that a large number of Natives in the North were actually dying of starvation, and yet it was well known that they were wealthy so far as being the owners of valuable blocks of land was concerned. They were made paupers by the land-laws made by the House, which prevented them from making use of their land, and it was stated that they were positively dying of starvation. If the proviso were insisted upon it would be the means of locking up the whole of the land in the North Island. He thought it was only right to call

the honourable gentleman's attention to this fact, for he ventured to say that if he consulted any member of the House who had lived amongst the Maoris, and knew their customs with regard to the land, he would agree with what he (Mr. Thompson) said. He hoped the House would not agree to the proviso.

Mr. BELL understood that the Premier disagreed with the amendments made in clause 116. Did he wish to have the clause restored to its original form?

Mr. SEDDON said according to the amendments made by the Council in clause 116 there was no limit whatever and no time fixed.

Mr. BELL asked if it was proposed to strike out the Second Schedule.

Mr. SEDDON said the Second Schedule required amendment, but in the meantime the Government objected to it.

Mr. BELL asked if the amendments in section 116 were Government amendments.

Mr. SEDDON.—No.

Reasons agreed to.

GOVERNMENT LIFE INSURANCE BILL.

8.0. Mr. WARD, in moving the second reading of this Bill, said it proposed one or two alterations in connection with the administration of the Government Life Insurance Department. Honourable members would see that it was proposed in the Bill that the department should have power under certain conditions to invest up to £10,000 on mortgage in individual cases; and not more than £10,000 was to be lent on mortgage to any one person or company. In explanation of this change, he might say that the department had been very greatly restricted in competing with other lending institutions which lent up to and beyond this amount, and it was frequently found necessary to pass by the very best investments, which went into the hands of other institutions. That being so, the department had felt itself hampered, and, in order to enable the administration to be carried on more efficiently, the department wanted to increase the maximum to £10,000. The former amount was £5,000. It was also proposed to decrease the margin from 50 per cent., and to advance up to one-half in cases where buildings formed the principal part of the security, and up to two-thirds where buildings did not form the principal part of the security. Another important alteration in the Bill was with regard to limiting the amount of money which could be invested by the department in Government securities to one-fourth, and the department would also be able to invest three-fourths in outside mortgages, and in loans to policyholders on the security of their policies. This was an alteration, he thought, which would commend itself to honourable members. Another important amendment was one to give the department the same powers and rights in taking proceedings for libel as private institutions had. This alteration was made in consequence of the very unfair and libellous strictures that were made occasionally by some news-

Mr. Thompson

papers, and by one in particular, upon the business of the Government Insurance Department. That liberty was taken because this was a Government department; and, while it was the province of any newspaper to criticize the Government as much as it liked, very great harm might arise from such articles and newspaper comment in the nature of unwarrantable implications upon an important institution; and this amendment would give the department, in its competition with other institutions, equal power to defend itself, and this was what was asked. They had a right to provide that this important office should have the same powers and privileges as any competing institution. These were the principal alterations in the Bill, and he begged to move the second reading.

Sir R. STOUT did not object to the extension of the investments to £10,000, if the Board felt itself hampered; nor to section 4, giving power to invest not less than one-fourth of the moneys at the credit of the Government Insurance Account in Government securities; but the Colonial Treasurer would see that, if he meant that only one-fourth should be invested, instead of the Bill being an enabling statute it was really restrictive. He understood that the department was now investing more than one-fourth in Government securities, and three-fourths were to be free for mortgage; but under the Bill as framed the department would be forced to invest not less than one-fourth when they invested three-fourths on outside mortgages. He understood that the honourable gentleman did not mean that; as he remembered it had been stated in the Financial Statement, and repeated two or three times in the House, that he meant to restrict the investments on Government securities to one-fourth. If the Bill did not read in that way he apprehended the Colonial Treasurer would not object to the clause being amended. In regard to clause 5, he thought it was dangerous to allow the margin to be reduced by one-half—from one-half to two-thirds—as they should be anxious to keep the Government Insurance Department above suspicion, and if they meant to allow up to two-thirds instead of one-half they were bound to have losses. He did not think that was safe, and he hoped the honourable member would keep to the present limit of one-half, and not make it two-thirds as proposed. As to section 3, extending the power of the Commissioner to sue and be sued, that section also might have to be amended, as it would affect pending litigation if carried in its present form, and it would have to be limited in some way. He hoped the Bill would be sent to the Statutes Revision Committee, or, if not, that the honourable gentleman would agree to amend sections 3 and 4 in the way he had suggested, and not insist on the margin being changed.

Mr. BUCHANAN said that when the second reading of the Advances to Settlers Bill was being discussed a great many members strongly objected to a maximum of £5,000. However, influences were brought to bear, and the Bill

passed through the House with that limit maintained, but when it went to another place it was reduced by one-half. What a burlesque it was to find the Government now proposing to increase the limit from £5,000 to £10,000, so that necessarily a very large proportion of the amounts at the disposal of the Government Life Insurance Department would be absorbed by the larger borrowers! What could they make of the professions of the Government, who in their speeches in the House and outside of it pretended that their aim was to provide that the small landholders should be put practically on the same footing as those in a better position who wished to borrow large sums of money? The whole thing was political falsehood pure and simple. Far better would it be that the money paid into the funds of the Government Life Insurance Department should be lent to the small settlers, as had been advocated by many members in the House. As to the narrowing of the margin from one-half to one-third, he should oppose that in every way he could. It was entirely against the interests of the policyholders of the colony that the Government should be permitted to do what they proposed in this Bill. He therefore hoped that a large majority of honourable members would negative the proposals of the Government.

Mr. T. MACKENZIE could not agree with the last speaker with regard to the limit. He thought if the Government Insurance Department had large sums of money to advance, they were entitled to advance it if they could obtain good securities, and so long as the margin was safe; and he did not think that this fund was likely to be absorbed by all the large borrowers, so as to prevent the small settlers from getting any money. The Government Insurance Department never did profess to be a department for the advancing of money to small settlers. He could agree with the honourable member for Wellington City (Sir R. Stout) that they had no right to lessen the margin to the extent contemplated in this measure. It was quite absurd to advance money to the extent of two-thirds on the town property of New Zealand. The Colonial Treasurer, with that sanguine temperament which always characterized him, some time ago declared that the values of New Zealand property had reached bed-rock; but he had seen during the last twelve months a considerable decline in values, and the chances were, if the department were not careful, they would have a considerable number of properties in their hands, and they would become a second "assets company." It was not to be expected from the Treasurer that he should limit the amount that could be absorbed by the Government in connection with that institution. He supposed the honourable gentleman would now have to pay off considerable sums of money, or, as he recollected, something less than £500,000 was advanced on freehold securities, whereas something like three times that amount was invested in stocks—not Government stocks, certainly—nearly a million, however, they had in that form. He should be glad

to assist the honourable member for Wairarapa in making the margin much safer. In considering this Bill, he did not know that the House required to guard the interests of the insured in this office to the same extent as they were called upon to do with regard to State advances, but it was the interests of colonists they were called upon to guard in connection with the advances of money to borrowers. In one case they were simply dealing with money invested by insurers, and in the other they were dealing with moneys that were advanced direct by taxpayers.

Mr. G. HUTCHISON believed honourable members would hail with satisfaction the declaration of the Treasurer that he proposed to increase the amount to be made available from the funds of his department for land-mortgages; but the Bill as drawn did very little to require him to make any change of the kind. They were entirely dependent at present on his general promise that he would increase the amount on mortgages. Under the Act of 1886, as it at present stood, the provision was that not less than half the moneys standing at the credit of the Insurance Account should from time to time be invested in Government securities. Certainly the Government was taking a liberal interpretation of that provision when it had invested £926,843 in Government bonds, and only £490,145 on mortgages. He hoped to see the first item considerably reduced and the other considerably increased before they met again next session. He thought, if the Treasurer would only apply the same rule to the other two lending departments, he would have little or no need to go upon the London money-market for money to lend to settlers at a reasonable rate of interest.

Mr. WARD said both the honourable member for Wellington City (Sir R. Stout) and the honourable member for Patea had directed attention to clause 4, which said that not less than one-fourth should be invested in Government securities. He would like to say that this clause in the Bill was word for word the same as a clause which the honourable member for Wellington City had himself drafted in 1866, so that his honourable friend could hardly refuse to pass a clause similar to what was in his own Bill.

Sir R. STOUT said it was not then intended to limit the proportion. Now it was.

Mr. WARD simply wished to direct attention to the fact. However, in Committee, if it was not as clear as it ought to be, he was quite prepared to make it clearer, in order to give effect to what was intended—that was, that not more than one-fourth of the moneys in the Insurance Department should be invested in Government securities. With regard to the proposal to advance up to a value of one-half where buildings formed the principal part of the security, and two-thirds in other cases, he was quite prepared, in Committee, to put that part of the Bill on all-fours with the Advances to Settlers Bill, making it three-fifths all round, as it was in that Bill. That, he thought, would meet the wishes of honourable members,

and remove anything in the shape of anomaly between the two systems. It was quite amusing to listen to the honourable member for Wairarapa talking about these advances up to £10,000 under the Bill. It was also amusing to listen to the honourable member for Clutha. He recommended them to take the advice of the honourable member for Patea, who gave utterance to sound opinions on this question a short time before. He struck the right chord in speaking on this question when he pointed out the desirability of rendering it impossible for any Government to obtain large investments from this source in Treasury bills. Then, the honourable member for Patea said the Government had been obtaining money for Treasury purposes from the Government Insurance and Public Trust Departments; and so had the honourable member for Wairarapa and the honourable member for Clutha been accusing the Government of doing that all the session; and now when he came down with a proposal to render that impossible the honourable members took exception to it! Then, with regard to these accumulated funds, what did those honourable members want to do with them?

Mr. BUCHANAN.—Give them to the small settlers.

Mr. WARD asked how the honourable gentleman could propose that, when only the other day in the House he opposed such a proposal for advancing to settlers. The honourable gentleman was opposed to this advancing business. It seemed to him that the honourable member for Wairarapa and the honourable member for Clutha got up for the sake of talking. He hoped other honourable members would assist him, however, to get the Bill through Committee when it got there.

Mr. T. MACKENZIE wished to explain that he approved of the Government Insurance Department having the right to secure all good business up to as high a limit as possible.

Bill read a second time.

WESTPORT-NGAKAWAU RAILWAY EXTENSION BILL.

8.30. Mr. SEDDON, in moving the second reading of this Bill, thought it was scarcely necessary for him to say much in reference to it. The matter had been before the Railways Committee nearly the whole of the session, and as a result of the investigations by that Committee they recommended that the Government should purchase the four miles of railway which was constructed by the Ngakawau Company, and which commenced at the terminal point of the Westport-Ngakawau Railway. The Government some two years ago spent £36,000 in making the railway to the Ngakawau Junction, and this line was an extension from that point. The railway in question belonged to the Mokihinui Company, and was originally connected with the company's mine, and was constructed for its purposes. There was a large field of coal outside the line held by the company. There was also another company called the Cardiff Company, and the

Mr. Ward

two together sent a large quantity of coal over the line. There was a very large population settled at the end of the line. It was very necessary that the colony should acquire this Railway. He had referred this matter to the Railway Commissioners, and they had recommended the purchase, subject to the coal-mine owners having to make up the difference between the profits and 5 per cent., so that there must be 5 per cent. paid if the line did not earn it. At all events, the Harbour Board would get 5 per cent. upon the money invested in the purchase of the railway: it had this advantage over any other proposal. There was no doubt that by this purchase it would help the funds of the Harbour Board, because all the profits which were made would go to the Harbour Fund Account. He might say that the Government had had a valuation made. He had ascertained what was thought fair value for the line, so as to obviate—should he say?—any temptation to pay more than they ought. The Bill fixed the maximum amount which the colony should pay for the line. The company made the line for £20,000. They asked the Harbour Board originally £25,000. The offer to the colony was £20,000. He believed that £18,000 was a fair value for the line, and that was the amount in the Bill.

Mr. MITCHELSON quite agreed with the Premier that, in the interests of the coalfields of the West Coast, it was a proper thing to acquire the Mokihinui Company's railway-line. But he would have been better pleased if the Premier had given the House some information as to the amount of money now remaining to the credit of the Westport Harbour Fund. The House ought to have information upon that point; otherwise members would be voting in the dark.

Mr. SEDDON.—£54,000.

Mr. MITCHELSON was pleased that the Premier, after consultation with the Railway Commissioners, had provided that the companies interested in the coal-mines should be liable for any deficiency that might arise in the working of the line. The Westport Harbour Board, no doubt, would derive considerable benefit, in the shape of increased revenue, from the construction of the line. The Bill was one which had had the consideration of the Railways Committee; and, as the Premier stated, a great many disputes which had arisen between the two rival coal companies in regard to the carriage of coal over the line would be settled on the acquisition of the line by the Crown. There was no doubt the Government would have to make some concession on the haulage for the Cardiff Company, and if that were done it would certainly lessen the earnings of the railway, and as the earnings of the railway were lessened it would necessitate, of course, a higher rate of contribution to be made up by all the companies that ran their coal over the line, in order that the 5 per cent. interest, as provided in the original Act, might be secured, so as to prevent any loss accruing to the Harbour Board Fund. He would render every assistance in passing

this Bill. He considered it was a measure which ought to be passed; and he held that all the railways in the colony should be owned by the State. At the same time, he thought that, in all fairness to the Mokihinui Company, the Government should satisfy themselves as to the real value of the property they were about to acquire. He did not think that any injustice should be done to the company, knowing the difficulties with which it had to contend when constructing the line. If the line cost the company so much as they said, he was of opinion that that should be paid; but he thought the amount—£18,000—mentioned in the Bill was a fair sum. The evidence that was adduced before the Railways Committee led him to believe that the amount stated was amply sufficient to cover the actual value of the line at the present time.

Mr. DUTHIE failed to see the necessity for purchasing this line. He did not see what benefit it was going to be to the colony. The present coal-mines were amply sufficient to meet the requirements of the colony. Four years ago there was a great amount of log-rolling over this railway. If this company had expended money on a work which proved ultimately unprofitable he did not see that that was a reason why the State should come in and relieve them of a bad bargain. The supplies of coal from the Westport and Greymouth mines were amply sufficient for the colony's requirements, and there was no need for this coal, and there was no market for it. That being the case, he could not understand why this railway was to be acquired, when a railway of far greater importance to the colony was not taken over. He referred to the Manawatu Railway, which was the key to the whole railway system in the North Island; but in regard to this line the Government would not entertain any suggestions for its purchase. In the case, however, of this West Coast line, for which there was no need, and which would not benefit the colony, the Government jumped at it, and were going to give practically the cost price for the line. For his own part, if the opportunity occurred, he would most certainly vote against any expenditure of this sort.

Mr. SEDDON desired to say that the honourable member was wrong in stating that there was no market for this coal. There was a market for the coal. This coal would help to break down the monopoly that existed so far as coal was concerned. Both the passenger traffic and the goods traffic would be large; and the railway itself, supposing there was no coal at all, would, in his opinion, pay. He believed it would pay the colony to acquire the line.

Mr. MITCHELSON.—What are the net earnings of the Westport-Ngakawau Railway?

Mr. SEDDON said he had not the figures with him. He might add, however, that the result of the carriage of coal on this line was very large. Anyhow, they had here what they had not in the case of any other line—namely, the actual guarantee of 5 per cent. In the

case of some other lines it was only about 2-17.

Mr. DUTHIE.—The Manawatu line earns 6 per cent.

Mr. SEDDON said the company earned that; but would the honourable gentleman guarantee 5 per cent. to the Government? As far as log-rolling was concerned, he might say that there was no log-rolling about the matter. The colony's interests had been safeguarded by the maximum amount being stated, and also in providing for the guarantee. Under the circumstances the colony was perfectly safe. He believed it was a proper thing to do to acquire this line. It would stop the conflict between the rival companies, and would break down the monopoly in coal.

Bill read a second time.

RAILWAYS AUTHORISATION BILL.

Mr. SEDDON, in moving the second reading of this Bill, said there was a short extension required from Hikurangi, and also a slight extension from Kaukapakapa northwards. It was necessary that this Bill should be passed, because they had taken appropriations for them.

Mr. MITCHELSON would like to ask the honourable gentleman how far it was proposed to take the railway from Hikurangi. It was stated in the Bill that that point was to be determined by the Governor in Council.

Dr. NEWMAN would again bring under the notice of the Premier the desirability of adding the railway from Te Aro to Newtown. It would not at present mean any more expenditure. It would be a beginning of the work, and would give the honourable gentleman power in the recess to make a survey, and spend any further money in that way which might be necessary.

Mr. G. J. SMITH did not intend to oppose this Bill, although the treatment which a certain part of the colony received the other night, he thought, would probably justify them in doing so.

An Hon. MEMBER.—Log-rolling.

Mr. G. J. SMITH said it was not a question of log-rolling; it was a question of simple justice. But he would endeavour on this occasion to show the North how it ought to treat the South, and he believed the majority of Canterbury members would support the Bill, notwithstanding the treatment they had received.

Mr. DUTHIE said, with reference to the extension of the line beyond Whangarei, the Premier stated two years ago in the Public Works Statement that they hoped to discover a coalfield beyond that railway. He would like to know whether that field had been discovered, and also what chance there was of traffic on that line. He knew there was timber there; but there was plenty of timber nearer deep water.

Mr. SEDDON would be much pleased to give the honourable member the fullest information. He supposed that one of the finest coalfields in the colony was tapped by this railway. They were in a position now to send coal to deep water

at a lower rate than in any other part of the colony, and they were doing that very successfully. It was one of the best brown coals in the colony. The extension of this line was necessary in order to get to the far end of the coal-bed. They desired also to bring the line to a point where they would tap the Puhipuhi kauri-forest. That forest in itself would, he should say, ten times more than pay the cost of the railway. At the present time there was great danger of millions of feet of kauri timber being burned. He believed they would now get the whole of that kauri timber brought to market; and that in itself would be a most profitable thing for the colony to do. Then he would come to the honourable member for Wellington Suburbs. Without referring to past transactions, or to his opposition to a Bill which would have done a great deal of good to the colony, he must advise that honourable gentleman to allow this extension from Te Aro to Newtown to remain until it could go with the other lines into the general pool. He did not think he could give him any further advice than simply to watch and wait.

Mr. MITCHELSON said the Premier had not given him a reply as to where the terminus of the Whangarei-Hikurangi line was to be.

Mr. SEDDON.—About six miles from the present terminus.

Mr. MITCHELSON.—Was that to be absolutely the end?

Mr. SEDDON.—Yes.

Bill read a second time.

LAND AND INCOME ASSESSMENT BILL.

Clause 6.—As to returns.

Subsection (4).—Date of annual return.

On the motion of Mr. WARD, the words "or biennial" were inserted after "annual."

Subsection (6).—"Sections five and eight of 'The Land and Income Assessment Acts Amendment Act, 1893,' are hereby amended by omitting the words 'triennial or,' 'triennial,' and 'as the case may be' wherever they occur."

Mr. BUCHANAN moved to strike out the subsection.

The Committee divided on the question, "That the subsection proposed to be omitted stand part of the clause."

AYES, 46.

Buddo	Kelly, W.	Pirani
Buick	Larnach	Reeves
Cadman	Lawry	Saunders
Carncross	Mackintosh	Seddon
Carnell	Maslin	Smith, E. M.
Carroll	McGowan	Smith, G. J.
Collins	McKenzie, J.	Stevens
Crowther	McKenzie, R.	Steward
Duncan	McLachlan	Tanner
Flatman	McNab	Thompson
Hall	Meredith	Ward
Hall-Jones	Millar	Willis.
Hogg	Mills	
Houston	O'Regan	
Hutchison, W.	Parata	
Joyce	Pinkerton	

Tellers.

Harris
Morrison.

Mr. Seddon

NOES, 23.

Allen	Heke	Newman
Bell	Hutchison, G.	Russell, W. R.
Button	Kelly, J. W.	Stout
Duthie	Lang	Te Ao
Earnshaw	Massey	Wilson.
Fraser	McGuire	<i>Tellers.</i>
Graham	Mitchelson	Buchanan
Green	Montgomery	Mackenzie, T.

Majority for, 23.

Subsection retained.

Mr. WARD moved to add the words, "and substituting in each case the word 'biennial' for the word 'triennial,'" at the end of the clause.

Words added, and clause as amended added to the Bill.

Clause 7.—Continuing existing assessments until new assessments are made.

On the motion of Mr. WARD, the following words were added: "and any person or company may, by notice in the prescribed form, given not later than the thirty-first day of March in any year, require the Commissioner to make a new assessment of such person's or company's land and mortgages."

Clause 14.—Interest on mortgages not to be included in land-tax returns.

Mr. T. MACKENZIE moved, That the following words be added to the clause: "In the event of any person being liable under this Act to pay land-tax, and owning land to the extent of two thousand pounds the improved value, on which there may be a mortgage, he shall, in addition to any other exemption he may be entitled to, deduct a sum equal to one penny in the pound from any interest sum he may have to pay the mortgagee; and the mortgagee shall also be entitled to deduct any such deduction from the amount of his land-tax."

The Committee divided on the question, "That the words proposed to be added be so added."

AYES, 14.

Allen	Massey	Saunders
Duncan	McGuire	Wilson.
Duthie	Mitchelson	<i>Tellers.</i>
Heke	Newman	Green
Lang	Russell, W. R.	Mackenzie, T.

NOES, 44.

Bell	Houston	Pinkerton
Buddo	Hutchison, W.	Pirani
Buick	Kelly, W.	Russell, G. W.
Cadman	Larnach	Seddon
Carncross	Mackintosh	Smith, G. J.
Carnell	Maslin	Stevens
Carroll	McGowan	Steward
Collins	McKenzie, J.	Stout
Earnshaw	McKenzie, R.	Tanner
Flatman	McLachlan	Thompson
Graham	Meredith	Ward
Hall	Millar	Willis.
Hall-Jones	Montgomery	<i>Tellers.</i>
Harris	Morrison	Joyce
Hogg	O'Regan	Mills.

Majority against, 30.

Amendment negatived.

Clause 18.—Deductions in respect to obsolete machinery, &c.

Mr. BUDDO moved to strike out, in subsection (1), the words, "nor by reason of any such implements, utensils, or machinery being obsolete, useless, or superseded."

Amendment agreed to, and words struck out.

Sir R. STOUT moved to insert at the end of clause the words, "or by the implements, utensils, or machinery being rendered obsolete or useless."

Amendment agreed to, and words added.

Mr. WARD moved to strike out subsection (2), providing that there be no deduction in respect of accident insurance.

Amendment agreed to, and subsection struck out.

Mr. T. MACKENZIE moved the following new clause:—

"When two or more persons, not being in incorporated under 'The Joint-stock Companies Act, 1892,' are carrying on business as farmers in partnership or co-ownership, each person so carrying on business shall furnish to the Commissioner of Taxes a return stating the proportionate share of which he is the owner where the land is jointly owned or occupied; and each person shall be subject to taxation and have the same right to claim exemptions as though he held his share of such land as a separate estate."

The Committee divided on the question, "That the clause be read a second time."

AYES, 19.

Allen	Lang	Steward
Bell	Massey	Stout
Buchanan	McGuire	Thompson.
Duncan	McLachlan	
Earnshaw	Mitchelson	<i>Tellers.</i>
Hall-Jones	Pirani	Fraser
Kelly, J. W.	Russell, W. R.	Mackenzie, T.

NOES, 36.

Buddo	Hutchison, W.	Pinkerton
Buick	Kelly, W.	Russell, G. W.
Carncross	Maslin	Seddon
Carnell	McGowan	Smith, E. M.
Carroll	McKenzie, J.	Smith, G. J.
Collins	McKenzie, R.	Stevens
Crowther	McNab	Tanner
Flatman	Meredith	Ward
Graham	Millar	Willis.
Hall	Montgomery	<i>Tellers.</i>
Harris	Morrison	Joyce
Hogg	Parata	Mills.
Houston		

PAIRS.

<i>For.</i>	<i>Against.</i>
Duthie	Larnach
Green	Lawry
Hutchison, G.	Mackintosh
Newman.	Reeves.

Majority against, 17.

Second reading negatived.

Mr. T. MACKENZIE moved the addition of the following new clause:—

"Notwithstanding anything to the contrary in the Assessment Acts, the land- and income-tax shall be payable in half-yearly instalments."

The Committee divided on the question, "That the clause be read a second time."

AYES, 21.

Allen	Kelly, J. W.	Russell, W. R.
Bell	Lang	Smith, G. J.
Buick	Massey	Stout
Carncross	McGuire	Thompson.
Fraser	McNab	<i>Tellers.</i>
Graham	Mitchelson	Buchanan
Hall-Jones	Pirani	Mackenzie, T.
Heke		

NOES, 33.

Buddo	Maslin	Russell, G. W.
Carnell	McGowan	Seddon
Carroll	McKenzie, J.	Smith, E. M.
Collins	McKenzie, R.	Stevens
Crowther	McLachlan	Steward
Earnshaw	Meredith	Tanner
Flatman	Millar	Ward
Hall	Montgomery	Willis.
Harris	Morrison	<i>Tellers.</i>
Hogg	Parata	Joyce
Houston	Pinkerton	Mills.
Kelly, W.		

PAIRS.

<i>For.</i>	<i>Against.</i>
Duthie	Cadman
Green	Lawry
Hutchison, G.	Mackintosh
Newman	Reeves
Te Ao	Larnach
Wilson.	Duncan.

Majority against, 12.

Second reading negatived.

Bill reported with amendments, and read a third time.

The House adjourned at a quarter past one o'clock a.m.

LEGISLATIVE COUNCIL.

Friday, 19th October, 1894.

First Readings—Second Readings—Third Reading—Balance Memorial—Criminal Code Bill—Railway Officers—Adjournment—Ventilation of Council Chamber—Railway Officers—Native Reserves Accounts—Major C. Brown—Shipping and Seamen's Bill.

The Hon. the SPEAKER took the chair at half-past two o'clock.

PRAYERS.

FIRST READINGS.

Land and Income Assessment Bill, Public-Trust Office Consolidation Bill, Government Life Insurance Bill, Westport-Ngakawau Railway Extension Bill, Railways Authorisation Bill, Unclaimed Lands Bill, Native Land Court Certificate Confirmation Bill, Native Land (Validation of Titles) Bill, Native Lands Claims and Boundaries Adjustment and Titles.

Empowering Bill, Little Barrier Island Purchase Bill.

SECOND READINGS.

Westport-Ngakawau Railway Extension Bill, Sea-fisheries Bill, Post and Telegraph Department Bill, Native Land Court Certificate Confirmation Bill, Native Land (Validation of Titles) Bill, Native Lands Claims and Boundaries Adjustment and Titles Empowering Bill, Little Barrier Island Purchase Bill, Public Trust Office Consolidation Bill.

THIRD READING.

Shipping and Seamen's Bill.

BALLANCE MEMORIAL.

The Hon. Captain BAILLIE brought up the following report of the Joint House Committee, on the application from the Ballance Memorial Committee for leave to erect a memorial to the late Mr. Ballance in Parliament Grounds:—

"The Joint House Committee have the honour to report that they have agreed to the following resolution, which they recommend for adoption by the Council—namely.—

"In the opinion of this Committee no monument should be erected in the grounds of the Parliament Buildings unless in the form of a statue of not less than life-size; but, if it be desired to perpetuate the memory of the late Mr. Ballance by a bust, there is no objection to a suitable situation being given in the Parliament Buildings."

In moving, *That the report be adopted*, he might say there had been three very full meetings of the Committee, and, after consideration of the plan laid before them, the Committee had decided that the design was not a suitable one to be erected in Parliament grounds, and the report had been agreed to unanimously by the Committee.

The Hon. Mr. RIGG said he had not been present at that day's meeting of the Committee, and did not know what had occurred. He had taken the trouble to attend two meetings, and he had expressed dissatisfaction with the manner in which the business had been conducted on both those occasions. Objection had been taken, so far as he could see, to a bust that was to be placed on the top of a group of marble columns erected on a pedestal highly enriched and ornamented. It had not seemed to occur for a moment to any of those present that any suggestion they made with reference to the bust would be considered by the Ballance Memorial Committee. The bust was an after-thought on the part of the Committee, and it was the architect's opinion that it would look very well where it was placed, as it was of such a size that it would not look insignificant, as was the opinion of the House Committee. With regard to the original design, the Memorial Committee had the opinion of two of the most competent architects in Wellington that it was of a chaste and beautiful kind, and that it should be placed in some position where there would be greensward, or

some background of that sort to give effect to the artistic appearance of the monument.

An Hon. MEMBER.—There is no artistic appearance about it.

The Hon. Mr. RIGG said that was perhaps the honourable gentleman's opinion, but it was totally contrary to the opinion of men who should be qualified to express an opinion on its appearance. He was very sorry the Committee had taken up the position they had taken up. Had they suggested that the bust should not be placed on top of the monument, but that instead there should be an alto-relief or a bas-relief on one of the panels in the pedestal, that might have been accepted. But as to whether the monument in question was a suitable monument to place in the Parliament Grounds, his opinion was that it would really be an ornament to the grounds, and he would like to see more monuments of a similar class erected. But the Committee had gone further, and taken on itself to suggest that there should be a life-sized statue of the late Premier executed, and that then they would give the necessary permission. The Ballance Memorial Committee had called for a design, and designs had been sent in from all parts of New Zealand, and the design had been selected by competent men and on the advice of experts, and a prize had been awarded to it. Having rejected some life-sized designs, the committee could not now in honour, and in fairness to those who had entered for the competition, decide at this stage to put aside the design selected and select something else. The matter had gone too far for that to be done. He did not intend to oppose the motion, but, as a member of the Memorial Committee, he would simply advise them to insist on the erection of the monument as designed, with perhaps some alteration in regard to the bust. Then, as they were prevented from erecting it in what they considered a most suitable place, they would have to look elsewhere for a site.

The Hon. Sir G. S. WHITMORE said that the House Committee of the Legislative Council sat no less than three times to decide this matter. From the press of work in another place the Committee of the House of Representatives were unable to attend. The honourable gentleman did not attend that day, when the question was decided. In the absence of any member of the Memorial Committee, the House Committee asked the person in charge for the plan, and found it to be a high column, with a small bust at the top, resembling the stopper of a decanter. In the belief that the object was to perpetuate the memory of the late Mr. Ballance by some personal representation, the Committee decided to allow the erection of a life-size figure in the grounds, or of a bust in the building. There was no question of the erection of an obelisk or monument. Probably, had there been, it might have been allowed. But, as neither the honourable gentleman nor any member of the Memorial Committee was present, it was not even hinted that an obelisk was intended. There was no

desire to show anything like disrespect to the memory of the late lamented Mr. Ballance.

The Hon. Mr. L. WALKER, as a member of the House Committee, said it appeared from the Hon. Mr. Rigg's speech that the matter had resolved itself into a question of taste between the Joint Committee and the Ballance Memorial Committee. The Hon. Mr. Rigg thought the Memorial Committee knew more about the matters of taste. Well, let the honourable gentleman think so; he (Mr. Walker) did not. To his mind, the design submitted was absolutely hideous; and, were he asked his opinion as to the most suitable way of perpetuating the memory of Mr. Ballance, he would say, "Put up a handsome obelisk in the Wanganui Cemetery, with a proper inscription; and put up a bust in the lobby of the House."

The Hon. Mr. KERR thought it would not be treating the Ballance Memorial Committee with sufficient courtesy were the House to refuse to allow a memorial to the late Premier to be placed in the Parliament Grounds. If the memorial had met with the approval of the Ballance Committee he did not see that the House Committee had much to say in granting permission to erect it in the grounds. It could be no reflection on the House if it met with the disapproval of the general public. No doubt the Memorial Committee had fully considered the design before it adopted it, whether it was suitable or not, and, with due deference to the Council, he thought the Memorial Committee were in a better position to judge than they were. The Mayor of Wellington, and the Premier of New Zealand, and other people who were intimately interested in the Memorial Committee, had every wish to perpetuate the late Mr. Ballance's memory by some suitable design, and it seemed strange to him that the Memorial Committee would produce anything that would be an eyesore to the Hon. Mr. Walker or any one else. He would move that the report be referred back to the Committee; and they would no doubt take suggestions from members of the House, and endeavour to meet the wishes of both parties. That would be fair and reasonable, and would not be treating them in an offhand manner. He moved, therefore, *That the report be referred back to the Committee, with a view to some alteration and suggestion being made that would be acceptable to the Ballance Memorial Committee.*

The Hon. Mr. SHRIMSKI, as a member of the House Committee, wished to say that the Hon. Mr. Kerr was quite in error when he thought that due consideration was not given in the investigation of the matter. It had come before the Joint House Committee on three different occasions, and it had taken all that time to find those who represented the memorial fund to submit plans and give them some information. They even had to look for the Hon. Mr. Rigg in all directions to find him, as one who was most interested, in order to give the Committee some information. As to saying the matter should be referred back to the Joint Committee, and that the Mayor of

Wellington and the Premier had agreed to the matter, it was on the Premier's proposal that the matter was put in this way: "That the plans and specifications should be submitted for approval to the Joint House Committee before they permit the memorial to be erected in the grounds." With regard to the memorial itself, they had, unfortunately, in the City of Dunedin, something similar. They had the memorial to the late Mr. John Macandrew, and there was no more disgraceful piece of work in any part of the world: it was an absolutely disgraceful thing to look at. And this memorial was of a somewhat similar nature: there was a large column, 29ft. high, with a little bit of a bust on the top of it, and the whole thing looked like a "Jack in the box," and its erection would be anything but respectful to the memory of the late Premier, nor was it creditable to those who were getting it up, and it would be much less creditable to the Committee of the House to allow it to be erected in Parliament Grounds. No one had greater respect for the memory of the late honourable gentleman than he had. He was deeply indebted to the late Mr. Ballance for the position he held in the Council, and it would ill become him were he to say anything that would in any way prevent his memory from being kept green in the minds of the people of the colony, and he would assist in any way he could in having anything erected becoming to his memory, and which would be looked up to with respect by the people; but this was a disgrace to every one, and ought not to be erected. The Committee were very unanimous, and had suggested that there should be either a life-sized statue, or a bust in the lobby; and he thought the Committee had shown very great patience in attending three times to the same thing without any alteration in the plans.

The Hon. Mr. PHARAZYN said the Hon. Mr. Kerr seemed to have very great confidence in the opinion of the Premier on a question of taste. All he (Mr. Pharazyn) could say, if they looked at Parliament Grounds as they were at present, was that they were a shocking example of bad taste. That was the opinion of every one who remembered the old grounds, and he was certain the vast majority of people were disgusted with what had been done to those grounds. For his part, he very much regretted that the power to alter them had ever been put into the hands of the Premier. The House Committee had endeavoured to save some of the trees, and had been promised that they should not be cut down. However, the whole thing had been made a hideous spectacle at the present time; and he would be very sorry to trust the Premier in any question of good taste.

An Hon. MEMBER.—The Premier objected to the proposal of the Memorial Committee.

The Hon. Mr. PHARAZYN said it was all the more credit to him, and he was evidently improving. To his (Mr. Pharazyn's) thinking, —and he knew it was the opinion of very many, —the proposed memorial was exceedingly dis-

tasteful, and, with a sort of bust at the top, looked as if the late Premier had been decapitated, and had had his head stuck up there. The whole thing would be most discreditable to have near the Parliament Buildings, and he would be very sorry to see the name of the late Mr. Ballance associated with anything so absurd. As to architects having given their opinion on it, he would remind the honourable gentleman that architects might be very good judges of buildings, but they were not necessarily good judges of other matters which were not of a utilitarian aspect. It required a sculptor, or a person altogether of a different order and art from an architect's, to express an opinion. He had seen a good deal of architecture, and knew something of art, and he must say he would be exceedingly sorry to erect such a thing as the proposed memorial. He certainly hoped the Council would agree with the Committee, and refuse leave to put it up in the grounds.

The Hon. Captain BAILLIE objected to the Hon. Mr. Kerr's amendment, as he did not think any good could arise from referring the report back to the Committee. The Committee had considered the matter on three occasions, and had a very long sitting that morning, and they had the artist who, he supposed, represented the Ballance Memorial Committee, but from him they were led to suppose there had been no undertaking given as to the construction of a memorial. There were gentlemen on the Committee who had seen works of art in Rome, Germany, and Paris, and were better judges on those matters than the Mayor of Wellington or the Premier.

The Hon. Mr. RIGG said the Hon. Mr. Shrimski had stated that the Joint Committee had had to look for those who could give them information in regard to the memorial. Those persons who could have given the information had been in attendance on two occasions, but the proceedings were carried on in such a hurry-scurry that it was impossible for anybody to get an opportunity to give the information he possessed. They were told it was on the motion of the Premier that the refusal was arrived at; and the Hon. the Premier was a member of the Ballance Memorial Committee; Mr. Bell, M.H.R., was also a member, as were also the Mayor of the City, the editor of the *Evening Post*, and the editor of the *New Zealand Times*, who were both *ex officio* members; and altogether the committee was a very representative one. But it was left to the Premier, at the only meeting of the Ballance Memorial Committee he attended, to urge that a public meeting should be held in order to give everybody an opportunity of being represented on the committee and expressing his views on the desirability of such a memorial. The result of the honourable gentleman's interference was to land the committee in an expense of over £30. From that time to this the Premier had not attended a single meeting; and it was a hard blow to himself (Mr. Rigg), as a member of the committee, to think that opposition should have come from the Premier's

hands, and not from those who might have been expected to oppose the memorial for other reasons. Reference had been made to the monument or bust erected to the late Mr. Macandrew. There was no comparison at all between the two monuments. If the bust were not taken into consideration, the Ballance memorial was one that would do credit to any city in New Zealand, and he invited those who thought otherwise to find one professional man who had a knowledge of architecture to say that that was not the case. The opposition was confined to the point that the bust which had been placed upon the top of this beautiful monument was considered to be utterly out of place. Had there been some suggestion that the bust should be removed it might have been done, and then the monument would have been an ornament to the grounds. His regret was that this had not been done. It had been said that the monument chosen was a disgrace to those who were instrumental in having it put up. Well, he would like to see the monument erected, in order to allow the public to judge for themselves on that point. It was all very well for people who looked at the thing on paper, and who probably did not understand a working drawing when they saw it, to express an opinion of that kind on the monument. He might say that the committee had had the very best advice on the question. They did not decide on their own opinion, but they took the opinion of experts—men who were competent to give a verdict on the question—and upon that they came to a decision. He was willing to admit that it was possible there were in Rome and other cities of the world more magnificent monuments, and he now said it was a disgrace to the Liberals of New Zealand that they had not subscribed more liberally, and that there was no better monument erected to the memory of John Ballance, who was head and shoulders above any statesman who had ever lived in New Zealand. So far as the committee were concerned, they had had to fight against political opposition from the start to the finish. One would have thought those people might generously have waived their political opposition and their objections to the late statesman. In every phase, in every stage of the affair, the committee were met by all sorts of difficulties, and this monument was subscribed for principally by the working-men of New Zealand, and more particularly by the working-men of Wellington. The monument was going to cost a sum of close upon £600, and he said, taking all things into consideration, it was to the credit of the Ballance Memorial Committee that they had done what they had. To those who had opposed this monument he would say that what was done in the matter of a memorial to the late Sir Harry Atkinson was not to their credit. It was a matter of disgrace to the people of New Zealand that men who had given the best part of their lives to the colony, and had done their best to make it prosperous and a shining light in the world, should be so soon forgotten. If he had spoken

Hon. Mr. Pharazyn

with warmth it was because he spoke as he felt. He thought those who had given their lives to the service of the colony should be remembered, and their services kept green in the memory of those who were to follow them.

The Committee divided on the question, "That the words proposed to be omitted stand part of the question."

AYES, 22.

Acland	Montgomery	Shrimski
Baillie	Oliver	Stewart
Barnicoat	Ormond	Swanson
Bonar	Peacock	Walker, L.
Bowen	Pharazyn	Whitmore
Grace	Reynolds	Whyte
MacGregor	Richardson	Williams.
McLean		

NOES, 10.

Bolt	Kelly	McCullough
Buckley	Kerr	Rigg
Feldwick	Mantell	Taiaroa.
Jennings		

Majority for, 12.

Amendment negatived, and report agreed to.

CRIMINAL CODE BILL.

A message was received from the House of Representatives desiring a second Conference on the subject of the Council's amendments in this Bill.

On the motion of the Hon. Sir P. A. BUCKLEY, the Hon. Mr. McLean, the Hon. Sir G. S. Whitmore, the Hon. Mr. Shrimski, and the mover were appointed Managers on behalf of the Council.

RAILWAY OFFICERS.

The Hon. Mr. BOLT asked the Government, When they will be prepared to take the necessary steps to remedy the grievances supposed to be imposed on certain railway officers by clause 4, subsection (8), of the Government Railways Act passed this session? He would remind the Council that when section 4 of the Railways Act was passed it was generally understood by the Council that it was imposing a grievance on a certain number of railway officers; but it was found, as the section came down in an amended form by Governor's message, that the Council could not amend it, and he understood the Colonial Secretary gave some intimation to the Council that the matter would be rectified. He wanted to know what steps were proposed to be taken to rectify it.

The Hon. Sir P. A. BUCKLEY said he was not in a position to give the information now, but hoped to be able to do so to-morrow.

ADJOURNMENT.

The Hon. Sir P. A. BUCKLEY moved, *That the Council, at its rising this day, do adjourn till eleven o'clock on Saturday, the 20th instant.*

The Hon. Mr. REYNOLDS moved, as an amendment, the addition of the following words: "*but not after eleven o'clock p.m., at which hour the Speaker or Chairman of Committees shall leave the chair.*"

The Council divided on the question, "That the words proposed to be added be so added."

AYES, 15.

Acland	McLean	Stewart
Baillie	Oliver	Swanson
Barnicoat	Pharazyn	Walker, L.
Bonar	Reynolds	Whyte
Mantell	Richardson	Williams.

NOES, 17.

Bolt	Jennings	Ormond
Bowen	Kelly	Peacock
Buckley	Kerr	Shrimski
Feldwick	MacGregor	Taiaroa
Grace	McCullough	Whitmore.
Jenkinson	Montgomery	

Majority against, 2.

Amendment negatived, and motion agreed to.

VENTILATION OF COUNCIL CHAMBER.

The Hon. Captain BAILLIE moved, *That the Government be requested to take steps to improve the ventilation of the Legislative Council Chamber.* He might state that the matter was before the House Committee of the Council. He admitted that there was plenty of cool air coming through on to the floor of the chamber, but persons sitting in the galleries did not get the benefit from that, which they might do if the chamber were properly ventilated. In former days, when the lantern used to be lighted with gas the effect was to cause the foul air with the hot air to travel through the lantern, which had not now the power which it used to have. The atmosphere was now too hot, and, when the Council was sitting for an hour or two, became very foul. If honourable members would go up into the galleries they would see the effect which he spoke of.

The Hon. Mr. BOLT moved, *That the words "and lighting" be added after the word "ventilation."* Last year there was a circular light in the centre of the chamber, which was exceedingly useful to members sitting near the centre of the floor, but now that the light was removed to the walls of the chamber the central part of the chamber was dark.

Amendment agreed to, and motion as amended agreed to.

RAILWAY OFFICERS.

The Hon. Mr. JENKINSON moved, *That a return be laid on the table giving a list of those persons now employed on the New Zealand railways who are entitled to retiring, superannuation, or pension allowance; stating also at what rate each man is entitled.*

The Hon. Sir P. A. BUCKLEY said he had received the following reply from the Secretary of the Railway Department in reference to this motion:—

"It would be impossible to give such a return as that asked for with any degree of accuracy. The amount of retiring-allowance to which an employé might be entitled can only be finally answered by a careful consideration of each man's service under the Govern-

ment, and is affected to a considerable extent by the manner of his leaving the department. In any case the Railway Commissioners are not authorised to determine what persons are entitled to compensation. The Government Railways Act of 1887 merely preserves rights of those who were at that date Civil servants, and does not therefore affect the question, which is, strictly speaking, a legal one; but in practice the matter is decided by the Audit Department, after review of each individual case."

If he (Sir P. A. Buckley) could get any information for the honourable gentleman he would be very happy to do so.

The Hon. Mr. JENKINSON said it was to remove the difficulty in ascertaining who were entitled to retiring-allowances and who were not that he had moved for the return.

Motion agreed to.

NATIVE RESERVES ACCOUNTS.

The Hon. Mr. TAIAROA moved, *That the Paper No. 43, being the report of the Public Trustee—laid upon the table of the Council on the 26th June, 1894—relative to the Native reserves accounts, be printed.*

Motion agreed to.

MAJOR C. BROWN.

ADJOURNED DEBATE.

The Hon. Sir P. A. BUCKLEY said he moved the adjournment of the debate yesterday because of what he considered the unwarrantable attack made by one or two honourable gentlemen on the Government. At that time he was not in a position to state exactly what the real facts were. One or two honourable gentlemen were then good enough to say that the Government were hasty in coming to the conclusion they had come to, and that at any rate they were not warranted in the action they took on the occasion referred to. He had no desire to reflect in the slightest degree whatever on the character, ability, position, or courage of Major Brown. There was an action before the District Court, and that case disclosed such a state of affairs that, the attention of the Government having been called to it, the Under-Secretary for Justice thought it his duty to request Major Brown to make some explanation. He did so in a courteous manner in a letter which was on record, and which honourable members had before them; and Major Brown's explanation was anything but satisfactory. The Government, therefore, seeing the facts, and seeing that there was no satisfactory reply from Major Brown, had only one course open to them. The Hon. Mr. Stewart had said that an unwarrantable action was taken in referring to Major Brown's past record. If this had been the first occasion of Major Brown's committing an indiscretion the Government would probably have asked him to resign, but, seeing that his record was of such a character that he had been the subject of a parliamentary inquiry on more than one occasion, the only course open to them was to take the action they did.

Hon. Sir P. A. Buckley

What was the position? Major Brown, Mr. Humphries, and Mr. Ward, a Justice of the Peace, went to a place called Moturoa, for the purpose of getting the signature of a woman whose intellect was not of the keenest character. With a full knowledge of the fact that the consideration-money for the property was £40, he had made an interpretation to that woman by which it was declared that £40 was the amount received by her, when he knew that she had received only £15, and her son had received £5. If that was not an irregularity sufficient to warrant the Government in taking the action they had taken he did not know what would be sufficient. He wished to call attention to this point: The only explanation on the part of Major Brown was that he thought it sufficient if the agent of the woman had received the money. What took place ten or twelve days after? He again witnessed a document before the Trust Commissioner, by which Mr. Humphries was handed from this woman a certain instrument by which he was to be constituted her agent to receive the money. With the full knowledge of what had already been done he witnessed this document, well knowing she had not received the money. If that was not a false declaration, a false statement, and a deceiving of that woman, he would offer no opinion for the consideration of the Council. With regard to the printing of this paper, he was assured by the Premier that when he was examined there was no shorthand writer present. Mr. Haselden informed him his evidence was not taken down, and there was a motion to print the evidence, excluding the evidence of those witnesses whose evidence was of a most important character. That was not a fair way to treat the Government or these gentlemen. They had heard a good deal of the bravery of Major Brown. He had not a word to say against that; it was entirely beside the question. There were other men as brave as Major Brown—Major Brown's bravery was not before the Council. The question was, What had been his conduct on this occasion? The Government had no desire to do what was harsh, but the matter had been brought before them so forcibly—as honourable gentlemen could see by the papers in his possession, which they were at liberty to look at—that the Government were justified in the action they had taken.

The Hon. Mr. BARNICOAT would like to say a word or two, as Chairman of the Petitions Committee. He did not know Major Brown personally. His name was first brought before him by notices in the *Gazette* of the 25th May last, in which "His Excellency was pleased to revoke the license of Major Brown authorising him to act as interpreter," and "to remove him from the roll of Justices of the Peace." In close contiguity to these notices was another revoking the license granted to William Williams authorising him to act as interpreter. The next time he had met with the name of Major Brown it was as a petitioner to the Council, asking to be granted an inquiry into certain charges in connection with his action as an

interpreter before the Chief Justice of the Native Land Court, an officer of whose Court he was. This appeared to the Committee a very reasonable request, and they reported accordingly. The next time he saw the name of Williams it was attached to the report of a Commissioner who had been appointed to inquire into a charge against him, and the report was of the most unfavourable character. Now, these two names of Major Brown and Williams were brought together apparently in studied proximity. One of them was found guilty of fraud, treachery, and deceit, and fraudulent appropriation of the sum of upwards of \$5,411; and against the other no charge was substantiated. Here were two instances in which this power of removing a man from office suddenly, and so of preventing his earning a livelihood and consigning him to obloquy, was exercised—in the one case justly, in the other case very unjustly and in such a manner as he thought would lead to the disapproval of the Council. He did not appeal on behalf of Major Brown, but thought that in his case, as in every other in which a person was suddenly dismissed with loss of character and livelihood, an opportunity should be given for defence and explanation. In that opinion the Committee was very fully borne out by some of the evidence taken. That of Judge Kettle included the following sentences:—

"Before the Commission of the Peace is taken from a person, and his license as a Native interpreter cancelled, I should certainly say it should be only for a very grave offence, and the person so deprived should have a full opportunity afforded him of answering the charge made against him. The charge should be made distinctly, and he should have the opportunity of adducing evidence to refute the charge. Moreover, the tribunal that would have to adjudicate should be absolutely free from bias, and thoroughly independent."

"I think the prayer of the petition is a reasonable one, and that Major Brown is entitled to a fair and full investigation of the charge made against him."

"I think the Government ought to court inquiry. If they have acted fairly, and on sufficient grounds, there is nothing to fear; and if any error has been committed, or injustice done, they should be pleased to be set right."

"I am inclined to think that the total cancellation of his license, and the withdrawal of his name from the roll of Justices, are circumstances that affect his character as a citizen, and tend to ruin his means of livelihood, which would in consequence be taken from him. All that, I think, is too severe a punishment for an act of negligence such as that complained of."

The Committee had brought forward their report in the interests of justice, and because they could not but feel that there should be an opportunity afforded of disproving the charges against him.

The Hon. Mr. MACGREGOR knew nothing at all of the subject except what he had learned

during the discussion, and he was bound to say that he was very much surprised at the attitude the Government had assumed towards the report of the Committee. He was also bound to say that the statement by the Hon. the Attorney-General he had just listened to still more surprised him. The report of the Committee was simply to the effect that the matter should be inquired into before an impartial tribunal. No request could be very well considered more reasonable than that, and he hoped the Council would abide by the report of the Committee. There was no question of making an attack upon the Government. He had heard no such attack made. It was a question rather of whether justice should be done to the man; and whether the Government considered that an attack had been made on them was nothing to the purpose. If no injustice had been done the Government had nothing to fear. If there was no appearance of injustice the Government were not concerned in the matter. If they had done wrong the sooner it was known the better. No one had said the Government had done wrong, so far as he was aware. It was a pity the evidence or documents had been referred to at all in the discussion. For his part, he did not attach the slightest weight to the *ex parte* statement that had been made. He found from the statements made that this man asked for an inquiry before the Chief Judge to whose Court he was attached as an officer, and no more reasonable request could be conceived, and a very strong case would have to be shown to justify the Council in refusing his request. The proper way to look at it was this: Here was this application: was it a reasonable one or not? It was not for the Council to say whether or not the charges made against Major Brown had been substantiated; the question was, whether the matter should be investigated by an impartial tribunal; and how any one could hesitate to grant such an application he could not conceive. It was a pity the matter had not been disposed of on the previous day, for it would have been better if the statement made by the Attorney-General had not been made. He thought a disposition had been shown to introduce into the discussion matters which, as far as he could gather, were not put before the Committee—matters which had not been suggested as a ground for Major Brown's removal, and which should not have been mentioned in the Council.

The Hon. Sir P. A. BUCKLEY said an attack had been made by the Hon. Mr. Stewart on the Government for the action they took. He had said nothing to reflect on Major Brown, but had simply stated that there were facts which justified the Government.

The Hon. Mr. MACGREGOR said the proper way for the Government to justify themselves was to submit to the inquiry, and produce all the evidence which could be produced. It was impossible for the Council to judge on the *ex parte* statement; and it seemed to him that the wrong course had been adopted. The Attorney-General said that Major Brown's bravery as a

soldier and his service in the field were nothing in point. He could not agree with that—it seemed to him a very harsh doctrine. But, apart from that, the mere suggestion of the possibility of injustice having been done seemed to him ample reason for granting the inquiry. The attack on the Government had nothing to do with the matter. If an attack had been made upon the Government it was entirely out of place. There was no occasion for going into the evidence at all. The Council had not the evidence before them, and it was impossible for them to constitute themselves judges in the case. He was bound to say, however, that the impression he received from the explanation made by the Hon. Mr. Montgomery was this: that the so-called gross irregularities relied upon by him as justifying the striking-off of Major Brown from the Commission of the Peace—

The Hon. Mr. MONTGOMERY.—I did not say that. I said, as interpreter.

The Hon. Mr. MACGREGOR did not know, then, what justification there was offered for striking him off the Commission of the Peace. There was apparently none. At all events, the question whether this conduct of Major Brown amounted to irregularity or to gross irregularity depended upon the idea one formed of the duties of an interpreter. He was bound to say it seemed to him something more should be found before so extreme a step was taken. He did not think the Attorney-General was justified in saying that the report of the Committee should be in any way treated as an attack upon the Government.

The Hon. Sir P. A. BUCKLEY said he had not said anything of the kind. He said a gross attack had been made by the Hon. Mr. Stewart. He did not refer to the motion before the House.

The Hon. Mr. BOLT had a few words to say in reference to the question. He could assure the Government and the Council that the Committee which drew up the report had no feeling whatever against the Government. The report was drawn up purely in the interests of justice to both parties. The Committee had felt that the question of this £40 might be looked at from two points—from the standpoint of the Government and from that of Major Brown. Major Brown had looked at it in this light: £5 was supposed to be paid to the woman's son—but he might mention there was no evidence to show this £5 ever was paid; £5 was to be paid when the transaction was completed, £15 to herself, and £15 she had to her credit for legal expenses in connection with the transaction. Major Brown looked upon this latter £15 as really a payment. On the other hand, as strictly interpreted by the Government and Judge Kettle, it might be said she only received the £15, and £5 which her son received; she had not received the £15 for legal expenses that had been deducted from the £40: but, so far as the Committee could see, there was nothing in any document to prevent her being sued again for the £15 for legal expenses. However, the Committee felt it was really a

question for further investigation, and that the punishment the Government inflicted on this man was really a punishment for a crime and nothing else, and, that being so, it was deemed only fair that he should have an opportunity of answering the charge brought against him. The previous day the Hon. Dr. Grace, in a very passionate speech, had declared that the Council had re-established the character of Major Brown. He (Mr. Bolt) said that the Council had not done so, and that it could not do so. The Committee which had taken evidence and had inquired into the matter could not do that. The only thing that could re-establish Major Brown's character was for the Council to agree to the report of the Committee—nothing else; and for the Hon. Dr. Grace to defend Major Brown with the ardour he did testify, no doubt, to the earnestness of his own convictions, but in no way proved the correctness of his judgment. The whole matter, in the opinion of the Committee, deserved to be inquired into before a properly-constituted tribunal, and, when they said that, they had no wish to cast any reflection upon the Government at all. He believed the Government were justified in taking a very serious view of Major Brown's conduct in this question. But he thought the only way the Council could uphold Major Brown's character was by upholding the report of the Committee.

The Hon. Mr. REYNOLDS did not blame the Government, for any action they had taken they had no doubt taken in good faith. At the same time it was possible they had committed an error of judgment. The Petitions Committee had considered the matter well, and had brought down a report, which he thought should be agreed to. They recommended that the matter should be referred to an independent tribunal,—to which he thought every man had a right if he demanded it. He would like to suggest to the Council to leave out the words "for their consideration," and to insert the words, "indicating that, in the opinion of the Council, early effect should be given to the recommendation contained in the report." He thought a man at Major Brown's age should not be placed in the position of being debarred from following his vocation, if the decision of the tribunal was in his favour, and he trusted the Colonial Secretary would not object to the amendment.

The Hon. Sir P. A. BUCKLEY asked if the honourable gentleman meant the report of the tribunal to which the case might be referred, or not. Unless this was made clear they might be placed in an awkward position.

The Hon. the SPEAKER said it was the report of the Public Petitions Committee that was referred to.

The Hon. Mr. BOWEN thought the position taken up by the Hon. Mr. MacGregor incontestable, because the question to be considered now was, whether any Englishman who had been accused should be punished ignominiously for an alleged offence without being allowed a hearing, and without having an opportunity of making a statement in his own defence. He

Hon. Mr. MacGregor

had not read through the papers, and so could not see exactly how the whole affair originated, but he had a suspicion, after glancing at some of the letters shown him, that there was a very strong departmental tinge about the whole thing. It appeared to him that the Government had been hurried into the position by departmental prejudice in the matter. They all knew that there was such a thing as too much departmental zeal in certain matters, and that a department sometimes wanted to deal precipitately with a matter without proper consideration. He would not say that it was so in this case, but that was the strong suspicion engendered in his mind on looking through these papers. Now, they had all felt, in reading old stories of men being imprisoned without being allowed to say a word in their own defence, the intense agony these men must have suffered from the hopeless inability of speech or action when their liberty and their character were at stake; and he could conceive that it would be equal agony to any man who was, as in the present case, ignominiously punished without trial. For it was ignominious punishment that was inflicted on Major Brown. He did not know him, nor did he profess to have mastered his case; but he must be suffering an intense sense of wrong, owing to the fact that he had been ignominiously punished without his being able to open his mouth—an agony similar to that of the man who was thrust into gaol without having an opportunity of speaking for himself. That was the point which they all felt to be a terrible thing, and he thought his honourable friends on that bench would not wish any man to be put in such a position as that. All that the report of the Committee, as he understood, said was this: that this man had not had a fair hearing, and that they asked that he should have a fair hearing. He took that to be the position.

The Hon. Sir P. A. BUCKLEY quite approved of that.

The Hon. Mr. BOWEN was glad to hear his honourable friend say so, because he had feared the Government was going to oppose the report of the Committee. He had given his reasons for supporting the amendment, and he hoped it would be unanimously adopted, because the point the Committee had affirmed was that sentence had been passed upon a man who it now appeared had not had a hearing, or an opportunity of speaking for himself.

The Hon. Sir P. A. BUCKLEY had explained his reasons for moving the adjournment of the debate; but it seemed that they were not understood. It was because of the fierce attack made by honourable gentlemen on the Government.

The Hon. W. DOWNIE STEWART said the honourable gentleman had put some new documents on the table.

The Hon. Sir P. A. BUCKLEY said he had put no papers on the table whatever.

The Hon. W. DOWNIE STEWART.—Then, a report.

The Hon. Sir P. A. BUCKLEY said no further report had been laid upon the table. He had handed the Hon. Mr. Bowen some papers of a confidential character, for his own perusal. If the Hon. Mr. Stewart wished to see them he could do so.

The Hon. Mr. RIGG said that so much had been said on the question that he now felt it to be his duty as a member of the Committee to say something upon the matter. As regarded the matters referred to, he considered they were not trying this man for any past offence: this never came within the jurisdiction of the Council at all. They had to decide on a petition presented to them. He would say that his first vote was against the report submitted to the Council. On the second occasion, after hearing the evidence of Judge Kettle,—and this was the gentleman who brought the matter under the notice of the Government,—he gained sufficient knowledge to enable him conscientiously to reverse his previous opinion, and vote in favour of the report that was subsequently submitted. He thought that this Major Brown had been treated—to put it very mildly—in a most harsh manner. He did not think that the man had been treated as a man should have been, under the circumstances. Supposing he had been guilty, the punishment ought to be in proportion to the offence; but, as it turned out, he was not guilty of any dishonourable action, or anything but what nineteen out of twenty interpreters in the colony might have been guilty of through ignorance. He put the question himself to Judge Kettle whether the declaration that was submitted to the Trust Commissioner was literally and truly translated, and the Judge said it was. He asked him, Was it suggested that Major Brown was guilty of dishonest conduct, or of complicity in any dishonest transaction? and Judge Kettle said, “No.” He absolved him from any imputation of the sort. That being so, it was sufficient to satisfy him (Mr. Rigg) that the whole point at issue rested on a question of Judge-made law. The Judge had determined that an interpreter must give to his client the information which he possessed if that information was contrary to the facts stated in the declaration. Major Brown explained this by saying that he considered the payment made to an agent was payment made to a principal; and that was the way any man looking at it from a common-sense point of view would look at such a transaction. The whole question at issue was as to whether an interpreter was supposed to give his client other information in his possession, or whether it was his duty to properly and truly translate the document put before him: that was the point at issue, and that could only be decided by the inquiry asked for. He considered that the prayer of the petition should be favourably considered by the Council. It was not right that a man should be convicted under such circumstances without having an opportunity of defending himself.

The Hon. W. DOWNIE STEWART said he was not present when the Attorney-General

was speaking that afternoon, but he understood he brought further charges against Major Brown.

The Hon. Sir P. A. BUCKLEY.—I did not.

The Hon. W. DOWNIE STEWART.—Or insinuations?

The Hon. Sir P. A. BUCKLEY.—I did not.

The Hon. W. DOWNIE STEWART.—Then, I have been misinformed.

The Hon. Sir P. A. BUCKLEY had said he made no charges whatever, nor did he intend to make any.

The Hon. Mr. MACGREGOR.—But you referred to some.

The Hon. Sir P. A. BUCKLEY.—I referred to what the honourable gentleman said.

The Hon. W. DOWNIE STEWART understood that the honourable gentleman had said Major Brown had done something wrong on a previous occasion.

The Hon. Sir P. A. BUCKLEY said the honourable gentleman referred to evidence brought forward before the Committee, and the manner in which he characterized it he did not wish to refer to, but, at any rate, he said there was an unwarrantable means adopted of bringing this evidence before the Committee for the purpose of influencing them; and he (Sir P. A. Buckley) had said that subject had been inquired into on a former occasion. He would not have referred to it if the honourable gentleman had not done so.

The Hon. W. DOWNIE STEWART said he referred to it because, as a last resource, the Premier had referred to it. He put the question to the Premier when in Committee, on what grounds he dismissed Major Brown, and the Premier said, "For giving a false translation, or interpretation, of the document." He then asked the Premier whether any further grounds influenced him, and after some hesitation he said there were further grounds. He (Mr. Stewart) asked him to satisfy them what they were, and the answer he got was that the man was of a very bad character. He asked him on what grounds he based the charge of bad character; the Premier then referred to somebody who was present—Mr. Sheridan, he thought—with reference to the report brought up by Sir William Fox, and, upon this report being examined, instead of its reflecting on Major Brown in any way whatever, if anything it tended in Major Brown's favour. He was extremely glad that the Premier gave his evidence, because the absolute hollowness of the whole proceedings were thoroughly exposed, and a more arbitrary and harsh proceeding he hoped, at all events, would never be committed in this colony, and he hoped the Government—he did not wish to give advice, because he knew the honourable gentleman would not take it—would not attempt any similar proceedings in this colony; otherwise the public service would be utterly demoralised. No man would be able to call his soul his own. He did not know Major Brown; until he came before the Committee the other day he had no knowledge whatever of him; but he was struck with the insatiable desire apparently mani-

festing by some parties who appeared there to crush this man, and the attempt made by one party who was present as a witness he thought was not at all creditable; but it was only an illustration of what might happen to a man who chose to assert himself. He hoped the lesson given in this instance would be of some benefit to other members of the community.

The Hon. Mr. MONTGOMERY said the Hon. Mr. Bolt had put the case very fairly to the Council. It was a question about giving Major Brown an opportunity of having a trial before a Judge. He did not think the Hon. Mr. Stewart was doing the best in the interests of justice by prejudging the case. His honourable friend was prejudging the case, and that, he considered, was not in accordance with what was considered to be the best way of arriving at a just decision. His colleague (Sir P. A. Buckley) had referred to the language which the Hon. Mr. Stewart made use of yesterday. The honourable gentleman made an attack on the Government, and he had made another attack to-day, respecting the evidence given before the Select Committee of the Council on a former occasion, which he (Mr. Stewart) thought should never have been given at all. Now, he understood the whole of the evidence had not been taken down in shorthand, and was not available for the Council to make use of, or to justify the honourable gentleman in denouncing it as evidence that should never have been given. The Hon. Sir P. A. Buckley had referred to that evidence to-day as one of the matters which the Government would of course take into consideration when considering what to do with the interpreter who was the cause of the trouble. That was all he (Mr. Montgomery) had got to say about the matter. He had not prejudged the case. He understood that the consensus of opinion—the opinion of a very large majority of honourable members—was in favour of this case going to this other tribunal; and the Government did not intend to divide the Council on the question, because they only wanted to see the thing done fairly. The Government were quite able to show that in this case they did not act harshly or with cruelty, and that the statements to that effect were not warranted by the facts which had come within the knowledge of the Select Committee of the Council.

The Hon. Dr. GRACE thought it was reasonable in the interests of Major Brown that he should state that he had not the honour of the gentleman's personal acquaintance, and he had never spoken a word to him in his life. Therefore, in speaking as he had done yesterday, he was actuated merely by feelings of sympathy with an old soldier to whom he thought wrong was being done. His reason for making this statement was that it appeared some honourable members had thought that his exceptional warmth in speaking as he did was due to personal attachment to Major Brown. The fact was that they had been in the service together in the same country, but he had never spoken to this gentleman in his life;

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he had exactly the same interest in him as he would have in the commonest private soldier who had served anywhere. The whole thing seemed to him to be entirely simple. What was the custom in this case? Was an interpreter to interpret merely, or was he to perform every other part of an agency business? He was of opinion that it was an interpreter's business to honestly interpret whatever he was called upon to interpret, and that when he had done that he had done his duty. That was the source of his warmth. He spoke also from the conviction that this was one of those cases of which they had many illustrations in contemporary history—that this was one of those unfortunate men who were always trampled upon; and that kind of man always excited his sympathy.

The Hon. Mr. MANTELL said that, as the Hon. Dr. Grace had seen fit to explain the source of his warmth, he thought it was as well that he should explain the source of his (Mr. Mantell's) coolness. It was this: that, while the Hon. Dr. Grace had no knowledge whatever of Major Brown, he (Mr. Mantell) had known him for fifty years, and he had seen nothing at all to shake his confidence in him; and therefore it was that he not only wished him to have a fair trial, but that he was perfectly confident the result would be in his favour.

Motion amended, and agreed to.

SHIPPING AND SEAMEN'S BILL.

IN COMMITTEE.

Clause 7.—Number of hands for coastal or intercolonial-trade vessels.

"Nothing in this section shall be deemed to affect steamers plying within river limits only."

On the amendment made by the Labour Bills Committee by striking out the word "only" to insert "or extended river limits,"

The Committee divided on the question "That the word 'only' stand part of the clause."

AYES, 5.

Bolt	Jenkinson	Rigg.
Buckley	Montgomery	

NOES, 21.

Acland	McLean	Shrimski
Barnicoat	Morris	Stewart
Bonar	Oliver	Swanson
Grace	Peacock	Taiaroa
Jennings	Pharazyn	Walker, L.
Kelly	Reynolds	Whitmore
MacGregor	Richardson	Whyte.

Majority for, 16.

Word omitted, and amendment agreed to.

Clause 14.—Wages on vessels on time agreement to be paid monthly.

The Hon. Mr. BONAR moved to strike out the words "on the first day," in order to insert, in lieu thereof, "not later than the seventh day."

The Committee divided on the question, "That the words proposed to be omitted stand part of the clause."

AYES, 9.

Barnicoat	Jennings	Montgomery
Bolt	Kelly	Morris
Buckley	Kerr	Rigg.

NOES, 14.

Acland	Pharazyn	Swanson
Bonar	Reynolds	Taiaroa
McLean	Richardson	Walker, L.
Oliver	Shrimski	Whitmore.
Peacock	Stewart	

Majority against, 5.

Words struck out.

The Hon. Mr. MACGREGOR moved, That the clause be struck out.

The Committee divided on the question, "That the clause stand part of the Bill."

AYES, 10.

Bolt	Jennings	Morris
Buckley	Kerr	Rigg
Feldwick	Montgomery	Stewart.
Jenkinson		

NOES, 18.

Acland	Oliver	Shrimski
Barnicoat	Ormond	Swanson
Bonar	Peacock	Walker, L.
Bowen	Pharazyn	Whitmore
MacGregor	Reynolds	Whyte
McLean	Richardson	Williams.

Majority against, 8.

Clause struck out.

Clause 17.—Offences of seamen and apprentices, and their punishments.

Subsection (6).—Assault on officers; imprisonment not exceeding twelve weeks.

The Hon. Mr. BONAR moved to strike out "twelve weeks," with a view to insert "six months."

The Committee divided on the question, "That the words proposed to be omitted stand part of the clause."

AYES, 9.

Bolt	Jenkinson	Morris
Buckley	Jennings	Rigg
Feldwick	Montgomery	Stewart.

NOES, 12.

Acland	McLean	Richardson
Barnicoat	Peacock	Swanson
Bonar	Pharazyn	Walker, L.
Bowen	Reynolds	Williams.

Majority against, 3.

Words struck out, and amendment agreed to.

Bill reported, and read the third time.

The Council adjourned at twenty minutes past eleven p.m.

HOUSE OF REPRESENTATIVES.

Friday, 19th October, 1894.

Second Reading—Third Reading—Bills discharged—
 Little Barrier Island Purchase Bill—Post Office
 Bill—Ballance Memorial—Hospitals and Charitable
 Institutions Bill—Native Land Court
 Certificate Confirmation Bill—Native Lands
 Claims and Boundaries Adjustment and Titles
 Empowering Bill—Native Land (Validation of
 Titles) Bill—Banking Bill.

Mr. SPEAKER took the chair at half-past
 eleven o'clock.

PRAYERS.

SECOND READING.

Native Land Court Certificate Confirmation
 Bill.

THIRD READING.

Native Land Court Certificate Confirmation
 Bill.

BILLS DISCHARGED.

Rating of Crown Lands Bill, Fencing Bill,
 Mining Districts Land Occupation Bill, Beet-
 root Sugar Bill, Employers' Private Benefit
 Society Bill.

LITTLE BARRIER ISLAND PURCHASE
 BILL.

On the question, That this Bill be read a
 third time,

Mr. HEKE said he desired to raise a point
 of order. He contended that the Bill was a
 private Bill, and he asked the decision of Mr.
 Speaker in regard to the manner in which it
 had been introduced.

Mr. SPEAKER.—My opinion is that the
 system of private-Bill legislation does not
 apply, and was not meant to apply, to Native
 lands or Native persons. Their lands, gener-
 ally speaking, are held under special tenure.
 The Crown, in assuming the sovereignty of
 New Zealand, undertook the guardianship and
 protection of the persons and properties of the
 Native inhabitants; and, in dealing with their
 lands, there has always been a special system
 of land-laws, altogether distinct from the sys-
 tem for Europeans. Consequently the system
 of private-Bill legislation does not apply. Par-
 liament has delegated its powers to special
 Courts for the investigation of title to lands
 and the ascertainment of the rightful owners;
 but it has not, in my opinion, thereby divested
 itself of its supreme authority in relation to
 land held by the Natives whenever it chooses
 to exercise it. In the present case, it is a
 matter of public interest that this particular
 island should become Crown property; and it
 cannot be supposed that the Ministers of the
 Crown, who are the guardians and trustees of
 the Natives, would see them wronged in the
 slightest degree. I understand the great bulk
 of the owners agree to the island being pur-
 chased by the Crown, and that there is, as
 usual, a dissenting minority, which renders it
 necessary that Parliament should interpose,
 and, whilst recognising the rights of a minority,
 however small, it will also take care that the
 rights of the majority are not overborne by the

minority. The power of Parliament is invoked
 not in aid of private parties, but in the inter-
 est of the public.

Mr. HEKE desired to say that the title of
 the land in question had been registered under
 "The Land Transfer Act, 1885."

Sir R. STOUT pointed out that this was not
 Native land, but land held under a Crown
 grant.

Mr. SPEAKER said the land belonged to
 the Natives, and, in his opinion, it was not a
 case for legislation by a private Bill. He had
 given his decision on the matter to that effect.

Mr. ALLEN wished to put on record in
Hansard the promise the Minister of Lands
 had made in Committee in regard to this Bill.
 He had asked the Minister whether he had
 agreed to appoint a Stipendiary Magistrate—
 Mr. Northcroft—to inquire into any grievances
 that Tenetahi had in respect to this purchase,
 a special grievance being that he had not been
 paid certain costs in connection with the ac-
 quiring of the title, and, if it were found that
 these had not been paid, that Tenetahi should
 be recouped the money expended in acquiring
 the title. The Minister had answered him in
 the affirmative on that question, and he would
 like to have it recorded in *Hansard*.

Mr. BELL also wished to record his protest
 against the passing of measures of this kind.
 He did not dispute Mr. Speaker's ruling, but
 he thought the Standing Orders ought to be
 amended so as to give the Maoris the same pro-
 tection as the Europeans had. Every state-
 ment made in the preamble to the Bill might
 or might not be true, but the recitals in the
 preamble to an Act of Parliament were conclu-
 sive evidence of the facts there stated, and the
 House was here accepting, without evidence, all
 the facts given. There were only one or two
 members in the House who knew anything as
 to the facts of the case, and, that being so,—
 he was speaking quite apart from the merits of
 the particular transaction, as he knew nothing
 whatever about it; but assuming as he did
 that the document recited what was true,—he
 protested against the precedent which was here
 carried to an extreme, and beyond any Bill he
 had ever seen in connection with Native mat-
 ters. The House had provided a tribunal to
 which all Bills dealing with the private rights
 of Europeans must be referred, and he sub-
 mitted that the sooner they gave the Natives
 in respect to their lands, property, and money
 the same protection as they gave to the other
 subjects of Her Majesty the sooner would they
 be doing what was just and right to their fellow-
 subjects of the Native race.

Mr. HEKE said he desired to protest against
 the passing of this measure, which was an
 extraordinary one. He did not agree with it
 at all, as no doubt this was a surprise sprung
 upon the Natives interested in the island.
 Undoubtedly a surprise was sprung on the
 Native owners of the Little Barrier Island by
 the introduction of the Bill before the House,
 and by its being forced through at such a late
 stage of the session. The owners had been put
 to the expense of fighting for the land in the

Native Land Court. There had been several rehearings of the case. Tenetahi himself had undertaken to pay all expenses in connection with the rehearing, and he had lost the large sum in legal expenses and Court fees of £700. The offer made to him by the representative of the Government for his interest was only £3,000; and he might say that he agreed to sign the deed and to take the sum of £3,000 as purchase-money for the Little Barrier Island, under a condition which he would read. In the first place, Tenetahi was requested by Mr. Tole to sell the Little Barrier to the Government, and he agreed to do so for the sum of £7,000. Mr. Tole did not agree to give him that sum, but offered £3,000, and Tenetahi agreed to sell the island for that sum, on the following condition. He would read the condition:—

"It is hereby understood that in signing the deed transferring Haururu to the Queen no money (consideration) is to be paid to any of the owners until all of them sign the said transfer,"—he might say that this portion of the conditions undoubtedly led Tenetahi to believe that the representative of the Crown would fulfil the condition, and he (Mr. Heke) believed it was mainly on this condition that Tenetahi attached his name to the document. Then it went on to say,—“and that if all the other said owners consent to Tenetahi receiving the whole of the said money (£3,000) the same shall be paid to him for distribution amongst all of the owners according to their respective shares.”

He wished to tell the House that this Native was undoubtedly deceived by the Government agent when obtaining his signature to the deed of 1891, because, if it were not for this condition, Tenetahi would never have had his name attached to that deed, and if Tenetahi had not signed his name to any deed this Little Barrier Island would not have been sold to the Crown. He would like to inform the House that Te Rahui, who was one of the owners who did not receive a portion of the money, was Tenetahi's wife; and Ngapeka, who was also one of the owners, and who had not signed the deed at all, was Tenetahi's daughter. She stood out. The fact of Tenetahi not taking the £3,000 was quite sufficient to give the House to understand that it was on account of the Government failing to fulfil that condition; and that was the reason why he no doubt urged upon his family not to accept any moneys offered to them by the Government. He (Mr. Heke) thought it was a breach of faith on the part of the Government representative, and, if that was so, the whole agreement was neither more nor less than waste paper. He believed, himself, that the Native Land Court and the Deeds Registry Office considered the agreement signed by Tenetahi and other Natives in 1891 quite valueless. However, this Bill was inconsistent with the Treaty of Waitangi; and he intended to raise the whole point of that Treaty, as it was far better for the Natives themselves to understand whether the Treaty of Waitangi, which was entered into in good faith by the Native chiefs and Her Majesty the Queen, was

to be respected or not. It would be better for the Natives to understand whether the Government of New Zealand or the Imperial Government considered that the Treaty was to be respected at all or not, and, if it was not, the whole thing from beginning to end was a sham and a delusion. In 1840, when the Treaty was brought before the Natives at Waitangi, every Native understood that the Treaty was to be respected by Her Majesty the Queen, by the Natives, and also by every representative of the Crown in New Zealand. Looking at the action of the Government with reference to this Bill before the House, and other Bills affecting the Natives which had been confirmed, he thought that the Government must consider that that Treaty was waste paper. Therefore he repeated that the Natives in 1840 were deceived by the representative of Her Majesty. He wished to say that the power lay with the Governor, although he might not use it, under the Instructions issued in 1892, not to give his assent to any Bill the provisions of which seemed to be inconsistent with the provisions of any treaty. Now, this was undoubtedly inconsistent with the conditions set out in the Treaty of Waitangi. Those Instructions stated clearly that before the Governor gave his assent to any such Bill he had to forward that Bill for the direct assent of Her Majesty. However, he would say nothing further except to express his intention of protesting in the direction he had referred to.

Mr. J. McKENZIE said, with regard to what the honourable member for the Northern Maori District had stated as to the Treaty of Waitangi, he had his own views on that, and he knew that many other members of the House had also their own views upon it. He thought, himself, that the Natives had been very well treated; and that fact was proved by the House having to listen to the honourable gentleman who had last spoken on the Bill. With regard to the question raised by the honourable member for Bruce, what he had stated in Committee he would state again in the House, and that was that he would appoint Mr. Northcroft, the Stipendiary Magistrate for the Auckland District, to make a full and careful inquiry into the amounts that this Native Tenetahi had paid for the purpose of securing the title to this Little Barrier Island, and, when the Magistrate had made his report, any proportionate share that should have been paid by the Natives who had already been paid by the Crown would be paid if any was found to be due.

Bill read a third time.

POST OFFICE BILL.

Sir R. STOUT brought up the report of the Statutes Revision Committee to the effect that at that late period of the session the Committee had not sufficient time to give this Bill careful consideration. He moved, That the report do lie on the table.

Motion agreed to.

Mr. WARD moved, That the Bill be made an order of the day for next day.

The House divided.

AYES, 40.

Buddo	Joyce	Pinkerton
Buick	Kelly, W.	Pirani
Cadman	Larnach	Reeves
Carnell	Lawry	Saunders
Carroll	Mackintosh	Seddon
Collins	McGowan	Smith, E. M.
Crowther	McKenzie, J.	Stevens
Duncan	McKenzie, R.	Thompson
Flatman	McNab	Ward
Guinness	Millar	Willis.
Harris	Mills	
Hogg	Montgomery	<i>Tellers.</i>
Houston	Morrison	McLauchlan
Hutchison, W.	O'Regan	Meredith.

NOES, 22.

Bell	Lang	Stout
Button	Mackenzie, T.	Tanner
Duthie	Massey	Te Ao
Earnshaw	McGuire	Wilson.
Graham	Mitchelson	
Green	Newman	<i>Tellers.</i>
Hutchison, G.	Russell, W. R.	Allen
Kelly, J. W.	Smith, G. J.	Buchanan.

Majority for, 18.

Motion agreed to.

BALLANCE MEMORIAL.

Mr. G. HUTCHISON brought up the following report from the Joint House Committee:—

"The Joint House Committee have the honour to report that they have agreed to the following resolution, which they recommend for adoption by the House, namely: 'In the opinion of this Committee, no monument should be erected in the grounds of the Parliament Buildings unless in the form of a statue of not less than life size; but, if it be desired to perpetuate the memory of the late Mr. Ballance by a bust, there is no objection to a suitable situation being given in the Parliament Buildings.'"

Mr. SEDDON moved, That the recommendation of the Committee be adopted. He believed there were sufficient funds to provide a statue of life size. In regard to the contract very little had been done, so far as he understood. He felt sure he was speaking the almost unanimous voice of honourable members in trusting that the managing committee would meet the recommendation of the Committee of the House, and change the memorial from the monument intended to a life-sized statue, and put it in the Parliament Grounds.

Sir R. STOUT was very sorry that the motion had been brought up in that form, because it was perfectly well known that the committee had gone carefully into the matter, and had selected a certain monument; and, not only did the present proposal set aside all the committee's work, but he questioned whether they could get sufficient funds to erect a statue. The result would be simply to exclude the monument from the Parliament Grounds. That was what the report meant, and nothing else. He did not think it should be excluded from the Parliament Grounds; there was nothing wrong with it, and he thought

it ought to be allowed. He therefore should vote against the adoption of the report. He would also like to know whether the minutes of the Committee had been brought up, as was required to be done by the Standing Orders.

Mr. G. HUTCHISON said the minutes had not been brought up, because there was only one resolution proposed—that now reported—and it had been carried almost, if not quite, unanimously by the Committee. The opinion of the Committee was that the memorial proposed was quite unsuited for erection in the grounds of Parliament Buildings, and, indeed, was not worthy the memory of the late Mr. Ballance.

Mr. PIRANI did not think that anybody who had seen the design would think of recommending that the monument should be erected in the Parliament Grounds, especially when the Committee had an offer from a sculptor, who had done good work at Home, and who held the medal of the Royal Academy, to produce a life-sized statue for the memorial in question at exactly the same cost. He was very glad the Committee had refused, and he had no doubt the members, if they saw the proposed memorial, would back up the refusal of the Committee.

Mr. GUINNESS thought that the proposed refusal was the very best thing that could happen. He would, however, suggest whether it was not worthy that Parliament should vote such a sum as might be required for a suitable memorial in the Parliament Grounds to the late Hon. J. Ballance.

Mr. McGUIRE thought it was a pity that a statesman who had rendered such great services to the country as the late Mr. Ballance had rendered should not have a monument suitable to his merit to perpetuate his memory subscribed by the people of the colony. He believed it would not be right to take money from the public funds for this purpose, but thought that even now sufficient funds could be obtained to provide a suitable monument, and that it should be erected in the Parliament Grounds. He should therefore vote against the report.

Mr. SEDDON said he should be the last in the House who would do anything to prevent anything being done that would honour the memory of his late chief, whose memory should be deservedly revered. He had no objection to a memorial being placed in such a position as would do honour to his memory; but he did not agree with placing a bust upon the top of a monument, as was proposed. If that were done it would simply be an eyesore for all time; and he thought something better should be done, for in providing something better they would be only doing their duty. He could assure the honourable member for Wellington City (Sir R. Stout) that the Committee had adopted the proper course. He had himself made inquiry of the contractors as to whether any expense had been already incurred, and was told that practically none had been; so that they would be able to change the contract and arrange for a life-sized statue which could be placed in

the grounds: and if the friends of other eminent men who had passed away desired to do the same for those who had served their country well, that might be done. This was a new departure, and he thought it was well they should be careful to see that any memorial placed in the Parliament Grounds was suitable. He thought there was money available to do what was suggested, and, if there was not, he felt sure the people of the colony would not let the matter rest, but would give sufficient to do honour to their late chief. He hoped the motion would be adopted unanimously.

Motion agreed to.

HOSPITALS AND CHARITABLE INSTITUTIONS BILL.

The House divided on the question, "That this Bill be discharged."

Ayes, 36.

Bell	Hall	Montgomery
Buchanan	Harris	Newman
Buddo	Hogg	Russell, W. R.
Button	Houston	Saunders
Carnell	Lang	Seddon
Carroll	Larnach	Smith, G. J.
Crowther	Maslin	Tanner
Duncan	Massey	Thompson
Duthie	McKenzie, R.	Wilson.
Flatman	McLauchlan	<i>Tellers.</i>
Graham	Meredith	Earnshaw
Green	Mills	Stevens.
Guinness		

Noes, 25.

Allen	Lawry	Pirani
Buick	Mackenzie, T.	Reeves
Cadman	Mackintosh	Smith, E. M.
Collins	McGowan	Stout
Hutchison, G.	McGuire	Ward.
Hutchison, W.	McNab	
Joyce	Mitchelson	<i>Tellers.</i>
Kelly, J. W.	Morrison	Millar
Kelly, W.	Pinkerton	O'Regan.

PAIR.

For. Carncross. *Against.* Te Ao.

Majority for, 11.

Motion agreed to, and Bill discharged.

NATIVE LAND COURT CERTIFICATE CONFIRMATION BILL.

Mr. SEDDON said this Bill provided for two matters—first, that a Native Land Court Judge might be appointed a Judge of the Validation Court. Circumstances had arisen from time to time which made it desirable that this power should be given, as there were some Native Land Court Judges who were very competent for this position, and who could be trusted with the duties. With regard to the latter part of the Bill, a doubt had been raised as to the legality or otherwise of certain transactions on account of Judge Barton, who was appointed Judge of the Validation Court, having held at the same time the position of Judge of the Native Land Court, and to remove that doubt section 5 of the Bill had been drafted. He moved the second reading.

Sir R. STOUT hoped the House would not agree to the Bill. Last year it was agreed that a Validation Court should be set up, and after careful consideration it was provided that the person who had to undertake the duties of Judge should be one who was a thoroughly equipped and trained man. The Premier seemed to think that this validation business was like Native Land Court business; but they had no relationship at all. The Validation Court dealt with European titles, and had to see whether the law had been complied with, and whether good faith had been kept. Many of the Native Land Court Judges were incompetent to fill this position. He submitted that there was no need for the Bill, and that it would open the door to all kinds of transactions being dealt with, and to the law being evaded. He hoped the House would not consent to the second reading of the Bill, as he felt sure if it had been sent to the Native Affairs Committee it would have been put into a different shape from its present shape. In the Act of last year it was provided that no Judge should be appointed unless he had some security of tenure; and what was proposed in this Bill was an underpaid Judge, who might be removed by the Government at a day's notice. There was no security of tenure. He might be called upon to deal with hundreds of thousands of pounds' worth of European property; and why should a Native Land Court Judge be appointed, who was entirely under Ministerial control? He submitted it was neither just nor right. He would not say that another Judge should not be appointed; but the person appointed should have a certain security of tenure, and be a thoroughly equipped and trained man. He trusted the Bill would not be proceeded with.

Mr. STEVENS hoped the Bill would be proceeded with. In the early part of the session he had asked the Native Minister whether it was his intention to establish Validation of Titles Courts on the west coast of the North Island and in other parts of the colony as well as at Poverty Bay. Considering the Poverty Bay district had had a Validation of Titles Court for the past twelve months it was the right thing to have them in other parts of the colony also, and the Minister would then only be dealing fairly and justly with other sections of the colony. On the west coast of the North Island, and in the Auckland Province, there were a large number of cases very similar to those at Poverty Bay, and which were of very great importance to the persons owning property, and it was a monstrous thing that they should have to go on from year to year without having that opportunity of redress the House could give them. There were Magistrates and Native Land Court Judges who would make good Validation Court Judges; and what was wanted was not necessarily a professionally-trained man, but one with a special knowledge, and one who would do justice both to the interests of Maoris and of Europeans. It was not wrong but in keeping with the business of a Native Land Court

Judge that he should be empowered to validate titles, inasmuch as he occupied the position of having to pass any transaction in his capacity as Native Lands Frauds Prevention Commissioner. There was no difference whatever, and he hoped the Bill would be proceeded with and passed through all its stages this session.

Mr. MITCHELSON hoped the House would not agree to the passing of the Bill in its present form. So far as he was concerned, he did not see any serious objection to clause 5, but he did see very serious objection to clauses 3 and 4, and, if the Government did not agree to amend these clauses in Committee, they would do an injury to the colony, as the ordinary Native Land Court Judges were not competent to deal with complicated cases, or with the validation of titles. With regard to the remarks of the honourable member for Rangitikei, he was no doubt desirous that a Validation Court should be set up on the west coast of the North Island, and there might be a very large number of titles upon the west coast which required validating just as much as the cases on the east coast did; but at the same time there might be some titles that ought not to be validated, and, if there were such a large number as the honourable member stated, the Government ought to come down with a Bill empowering them to appoint another Native Land Title Validating Judge: but he would not be a party to the ordinary Judges of the Native Land Court being allowed to take the position of Judges of the Validation Court, as it was not in the interests of either the Natives or the Europeans that any person who had not had legal training should be placed in such a responsible position. He would ask the House to strike out clauses 3 and 4, as, if left in the Bill as at present drafted, they would do, he considered, a great injustice to the colony.

Mr. BUTTON hoped that the Bill would pass into law, as it had been desired for a long time, the benefit anticipated from the establishment of the Validation Court not being complete. To obtain that benefit, no doubt, it would be desirable, if practicable, to obtain the services of a gentleman acquainted with the law, and having a legal training. In many instances throughout the colony there were first-class men, Resident Magistrates for instance, who were quite competent to discharge their duties, but who had not had a legal training. Some

4.30. of them had been temporary Magistrates. He was not acquainted with the gentlemen personally, but he said if they were suitable for that position they were suitable for the other. He should support the Bill, because he knew how necessary it was that the Northern Division should have the benefit of a Validation Court. Looking to the large blocks in the Hawke's Bay District which the honourable gentleman had referred to, the Judge that had been specially appointed to that district had been dealing with those cases, which were of the greatest magnitude; and similar cases might very well be committed to those Judges. He hoped the House would support the Bill, which was urgently required.

Mr. Stevens

Mr. G. HUTCHISON said this Bill was entirely at variance with the reasons adduced for passing the Bill of last year. Every reason for passing the Bill of last year was a reason against passing this one. It was said, and rightly said, that the work of the Validation Court was work which required peculiar ability, not such as that of the ordinary Native Land Court Judge, but such as might properly qualify a Judge to determine the largest questions. It was in the interests of suitors that this Court should be presided over by men of eminence. If they were going to have an ordinary lay Judge of the Native Land Court to determine some of these questions the effect would be only to promote litigation. The whole scope of the Act of last session was to give this special appointment to Judges removed from the influence of Ministers. He pointed out that the Act of last session gave power to appoint any number of Judges necessary, and the Act contemplated that the Validation Courts should be self-supporting.

Captain RUSSELL would like to say a word or two with regard to the anxiety of those honourable gentlemen who desired that there should be more Judges of Validation Courts than there were at the present time. No one knew better than himself the difficulty there had been in obtaining a clear title, but the powers conferred under the Native Land (Validation of Titles) Act of last year were so very wide that they should only be vested in a person who was specially trained in both the law and equity Courts. It was paying no bad compliment to the gentlemen occupying the position of Judges of the Native Land Court when one said that they might prove entirely unfitted for the duties and powers conferred upon Judges under the Native Land (Validation of Titles) Act of last year. By all means let the Government appoint some person specially qualified to act, in addition to Judge Barton. He would have no objection to that, but, on the contrary, would be extremely pleased to assist the Government to adopt such a course as that. One knew that many of the Native Land Court Judges were no more suited for that position than the ordinary layman. Some of them were quite unfitted for it, at any rate. If honourable members would take the trouble to look at the 9th clause of the Native Land (Validation of Titles) Act of last year they would see what enormous powers were conferred upon this Judge. Power was granted there to accept or refuse evidence, in a manner not done by a Supreme Court Judge; and to perform such an office, or to hold such power as that, must require a man of very great prudence and discretion, and also of legal experience. He would not inflict upon the House the whole of the provisions of that law, but it would be found, from end to end, that it conferred such powers on the Court that it would be extremely injudicious to confer them on a Judge of the Native Land Court who had not had special training. Another serious objection was that any person holding such an appointment as Judge of the Validation Court

ought not to hold that appointment at the will of the Government. Under the 8rd clause of the Bill before the House any appointments to be made under the Act might be at any time cancelled by the Governor. There was not the slightest desire on his part to impute any evil motives to any member of the Government, but the principle in regard to our Courts of justice should be that the Judges of such Courts should hold their office free from Government control in every respect. So long as there was power to cancel his appointment at any moment that the Government might choose, there was no doubt that the Judge would hold his appointment at the will of the Government. He would like the Premier to consider the objections raised; and, instead of allowing any Judge of the Native Land Court to become invested with the powers which, to his (Captain Russell's) mind, such Judge might possibly be unfit to properly exercise, he should appoint some person who was duly qualified by special training and status to occupy the position, and who should be named to the House before appointment.

Mr. R. THOMPSON said no doubt such a Bill as this was required, as the sooner all these doubtful titles were set at rest the better for everybody. He would, however, like to point out that the appointment of a Native Land Court Judge for such duties as were conferred by this Bill would not meet the approval of the public. If these titles were to be settled at all when there was any dispute, they should be settled by a Judge of the status of a Supreme Court Judge. Neither Natives nor Europeans would have confidence in the decisions of any Judge of the Native Land Court. What had really given rise to the necessity for this Bill was nothing but the blunders of those Judges. Of course he held that a great many of those Judges had probably acted with the very best intentions, but they had made blunders year after year to such an extent that the legislation of the colony had got into a regular muddle. And supposing any of these Judges were appointed under this measure, they might find themselves in the position of having to review some of their own blunders and decisions; and was it likely that any Judge of the Native Land Court would condemn any action of his own which he might have to review? He held that the success of the Bill depended upon the appointment of Judges that would have the confidence of both races. No matter what appointment the Government made, unless the gentleman appointed occupied such a position as that, the Bill would be a failure. That was the only fault he saw in the Bill, and he hoped the Bill would be improved in that direction in Committee.

Sir R. STOUT.—What you want can be done under the existing law.

Mr. R. THOMPSON hoped whatever was necessary would be done, and he hoped the Premier would not insist upon appointing Native Land Court Judges.

Mr. W. KELLY intended to support the Bill. He had presented a petition that year

from residents in the Bay of Plenty district who were anxious to have a Validation Court established there as well as in the Gisborne district. There were many cases that required to be settled, and the sooner there was a Judge appointed to investigate these matters the better. There was nothing to prevent the Government from appointing a legal professional man both to the Native Land Court and to the Validation Court if necessary. With regard to what the honourable member for Marsden had said as to this legislation being necessary owing to the blunders of the Judges of the Native Land Court, he did not agree with that. He considered it was due to the blunders in the legislation passed by the House. In many cases one Act contradicted another; and the Government, as well as private individuals, got into trouble and difficulty in consequence of the defective legislation passed by the House. He trusted the Bill would pass, so that some redress would be afforded to many people who were suffering on account of the defective legislation of the past.

Mr. BELL was sorry the Hon. the Premier was going to spoil one of the measures which had brought credit upon his Government. The Act of 1893 was a credit to the Government that brought it in. Every care was then taken to escape the danger of any influence being brought to bear upon the Judge who was appointed. The honourable gentleman himself, or whoever had charge of the Bill of 1893, took care that the Judge should be appointed for a term of three years, that his salary should not be forfeited during his term of office, and that he should not be interfered with in any way, the object being that the Judge of this particular Court should be a man above suspicion. He did not say that a Judge of the Native Land Court was not a man above suspicion, but he asked the honourable gentleman why he wished to depart from the conditions which were considered necessary last year. He hoped the honourable gentleman would not press the Bill.

Mr. SEDDON desired to say that there was an absolute necessity for these Courts to be set up in different parts of the colony, and he considered, himself, that one of the standing blot upon the present legislation and upon past administration was that this had not been done before. With regard to the argument that the appointment of the Judge should be for a term of three years, this was not the case under the Act of 1892. It was not at all necessary; and the Bill now before the House did not contemplate any fixed engagement. Now, they had the Native Land Court Judges. One or more of them were barristers and solicitors.

Captain RUSSELL.—They have got more than they can do.

Mr. SEDDON said they had not got more than they could do. In one or two cases he could put them on the validation work tomorrow if this Bill passed. It was monstrous to say that if a man was not appointed for three years he would not do his duty honestly, and

fearlessly and creditably. He did not think such a reflection as that should be cast upon gentlemen who were sitting on our bench. It also appeared to him that there were many of our Magistrates who were not solicitors who were just as competent as our Judges to decide what course should be taken in regard to the admission of evidence, and so on. He did not think the taxpayers of the country could afford to have a number of special Validation Court Judges appointed. Judge Barton was doing very good work. The present proposal was no reflection on him at all. Why should they not employ Native Land Court Judges? There were some Native Land Court Judges whom he would no more think of appointing Judges of a Validation Court than he would of cutting off his right hand; but there were others who might be appointed. The sooner the House backed up the Government and got these titles settled the better. If they did, they would help to promote settlement, remove difficulties, and get the work cleared off. That was what this Bill was intended for. He hoped the House would not embarrass the Government in its effort to settle this question.

The House divided.

AYES, 46.

Buddo	Houston	Pinkerton
Buick	Joyce	Pirani
Button	Kelly, J. W.	Reeves
Cadman	Kelly, W.	Russell, G. W.
Carnell	Larnach	Saunders
Carroll	Mackenzie, T.	Seddon
Collins	Mackintosh	Smith, E. M.
Crowther	Maslin	Smith, G. J.
Duncan	Massey	Stevens
Earnshaw	McGowan	Tanner
Flatman	McKenzie, J.	Thompson
Graham	McLachlan	Ward.
Guinness	McNab	
Hall	Meredith	<i>Tellers.</i>
Harris	Mills	Montgomery
Hogg	O'Regan	Morrison.

NOES, 13.

Allen	Green	Stout.
Bell	Hutchison, G.	
Buchanan	Lang	<i>Tellers.</i>
Duthie	McGuire	Mitchelson
Fraser	Russell, W. R.	Wilson.

PAIRS.

<i>For.</i>	<i>Against.</i>
Carncross	Te Ao
Lawry.	Heke.

Majority for, 33.

Bill read a second time.

NATIVE LANDS CLAIMS AND BOUNDARIES ADJUSTMENT AND TITLES EMPOWERING BILL.

IN COMMITTEE.

Mr. SEDDON moved the following new clause:—

"8B. The said Court is hereby empowered and directed to rehear the decision of the Court on the petition of the Aorangi No. 3 Block, so far as relates to the claim of

Mr. Seddon

Wi Mahuri Mataitana and those claiming in the same right with him to that portion of the said block named by the Court Aorangi No. 3G, hereinafter called 'the said land'; and to amend or vary the said decision, and any order made consequent thereon, or on the rehearing thereof, as if no such rehearing had been already had. And the District Land Registrar is hereby empowered and directed to amend any certificate of title issued under the Land Transfer Act for the said land as may be necessary to give effect to the decision on such rehearing, and, pending such rehearing, to enter a caveat against any dealing with the said land."

Clause added to the Bill.

Bill reported, and read a third time.

NATIVE LAND (VALIDATION OF TITLES) BILL.

IN COMMITTEE.

Clause 3.—Native Land Court Judges may be appointed Judges of Validation Court.

Mr. BUTTON moved to insert, before the words "of Judge of the Native Land Court," the words "or of Judge of a District Court or."

Amendment agreed to, and words inserted.

Sir R. STOUT moved, That the words "who is a barrister of the Supreme Court" be inserted after the words "Native Land Court."

The Committee divided.

AYES, 23.

Bell	Hutchison, W.	Parata
Buchanan	Joyce	Pere
Carncross	Lang	Russell, W. R.
Carnell	Lawry	Te Ao
Duthie	Massey	Wilson.
Earnshaw	McGuire	<i>Tellers.</i>
Green	Mitchelson	Hutchison, G.
Heke	Montgomery	Stout.

NOES, 40.

Buddo	Houston	Pirani
Buick	Kelly, J. W.	Reeves
Button	Larnach	Russell, G. W.
Cadman	Mackintosh	Saunders
Carroll	Maslin	Seddon
Collins	McGowan	Smith, E. M.
Crowther	McKenzie, J.	Smith, G. J.
Duncan	McKenzie, R.	Tanner
Flatman	McLachlan	Ward
Graham	McNab	Willis.
Hall	Meredith	
Hall-Jones	Morrison	<i>Tellers.</i>
Harris	O'Regan	Mills
Hogg	Pinkerton	Stevens.

PAIRS.

<i>For.</i>	<i>Against.</i>
Allen	Steward
Fraser.	Millar.

Majority against, 17.

Amendment negative.

Mr. SEDDON moved to add the following new clause:—

"5. The commencement in due form of proceedings in the Validation Court (hereinafter called 'the said Court') in respect of any

claim, matter, or thing within the jurisdiction of the said Court shall operate as a stay of proceedings which may be commenced in any other Court in respect of the same claim, matter, or thing, or of any cause of action arising thereon. And after the commencement of any proceedings as first aforesaid no suit or action shall be commenced in any other Court in respect of the same claim, matter, or thing, or of any cause of action arising thereon:

"Provided that, if from any cause the proceedings in the said Court shall lapse or be withdrawn, or otherwise cease or be discharged from the consideration of the said Court, before final decision or determination of the matters at issue therein, the stay of proceedings or prohibition hereinbefore contained shall thereupon cease and determine."

Agreed to.

Mr. SEDDON moved to add the following new clause:—

"6. Section three of the said Act shall be read as if the words 'Native Land Court,' in the third line thereof, had been omitted therefrom."

Agreed to.

Bill reported.

On the question, That this Bill be read a third time,

Sir R. STOUT said he regretted that the Committee, in dealing with this Bill, had not made an amendment that should have been made in a Bill of this character. They had allowed power to the Governor to appoint for any period at will persons to deal with perhaps more important matters than a Judge of the Supreme Court had to deal with. Here was a Judge without any status, without any continuancy of office, and they had clothed him under the Act of 1893 with far greater powers than were given to a Judge of the Supreme Court. He had to decide on acts and awards worth thousands of pounds to people; and they had left this power in the hands of a judicial officer who might be dismissed at a moment's notice, who only held office at the will of the Government. It was simply a degradation, in his opinion, of the judicial functions, and he was surprised the House submitted to it.

Mr. SEDDON desired to say that the functions that would be performed by a Judge of the Validation Court were such as a man of good sound common-sense, who would see fair-play as between the parties, could fulfil. It was not a matter of law.

Sir R. STOUT.—It is, entirely.

Mr. SEDDON said it was not entirely, as he had to act where there had been a violation of law; otherwise, if the transactions were legal, there would be no Judge of a Validation Court required at all. It was a question as to whether the dealings had been fair and honest between the parties, though in some respects the law had not been complied with. If there had been fair and straightforward dealings between the Natives and the Europeans, all the Judge had to do was to say that that was so, and

to give a certificate. That was all that was wanted. He felt sure that among the Native Land Court Judges—it was not for him to name them—there were men who would do this work as well as any barrister or solicitor who might be appointed. The honourable gentleman was quite consistent, but he might say that in bringing this forward the Government were not desirous of casting any reflection upon the Judge of the Validation Court, who at present was doing very good work. They were not at all lowering that gentleman's position. But they had in many parts of the colony many titles to land which were defective. The Natives could do nothing, and at present lessees, or those who had agreed to purchase, could do nothing, and there had been a deadlock for years, which had kept back settlement. They said that should be removed at once, and this would remove it, and without costing the colony too much in the way of expense, which he thought was a matter that they must take into consideration.

Bill read a third time.

BANKING BILL.

This Bill was read a first time.

Mr. WARD.—Sir, in rising to move the second reading of this Bill, I think perhaps it might be opportune or desirable that I should briefly review the circumstances that have led up to the banking legislation of the Government this session, and why it is found expedient to ask the House to assent to the legislation that is embodied in the Bill I am now introducing. I should like to point out to honourable members that ever since the present Government took office the Australian Colonies have been passing through a very severe financial crisis, and more or less that crisis has been very marked in those colonies; and I think honourable members will agree with me in saying that the financial upheaval that took place in America and elsewhere has also, during the same period, been very marked, and has added to the troubles that existed in Australasia. I desire now to refer particularly to the manner in which the Australian crisis affected business there, and it is needless for me to remind honourable members that the strain on business there was enormous; and what I wish specially to draw the attention of the House to is the very serious effect the crisis had upon the public revenue of those colonies. In fact, I may say that in Victoria alone the loss of revenue has been as great as or greater than the total amount of the guarantee we gave to a banking institution in this colony; and I merely wish to say that, while there may be a difference of opinion as to whether or not it was expedient to follow the course we took at that time—I wish now to express my opinion—an opinion that is shared by many people in the colony—that the Government acted wisely in the interests of the colony in promptly giving that guarantee; and I go further and say that had the colony, at the time that we gave the guarantee, believed that we were going to lose the total amount of

that guarantee it would still have been a wise and judicious step to take. And I affirm, after careful consideration, as a result of mature reflection since that took place, that, in my opinion, if the same business had to be done again, I, for one, and the members of the Government, would act precisely as was done upon that occasion. I wish to point out to honourable members that while the other colonies were passing through a severe crisis we have fortunately in this colony been able to avert such a crisis. We have steered through most difficult and critical times, and I think every member in this House will agree with me in saying that the country is to be congratulated upon that fact. There is no doubt that, so far as the Government knows, we are right in believing that the crisis which has been so far averted has been effectually prevented. Therefore, so far as this colony is concerned, we have every reason to believe that we have obviated in every respect the worst features of a crisis which has so disastrously affected the Australian Colonies. I wish to say that the legislation now proposed is not in any way owing to any fear or supposition on the part of the Government that there is any possibility of immediate trouble arising in this colony. The reason why the Government deem it necessary to place legislation on the statute book is that there is a long recess between now and the next meeting of Parliament, and we should not be doing our duty unless we saw that effect was given to the Act we placed on the statute-book last year to avert a crisis if the necessity arose, and which the House by the legislation it passed wished us to prevent. In regard to the 2nd clause in the Bill,—with reference to the proposed issue of bank-notes,—I may say, as honourable members will see, that the change contemplated is the striking-out of certain words in the original Act which affect the issue of bank-notes. In this way the legislation, as we have put it upon the statute-book, practically compelled the responsible officers of any institution desiring to take advantage of that clause to certify that, in addition to the assets exceeding the liabilities, they exceeded the liabilities to the amount of the capital. In the original Act we have, in addition, included the reserves and capital, and honourable members will know that this session we amended the legislation, removing reserves, but we did not remove the amount of the capital. Now, I should like to say, in reference to this matter, that, if it is intended that this legislation should be of any service, honourable members will see that as it is it would not be workable; and it is because we find that the legislation as it stands at present would be unworkable, and that it would not be possible, under certain circumstances, to have a certificate given saying that, in addition to the assets exceeding the liabilities, they exceeded the liabilities to the amount of the paid-up capital; and, that being so, we wish to place on the statute-book a law for the purpose of preventing a crisis should such a thing threaten to arise here at any time; and what we now propose would prevent it. So far

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as we can gather, in certain cases it is an absolutely necessary amendment, and in these cases as the law now stands it would not enable the provision to be of the service it was originally intended to be. Now, Sir, in dealing with this matter, I should like to point out to the House what the position is at present; and, in the first place, I wish to say that there can be, I presume, no such idea passing through the minds of honourable members as to suppose that the change we are now asking the House to consent to is what can be considered an unlimited issue of notes by any banking institution in the colony. If any honourable member thinks that is the case, I desire to disabuse his mind, and to point out this fact: that in the whole of the institutions carrying on business in the colony, with one exception, so far as I know, the law in regard to note-issue is as follows: that it shall not exceed the amount of the coin, bullion, and public securities held by the banks in the colony; and that the reserve shall not be less than one-third of the amount of the coin, bullion, and public securities held by the bank within the colony. There is only one bank—I shall not give the name—which is an outside institution, and which carries on business on Royal Charter. What the terms that guide its note-issue are I am not prepared to say, because I do not know the terms of the Royal Charter; but I merely wish to say that, out of six banks carrying on business in the Colony of New Zealand, the position of five, so far as the note-issue is concerned, is as I have indicated. Therefore honourable members will see that there is no such thing in connection with the note-issue proposed in this Bill as giving unlimited license to issue. It is limited in all cases in the way I have stated. That is the law, and there can be no variation in it by the Government or by the Governor in Council in any way. The Act provides that the amount of note-issue shall not exceed the amount of coin, bullion, and public securities held by the bank in the colony, and that the reserve shall not be less than one-third the amount of coin, bullion, and public securities held by the bank within the colony. That is the law which is applicable to the whole of the banks. I see no objection to stating the names of the banks which come under the law; perhaps it is better I should do so.

Mr. G. HUTCHISON.—We know of one only under Royal Charter.

Mr. WARD.—The bank carrying on business under Royal Charter is the Bank of Australasia; the whole of the others are carried on, as far as the law is concerned, as I have indicated, and I merely wish again to repeat that there is no such possibility as an unlimited issue in connection with this proposal. I desire to say further that our legislation in this respect, if amended as indicated in this Bill, is in a better position than the Australian legislation upon the same matter. That is a very material point. There, while the bank-notes are deemed a legal tender, and are a first call upon the assets of an institution, that call can only be made provided they go into liquidation.

In that case the whole of the bank-note issue is a first charge upon the assets of the institution. But here there is no such thing as compelling them to go into liquidation before the colony would be able to make a charge upon the assets; and by the legislation we have passed in that respect our position is a much sounder one, as honourable members will see, than that of the neighbouring colonies, because, if we compelled a banking institution to go into liquidation—which, in my opinion is not desirable—the provisions of this Act would be adopted so far as the note-issue is concerned. I desire further to say, in regard to the note-issue, that the legislation we have already is not altered by this amendment. While the note-issue is to be the first charge upon the assets of institutions in the colony carrying on business in the colony—and rightly so—I intend to ask the House to amend the proposals I have here intimated by making it clearer, and putting it beyond all question, that, in addition to the ordinary assets of any institution that avails itself of this legislation, the paid-up capital, the uncalled capital, and the reserve fund shall be included. Honourable members will see that, in addition to the assets of any institution carrying on business in the colony, it is proposed to make available for a first charge against the note-issue the uncalled capital, called-up capital, and reserve fund—in addition to the ordinary assets of a banking institution. The question may be asked, In the event of this note-issue being authorised in the way I have indicated, would it be necessary to call up all securities in payment of the note-issue? In reply, I say that our position in that case would be that the whole of the assets, including the uncalled capital, the called-up capital, and the reserves, would stand against, and be available by the colony for, any repayments, should such be necessary. In that case our position is very superior to that of the neighbouring colonies, because we should have the whole of the assets, including the capital and reserves, of each institution in the colony, and the colony might avail itself of the assets of the bank as security for the repayment of the notes which might be issued in this colony. I think I have stated the position in connection with the matter clearly. I hope I have made it clear to honourable members in respect to the question of the note-issue and to any question that might arise.

Mr. BUCHANAN.—Would the honourable gentleman read the proviso that is to be added?

Mr. WARD.—If the honourable member will look at the Act of 1893, section 3, he will find that it reads as follows:—

“After the passing of this Act all notes payable on demand heretofore, or hereafter to be, issued, circulated, or reissued in the colony by any bank under authority of this or any other Act of this colony in that behalf, shall, to the amount of the issue authorised, be a first charge on all the assets and property. . . .”

Then the words of the amendment I have indicated will come in,—“including the paid-

up capital, the uncalled capital, and the reserve fund.” And the section will read on, “of that bank being assets for the payment of debts or other obligations contracted or entered upon, or due and payable in the colony; and shall be payable in gold only at the office of the bank, at the place of issue of the said notes respectively, anything contained in any other Act notwithstanding.” That will be precisely as the clause will read. I might say that when the legislation of 1893 which I have read from was passed by the House there was an impression in the minds of some honourable members that that legislation was being asked for for the purpose of enabling an immediate issue of notes to be made by some of the banking institutions in the colony.

I stated at the time that the Government had no such intimation from any institution, nor did we believe that it was likely to be given effect to. The results have now borne out precisely what I then indicated. There has been, fortunately, no necessity since the passing of that Act for any banking institution in the colony to avail itself of the legislation. I now desire to repeat what I said on a former occasion—that, so far as the Government are aware at the present time, we do not know of, nor do we believe that there will be, any necessity for this legislation being put into operation during the recess; and I repeat the same arguments which I adduced on a former occasion—that our anxiety is to be forearmed in case of any emergency arising, and it would be only in the event of an emergency arising that the provision of the Bill which I have stated to the House would be called into operation. I merely wish to state that that is the position, and it is the duty of the Government to ask the House in connection with this matter to see that our legislation upon it is as perfect as we can make it. That, Sir, is the principal reason that has actuated the Government in asking this House to assent to this legislation. In connection with clause 3, that, I think, requires little or no explanation from me. That is a clause which honourable members will see provides that before anything in the shape of arrangement is made by the Bank of New Zealand, or any other institution, by way of purchase of its assets, or of the sale by the bank itself of its assets to any other institution, or by way of amalgamation in any way whatever, it shall first of all be necessary that legislation shall be passed by this House to the effect that such proposals may be assented to. I merely wish to say that there never would have been anything in the shape of amalgamation entered into by the Government, or any proposals of the kind assented to, without the House being taken into the confidence of the Government, and having an opportunity of expressing its opinion upon it; and before the House rises the Government wish to show that they are quite earnest in the matter by asking the House to assent to the provision in clause 3—and before anything can be done the House will require to be consulted in this important matter. I hope I have made

these two matters in connection with this legislation clear. The Government hold it is their duty to ask the House to make provision, under the peculiar circumstances which have been going on in the civilised world so far as finance is concerned, to place everything in as strong a position as we can, so far as our relations with the financial institutions carrying on business in the colony are concerned. It will be the duty of the Government, as representing the colony, on any emergency arising, to act with promptitude and decision, and with judgment. That is the course we have endeavoured to take in the past, and I believe, as the result of our efforts, a severe crisis has been prevented from sweeping this colony. I now simply wish to say that the Government believe this will have the effect of steadying matters further. That the former legislation had a very steadying effect on the financial world, I think, goes without saying, and I believe the effect of this legislation will be the same. In conclusion, I can only say that all matters in connection with finance are of a very delicate character, and there can be no question that they require very careful handling. We have had in the past put upon us enormous and grave responsibility. The members of the Government have had to face great responsibility, as honourable members must know, and I know there are honourable members in this House who have had also an anxious time of it, and I think it goes without saying that we have passed through a severe and difficult time, so far as the financial operations of the colony are concerned. I venture to affirm, Sir, that no Government has had a more difficult task to perform than we have had, and no House has ever had more difficult legislation in connection with financial matters to put through than the present House has had. Speaking for myself, I have to compliment the House upon the way in which they formerly dealt with this very important matter, and I feel persuaded in my own mind that, as a result of the very valuable efforts of honourable members in reference to this question, the colony has been saved from a severe financial crisis. This legislation is proposed to prevent anything like trouble arising during the recess. The Government has no occasion to expect that any trouble will arise, but I invite the House to join in passing this legislation in order to be forearmed, in the event of any emergency arising.

Mr. BELL.—Sir, with regard to the 2nd section of this Bill, I think it is a very grave responsibility that the Ministers are taking upon themselves in asking the colony to become guarantors in a case where an institution cannot show any margin whatever between its assets and its liabilities—in a case where the whole capital of the institution has been lost. If this clause were confined to the Bank of New Zealand I should not wonder at all at the necessity for it, and should feel anxious to support such a clause; but I do not like this "letter of license" to support by our guarantee institutions which can show

no margin whatever. It may be the Colonial Treasurer is right in saying that, inasmuch as the bank-notes are by the Bank-note Issue Act made a first charge, the guarantee of the colony will be protected by the mortgage which it will so obtain on the assets; but I do not think he has sufficiently discounted the fact that our legislation cannot create a charge upon the assets outside the colony. Unpaid capital outside the colony will be in a process of liquidation very possibly, and the colony will have no charge upon that part of the assets. We can only give ourselves priority over assets within our own jurisdiction. When the honourable gentleman says that the whole of the assets of the institution will be charged as a security for a guarantee he is considerably exceeding that which I believe to be the fact. I know that, if he has made up his mind to pass this Bill, it is of very little use for me to sound any note of warning. We approved of the guarantee which we gave, and I took my part in that, and am prepared to take my share of the responsibility. I voted with the Government in giving that guarantee; but I think there should have been an end of it. For my part, I look upon the moneys of the colony as moneys which I, among others, am sent here to guard. I do not like this freedom of hand in guaranteeing the accounts of private institutions. For the sake of stopping a crisis we must have a Bank-note Issue Act. The honourable gentleman has told the House that in Australia it is a condition that an institution should go into liquidation. But here an institution may go on, we having the first charge, which is given to the notes which we indorse; and until the necessity arises with the private institution the power granted will not be used. When the necessity arises! Sir, the necessity has arisen, according to the Bill which we are now asked to pass, if the whole of the capital has disappeared. The institution ought therefore to go into liquidation: it has no right to continue as a solvent institution and take the moneys of the people of the country, or deal with the country as a solvent institution, when its assets are gone. Why was the Bank-note Issue Act passed by us? To show that it was intended to support, and keep from danger of collapse, institutions that were able and fit to carry on business. This Bill is one to enable the Government to prop up with our guarantee institutions which, if they did not get this Bill, would be liquidated. I trust there are none such in the colony. I do not pretend to say there are; but, if there are not, what is the meaning of this legislation? Why does the honourable gentleman bring in a Bill relating to all banks carrying on business in this colony, and saying that the colony is to prop up with its guarantee institutions which are not able to show a margin in their assets? Millions have become so familiar with him that a few hundred thousands here and there are nothing. However, they are something to me, because I confess that I have not dealt in millions before. I am new to this talking of hundreds of thousands of pounds as if they

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were so many pence, and as if we had not to find the taxation to meet them. With regard to this clause, I say it ought to have been confined to the one institution mentioned in the next clause. In clause 3 the Bill deals with the Bank of New Zealand, and I think clause 2 also should only deal with the Bank of New Zealand. We are behind that bank, and we must continue our guarantee, no doubt. We have two millions of money there in which we are interested. Whatever may be the position of that institution, we have declared that we will support it, and the honourable gentleman is, no doubt, only doing his duty in saying that if it cannot be shown that their paid-up capital is still intact we must nevertheless continue our support. But the clause should be confined to that institution, and we should not give the Treasurer the license he seeks. In regard to the next clause, I say that the honourable gentleman has now adopted the legislation which I ventured to press upon the House—namely, that no amalgamation should be carried out without the consent of Parliament. The honourable gentleman then told me I was entirely wrong, and quoted his Law Officers at me. I was satisfied when I brought in that Bill that I was right; but it was discharged from the Order Paper, and I then asked the honourable gentleman whether he would take up my Bill or introduce a Bill himself, and he told me and the House that he would not, and that he did not think it was necessary.

Mr. WARD.—I have not seen your Bill yet.

Mr. BELL.—I asked the honourable gentleman a question, Sir, which was on the Order Paper, and the honourable gentleman answered it.

Mr. WARD.—Yes, I answered it; but I have not seen the Bill.

Mr. BELL.—I asked the honourable gentleman a question with regard to it, so that the Government were aware of the Bill.

Mr. WARD.—I can assure the honourable gentleman that I have not seen the Bill.

Mr. BELL.—I congratulate the honourable gentleman upon having been convinced as to the correctness of the opinion which I expressed on a previous occasion. I shall support this Bill because of clause 3; but, if it were not for that clause, if I could get an honourable gentleman to tell with me I would divide the House against the second reading.

Captain RUSSELL.—I have very few words to say upon this Bill. The Colonial Treasurer told us that this is a question which requires to be dealt with with great care and delicacy. It requires a man with more knowledge of banking matters than myself to speak with any certainty upon it. Nor can it be denied that this is a matter which requires careful and earnest attention, when we remember that during last session we were constrained to pass the Bank-note Issue Bill, which was supposed to remove all financial troubles of this sort. This year we were told in His Excellency's Speech that the position of the colony was sound—perchance, the legislation which we

had passed was having its desired effect; but a short time after a Bill was brought down to the House by which we were compelled to guarantee two millions to the bank, and we became virtually principal shareholders in the institution. We were told that would be final legislation; but immediately afterwards another Bill dealing with the Bank of New Zealand was introduced, and passed through this House, and once more we were told that there was finality in the legislation. Now we have another Bill introduced which will still further extend the power of assisting banks should emergency arise.

Mr. SEDDON.—Honourable gentlemen on that side have been asking for this Bill for the last month.

Captain RUSSELL.—No. We asked when the Bill we believed to be in type was to be introduced; but it was not this Bill, which is merely a Bill of one clause, for clause 3 I regard as mere padding.

Mr. SEDDON.—The honourable member for Wellington City (Mr. Bell) did not say so.

Captain RUSSELL.—My honourable friend is possibly far more competent to speak on this subject than I am, but I do not agree with him on this point. To my mind, this is simply a Bill increasing the powers in the Bank-note Issue Act. It is all very well to say that the colony will have no responsibility. Surely the introduction of such a Bill as this proves that grave apprehensions are felt by the Government as to the financial position of the colony during the recess. I do not see how it can be otherwise. The Colonial Treasurer told us that, while the other colonies were passing through a crisis, by the skill of the Government a crisis had been averted in New Zealand.

Mr. WARD.—I never said that.

Captain RUSSELL.—I said "the Government," but I will say "Parliament" if you like. Of course, the Government introduced the Bill, and was and is responsible for it. But the question one is compelled to ask oneself is, Does the Government believe that the danger has really been averted, or only postponed? Because it is reasonable to suppose, from their having to ask for additional powers, that there does lurk a suspicion in the mind of the Government that, though it has been averted for a time, trouble may still arise. If that is not so, why is there a necessity to introduce this further legislation and ask for further concessions to banks as in clause 2? If the honourable gentleman really believed that the danger had passed, still more drastic provisions than those already passed would be unnecessary. Then, when we trace step by step the way in which this has been done, it must lead us to believe that there is danger overhanging the colony, because the words "reserve funds" in the Bank-note Issue Act of 1893 were, by amendment, struck out of the Act, and now we are invited to strike out the words "by at least the sum of the paid-up capital"; and we are told, as the only reason for so doing, that it is very difficult, if not impossible, to

ascertain that the assets exceed the liabilities and paid-up capital: but I think it is no more difficult to ascertain the one than the other. If it is difficult to ascertain the true position of the bank so far as its paid-up capital is concerned, why should it not be equally difficult to ascertain the relative proportions of the assets to the liabilities, more particularly when we remember the circumstances connected with the Bank of New Zealand? At the time when the Assets Company was floated we were told that by floating the Globo Assets Company the difficulties in connection with the bank were fairly passed, and that the bank in future would ride in perfectly smooth water. Not only this, but the shareholders of the bank were led to suppose that there would be sums of interest coming to the bank from the Globo Assets. That belief was impressed upon the shareholders for some time, and then by degrees the shareholders were informed that the interest to be derived from the Globo Assets was not coming in. Only a short time ago the chairman in England spoke to the same effect—that the position of the bank was a very sound one; yet shortly afterwards we were invited to pass the panic legislation which we have passed this year; and now we ascertain this fact: that the bank has actually had to find money in aid of the debentures of the Globo Assets Company. If that is the case, surely we must come to this conclusion: that all information of every kind derivable as to the position of the bank from first to last has been deceiving in the highest degree. If that is the case, is it not quite possible that in endeavouring to ascertain the assets and liabilities of companies we shall find ourselves quite deceived, as we have been as to the position of the Bank of New Zealand? We may be equally misinformed as to all the other institutions doing business in this colony. They may be perfectly solvent; their business may be carried on in the most prudent manner possible; but I, at any rate, shall not feel sure that the fact that certain assets are stated at a certain value can really be relied upon. From one cause or another there is no doubt about it there has been a large depreciation in the value of property going on for several years past, and it is quite possible that the assets of the banks and other institutions may have been steadily depreciating in value up to the present moment; therefore I feel, at any rate, that we do not know the truth in regard to the position of the banks; but we are asked to guarantee the payment of the notes of the banks if ever trouble should come upon them. The position, to my mind, is a most serious one, and one that ought to be considered with the utmost gravity and circumspection by every person whose duty it is to deliberate upon so important a question. I admit that what the Treasurer told us about the immediate liability of the colony for these bank-notes is more or less consoling. The amendment which it is proposed to insert in the 2nd clause of the Bill undoubtedly does fortify the position of the colony, because

the amount of the reserved fund and the uncalled capital will, in all probability, be able to meet, in due course of time, any calls which may be made on the colony in case of the bank being unable to meet the note-issue. But we cannot ignore this fact: that, as in guaranteeing two millions to the Bank of New Zealand we were virtually creating a State bank, so now, by guaranteeing the note-issue of several banks, we are further intensifying the connection between the colony and the banking institutions in the colony. And that seems, to my mind, to be a very serious position. But not only that. In guaranteeing the note-issue of any banks are we not trending in the direction of floating upon this colony an inordinate amount of paper money? What effect that will have on the credit of the colony I feel I have not sufficient knowledge of banking matters to give a deliberate opinion upon. But, still, it does occur to my mind that in making a bank-note equal value under certain circumstances to so much coin we are in reality introducing into New Zealand a system of paper money which may be injurious to the last degree in the future. I think that the Government would have done more wisely if they had not introduced this Bill; or, having done so, I think they should have referred it to the Public Accounts Committee, so that the matter could have been exhaustively inquired into by men of technical knowledge, who would have been able to advise the House upon a point as to which an individual layman hardly dare express an opinion.

11.0. Mr. SAUNDERS.—Sir, this is at least the third time this session that the Colonial Treasurer has complimented this House upon its courage in dealing with public credit. I think, of all kinds of courage, that is the worst kind which enables persons to deal rashly and ignorantly with other persons' money; and especially with the public money, for which we are responsible in this House. When we were called upon suddenly, without an hour's notice, to guarantee two millions to the Bank of New Zealand I am sure I was not alone—I believe I felt very much as other members—in thinking that we had not sufficient knowledge to know whether we were wise in that step; and the reason why nothing was done in opposition to the proposals of the Government in that case was that we were not sufficiently informed on the position of the colony and of the bank to be able to take the responsibility of opposing what was proposed by the Colonial Treasurer with so much urgency. We have since had our knowledge very much extended, and I think we have, at least, found room for doubt as to whether we were wise in that respect or not. However, that is done, and it is not my intention to call that occasion into question at all. But now we are called upon to do, I think, a most unwise thing. We are called upon to guarantee not only the bank we have already guaranteed, but all the other banks in the colony, and upon information that certainly does not justify any Government in doing what is proposed under

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the Bill. I agree with all that has been said by the honourable member for Wellington City, and said so very modestly by the leader of the Opposition. Like him, I do not pretend to know anything at all about banks; but I do understand what we are asked to do, and if I do not vote against the second reading of the Bill I shall propose in Committee to strike out the last three words in clause 3, and insert "shall not apply to guarantee of bank-notes issued by the Bank of New Zealand,"—that is, the repeal shall not apply. This will guarantee what has become our own bank only on these new and too easy terms, and will leave the guarantee to other banks just as it was passed a year ago.

Mr. G. HUTCHISON.—I for one cannot join in the congratulations the Colonial Treasurer has invited us to express with reference to the banking legislation of this session. I think it has been most unfortunate. The guarantee was given to the Bank of New Zealand in absolute ignorance of the true position of the case, and I think it must be now apparent that the Government did not know enough to be able to judge of the real surroundings of the matter at the time they induced this House to guarantee the two millions sterling. To acquit them of acting under dictation is to condemn them of culpable ignorance. They knew nothing of the circumstances. They were living in a fools' paradise, as indicated by their Speech from the Throne, and the demand burst upon them like a sudden storm. In the panic of the moment they would have rushed to any wild extreme that circumstances seemed to dictate. They have since then done much evil by copying Australian legislation on the subject of the note-issues, and threatening to reduce us, in that respect, to a level with the unfortunate experiences of the sister colonies. Now we are asked to go further in the same direction. I will, with the permission of the House, ask honourable members to realise what we are now invited to do. I doubt if the Colonial Treasurer has correctly informed himself of the position of the guarantee that might be given by Proclamation under the Act of 1893. He seems to suppose it might extend to all the banks carrying on business in the colony; but this is not so. A bank that is carrying on business here under an Imperial charter is not a bank that my honourable friend could by Proclamation cover. Clause 3 of the Act of last session makes this, I think, clear. It provides that—

"After the passing of this Act all notes payable on demand heretofore, or hereafter to be, issued, circulated, or reissued in the colony by any bank under authority of this or any other Act of this colony in that behalf shall, to the amount of the issue authorised, be a first charge on all the assets and property of that bank being assets for the payment of debts or other obligations contracted or entered upon, or due and payable in the colony; and shall be payable in gold only at the office of the bank at the place of issue of the said notes respectively,

anything contained in any other Act notwithstanding."

Then we come to section 5, which gives power to the Governor in Council to make bank-notes legal tender. It should be remembered that the notes which the Governor may by this process make legal tender are those which have been issued under lawful authority, and, as the Colonial Treasurer pointed out, this could only extend to the amount of coin, bullion, and public securities held by the particular bank. Then, we come to the proviso, which, in the first instance, ran thus:—

"Provided that no Proclamation shall be made unless the Governor in Council is satisfied that as between the bank and its creditors its assets exceed its liabilities by at least the sum of the paid-up capital and the reserved profits."

We have already, on the invitation and under the guidance of the Ministry, by the Bank-note Issue Act of this session, struck out "the reserved profits," and now we are invited to strike out "the paid-up capital," so that the Government now propose to accept the position of a bank being able to show that its assets generally exceed its liabilities. But, as was pointed out by the honourable member for Wellington City (Mr. Bell), great part of the assets of most of the banks carrying on business in the colony are not within reach of any legislation we may pass. Their assets are outside the colony altogether, and entirely beyond our power. What I think should be done with reference to this Bill is to provide that a Proclamation making the note-issue of a bank legal tender should only issue where the Governor in Council is satisfied that the assets of the bank in the colony exceed the liabilities in the colony. That would be a fair and businesslike condition. I desire the attention of the House to the point that it is very important to safeguard this legal-tender business, because the colony is ultimately liable for these notes if from any cause the bank should not be able ultimately to pay them on demand. I ask the attention of honourable members to the 7th clause of the Act of 1893, which has been continued in force by the Bank-note Issue Act passed early in this session. It is,—

"At any time within six months after the expiration of the period limited by any original Proclamation under section five, or by successive Proclamations thereunder if there have been more than one, the Colonial Treasurer, on being satisfied that a bank-note covered by any such Proclamation has been duly presented for payment at the bank issuing the same, and has not been paid, shall, without further appropriation than this Act, pay the same in gold to any *bonâ fide* holder, not being a bank, who may present the same for payment at the Treasury."

So that we absolutely guarantee payment of the notes, besides making them legal tender. Now as to the clause in the Bill which deals with amalgamation. I think that the Government cannot be acquitted of very grave responsibility in connection with the negotiations

set on foot with reference to amalgamation. No one can doubt that they were prompted by the Government. I believe, speaking entirely from outside information, that the Bank of New Zealand never desired amalgamation, and that amalgamation would not have been of any advantage to it. The suggestion of amalgamation came from another quarter altogether; and, in proof of that, I should like to read a passage from the remarks of Mr. John Murray at the special meeting of shareholders of the Bank of New Zealand held on the 26th of September last. He says this:—

"It has been asked why, when it appeared as if the Government really had no intention of allowing amalgamation to take place, the proposals in that direction had been published. Well, he was now in danger of saying things he ought not to say, but he believed, and still believed, that at first the Government were in favour of amalgamation; and certainly he should never have signed any provisional agreement unless he had been perfectly satisfied of that. However, circumstances arose which led the Government to alter its views. He could say no more than that."

It is perfectly clear there have been influences at work during the past few months which have not left the Bank of New Zealand the free hand that it should have had in the conduct of its own business. That is the reason mainly why I have given notice of a new clause, which would prevent any interference with the Public Account of the colony. The circumstances indicated by Mr. Murray which prevented amalgamation coming off have not been made known to us; we are left to surmise them; but it would seem, although no exact information was available, that, guided by the Press of the colony, public opinion became so strongly alarmed on the subject that the Government were unable to proceed as they had first intended. I think it cannot be doubted that the prudent course was to have referred the proposals as to amalgamation to some Committee of this House, which could have taken evidence on the subject and have found data to determine the question. That course, however, was refused, as it was refused in the instance of the two-million guarantee, and will probably be refused now. The Treasurer says this is a precautionary measure; but I cannot think these so-called precautionary measures are not hurtful in their tendency. This present proposal is one to whittle away part of the security which should be available in the event of the colony guaranteeing the note-issue of any bank in our colony. Such a course cannot but be more injurious than my honourable friend is willing to admit. I trust, Sir, in Committee an amendment such as I have indicated will be carried, as some safeguard if the colony is unfortunately called upon to make bank-notes the equivalent of gold. I also hope the new clause, as to preserving the Public Account intact to the Bank of New Zealand, will be added to the Bill. It is our duty to strengthen the bank in every reasonable way. To weaken it by dividing the Public Account would be nothing less,

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I think, than a public wrong. We know very well that a claim has been put forward confidently by the Colonial Bank for a share of the Public Account. That such a demand should be resisted, I believe, is due to the Colonial Treasurer himself no less than to the colony. I have only one more remark to make with reference to the guarantee the colony has given the Bank of New Zealand. The Press has far and wide declared the position to be that, having guaranteed the two millions, the colony is now bound to see the Bank of New Zealand through any trouble that may arise. My honourable friend the member for Wellington City (Mr. Bell) has expressed much the same view. Now, I, for one, desire to publicly state that I do not consider this colony is bound to give another penny towards rescuing the Bank of New Zealand; and unless circumstances are shown satisfactorily to justify further assistance such a step ought not to be contemplated. I believe that the information we have had since the Bank Guarantee Act was passed is such that, if we had had it when the Bill was before the House, the Bill would not have been allowed to go through without much opposition.

Mr. GUINNESS.—What information?

Mr. G. HUTCHISON.—"What information?" Well, it is perhaps not desirable to discuss the particulars on the floor of the House. I could give the very figures, but I doubt if that would be to the public advantage. I appeal to honourable members whether many are not satisfied that if the Bank of New Zealand Guarantee Bill were to be introduced to-night it would not be allowed to become law. And I protest against our action in that emergency, when we were suddenly confronted with a responsibility which perhaps none of us, under the circumstances, would have dared to face, being taken as committing the colony to anything further. Although we did not refuse the guarantee, we are not bound to more; and I, for one, wish to make it perfectly clear that, under similar circumstances, I would strive to keep the House from again doing as it did on that occasion.

Mr. BUCHANAN.—Sir, I could not think it consistent with my duty as a member of this House to allow the second reading of this Bill to pass without stating my opinion upon the position, and I regret very much indeed that the Colonial Treasurer should have found himself under the necessity of bringing in a Bill containing such a clause as clause 2. I cannot understand any member of this House who realises the responsibility which should attach to his position agreeing to pass such a clause. Why, Sir, what does it really mean? That this colony is practically to indorse the bank-notes of any bank doing business in the colony, although the face-value of its assets is only sufficient to meet the apparent liabilities. The position seems to me to be a monstrous one, and I, for one, shall oppose its passing to the very utmost. Why, Sir, the Government, from the beginning of this business until now, have been plunging in the wildest manner possible.

In the first place, they were admittedly ignorant of the position of the Bank of New Zealand when they brought down the Bank Guarantee Act and insisted upon passing it at one sitting. Later on it was quite an open secret that they gave encouragement to the proposals to amalgamate the Bank of New Zealand and the Colonial Bank, and then, when they found that public opinion was very strongly against them, they withdrew their support at the last moment. It is also, I believe, a fact that within the last few days it was their full intention to take power from this House, if they could get it, to sanction the amalgamation of these two institutions during the recess, if they thought fit to do so, and also to dissociate the business of the Assets Company from the Bank of New Zealand. And now, as the final outcome of all this, we have a Bill put before us which goes much further, as I understand it, than any legislation ever passed in the colonies for such a purpose. The Colony of New South Wales, for instance, has got an Act on its statute-book which restricts the bank-note issue to one-third of the paid-up capital. Now, it is very difficult to make a fair comparison between the authorisation in New South Wales and that which we have here—namely, that the note-issue shall not exceed the total amount of coin, bullion, and public securities in the possession of a bank in the colony for the time being. I therefore think the Treasurer must admit that he is asking the colony to undertake a much greater risk than is borne by the Colony of New South Wales. I hope the honourable member, when he replies, will deal with this point. I think it is most important, and that the honourable gentleman will admit that it is so.

Mr. WARD.—What is the point?

Mr. BUCHANAN.—The point is that, whereas in New South Wales the note-issue is restricted to one-third of the paid-up capital, and the law only makes them a legal issue in the country districts—not in Sydney—in the case of this colony, as mentioned by the honourable gentleman himself, the bank-note issue is already authorised, and is now proposed to be guaranteed up to the full extent of the coin, the bullion, and the public securities in possession of the bank for the time being.

Mr. WARD.—The things are different.

Mr. BUCHANAN.—I stated that it would be difficult to make a just comparison between the two positions, but that I was satisfied the risk would be enormously greater under the Bill now before the House than is the case in New South Wales. Now, there is another important question not included in the proposed amendment of the honourable member for Patea, which only provides that no portion of the colony's business can be given to any bank other than the Bank of New Zealand. As I understand it, the agreement between this colony and the Bank of New Zealand does not in any way prevent the Government from making deposits with a bank other than the Bank of New Zealand. The Treasurer will, I suppose, during the recess, proceed to raise moneys under the

Bills which we have passed during this session, and, as I understand it, there is nothing in the existing law, nothing whatever in the bank agreement now existing, to prevent the Treasurer from depositing some of the proceeds of these loans with a bank other than the Bank of New Zealand. I think this House should

take effective steps to prevent this, because in the event of the particular bank becoming unable to meet its engagements we shall then be called upon to prop up still another bank with the guarantee of the colony. Dealing with such enormous risks as this can only end in disaster. Then, I wish to refer to another point. Taking the *Scotsman* of the 24th July last, we have a statement made there which has never been denied by the Treasurer, nor by any of the bank officials—namely, that £600,000 of the bank's moneys have been spent in improving the properties of the Assets Company since the formation of that company in 1890. Obviously, that must have depleted the bank's coffers to a large extent, while it correspondingly improved the securities for the million and a half of debentures held in England. Now, the honourable gentleman should take power to put an end to any further expenditure in this direction, because it would obviously weaken the position of the colony with regard to its two-million guarantee. I do not propose to say more at present, but when the Bill is going through Committee I shall endeavour, as far as I possibly can, to prevent clause 2 from passing in its present form.

Mr. DUTHIE.—The principal pretext for this Bill is that it will prevent amalgamation from taking place during the recess. I do not think that is any reason at all for introducing fresh bank legislation. I am sure the House would have been quite satisfied to take the word of the Treasurer that nothing of the sort would take place, and with the control which he has now got over the bank no amalgamation could possibly take place without his assent. Therefore so far there is no need for the Bill, and it is to be regretted that this subject is again before the House, because it is impossible to deal with banking questions again and again, in season and out of season, in this House, without much indirect injury resulting to the bank's interest. Since we are largely interested in the Bank of New Zealand the thing of all things now wanted of us surely is to let it alone and give the directors and the management an opportunity of putting things right. No such institution can succeed whose affairs are constantly brought before the House, as has been the case over the Bank of New Zealand; and I think the Colonial Treasurer was not justified in now introducing fresh measures affecting the bank unless under circumstances of the gravest necessity. Now, he does not pretend that there is any necessity for the Bill, beyond the reason just dealt with and the possible occurrence of a crisis during the recess, for which he says the banking legislation already on the statute-book would be insufficient, because it is alleged that to establish

a bank's position as stipulated would take time, when to give time was impossible. It has already been pointed out, in regard to the excuse offered—that it would be impossible on short notice to show that a bank's paid-up capital was intact—that it was no more difficult than to produce a certificate proving that the assets exceeded the liabilities, and that therefore it was as difficult to satisfy the Government auditors in the one case as in the other. So that there is really no foundation for that pretext either, and we are thus driven to look elsewhere for the reason why this surprise is sprung upon us. These dangers as alluded to must have occurred to the Treasurer, and we have therefore to look further to learn why, in their presence, he introduced this Bill. Now, without pointing to any special bank, I cannot help thinking that it is with a view that advantage shall be taken of the Act by some bank or banks during the recess; and I fear that next session we may find ourselves so entangled with some bank, and their affairs so intermixed by this guarantee of notes, through moneys in its hands or otherwise, that, although the House would not now agree to assist such an institution, this entanglement will serve to drive the House next session into sanctioning an extension of assistance, for which there is no valid claim, and which will not be in the interest of the colony. I think that that is not a far-fetched argument, because we can now see quite well, despite the appearance of sudden emergency and haste with which the Bank of New Zealand guarantee was pushed through the House, that the step had been premeditated for months, that the whole scheme was laid by the London directors and management to be sprung upon us at the proper time, and we fell ready victims to that entanglement; and I do not think, from that experience, that I go beyond the mark in fearing that this is an attempt to get the colony entrapped in connection with another bank, and to assume another and an unknown liability. There is no justification for any Government coming to the rescue of a bank unless it first sees that the bank is solvent, and only when some grave crisis in public affairs had arisen which had brought it into temporary difficulties. It is only such circumstances that could justify the Government in coming to the aid of any such institution. It may then be done to avoid the disaster that overtakes a country through the failure of one of these institutions, but it is clearly only on some sudden emergency and when the bank can show that its position is sound that a Government is justified in stepping in to its relief. But here we are asked to agree to rescue or assist an unsound institution, because the bank we are providing for has admittedly lost its paid-up capital. If the working capital is lost, or even although only partially lost, and the assets still somewhat exceed the liabilities, it is in an insolvent condition, and the House has no right to undertake to come to the rescue of that bank; it should be wound up in the ordinary way. And, Sir, this quixotic assistance,

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this endeavour to save shareholders from the consequences of reckless trading, is bad; we are nursing certain banks into a chronic state of insolvency, and no colony can be prosperous with such insolvent institutions hanging over its commercial life. Danger lowers over it, since institutions of the sort, bolstered up in this weakly condition, are a great and increasing danger in the colonies. Then, the honourable gentleman, in speaking of the guarantee given by the Note-issue Act in New South Wales, kept using and repeating the word "Australia," thereby leading honourable members to suppose it was a general thing throughout Australia. Now, this measure is confined to New South Wales, and is there in force in the country districts only; the Act is not applicable to Sydney. A Bank-note Issue Act is in force in New South Wales, but there is nothing of the sort in the other colonies of Australia, and therefore the honourable gentleman should not have used terms which tend to mislead the House.

Mr. WARD.—I did nothing of the kind.

Mr. DUTHIE.—Then my ears deceived me; but I have also seen the same language used in the morning paper.

Mr. WARD.—I have got the only Act here.

Mr. DUTHIE.—Unless my ears deceived me "Australia" was repeatedly used. The honourable gentleman also pointed to what had taken place in the early part of the session, in giving that guarantee for the bank, and he referred to it as a great success, and as having proved to be wise and judicious. Well, Sir, such a statement from the Treasurer cannot pass unchallenged, for, if it was the success he claims, members would feel justified, and would now be led to agree, and to go further in the direction proposed by this Bill. Now, I do not wish to say a word that would have the effect of injuring the Bank of New Zealand; but when so referred to, and to induce members to support this Bill, one at least is justified in briefly referring to what was said by the chairman of the bank at the meeting on the 27th August last in London, and when one looks at that speech it seems to me that the Treasurer surely cannot have read it when he tells this House and the colony that the Guarantee Act was a judicious step. We are aware that the Assets Company took over, for realisation, securities valued by Mr. Hean at £3,300,000 or £3,400,000 of the assets of the bank. The chairman on this question states,—

"Here I may say that the Board took office on the understanding that this report of Mr. Hean was to be accepted by the shareholders as a basis of what was practically the reorganization. Then, of course, the result of that was that in the balance-sheet of the bank there appeared in August, 1890, and has always appeared since, this large asset of £1,850,000 in the Estates Company's shares; and the bank, for the last four years, has really had a sort of dual existence. There has been the purely banking business of the concern, and there has been this lock-up of the assets. Now, the purely banking business of the concern has

been good; it has been distinctly good. We have not only been able to pay a dividend of 5 per cent.—which, I admit, is not an exorbitant rate—but we have during the four years written off £60,000 of bad debts, and have put £45,000 into Consols, which still stand in the name of the Bank of New Zealand. But we have not been so fortunate with this huge lock-up of the assets of the company, and there are a great many reasons for it. We started well for the first two years, and we thought we should be able in a reasonable time to turn it into a liquid asset. But things have gone against us in the last two years, and especially during the last twelve months. The land policy of the Government of New Zealand, the special taxation, the low price of produce, and bad trade generally, have very much affected the returns from the Estates Company: indeed, we have not been able to realise the assets anything like to the extent we had anticipated, although we have done something in that direction. The total amount of sales to the end of March, 1894, realised about £730,000, and, of that, there is still owing from purchasers £156,000, which, however, is secured by mortgages on the properties. Then, we have paid off prior encumbrances and sundry calls to the extent of £200,000, leaving about £340,000 on deposit to the bank, and which belongs really to the debenture-holders. But within the last year or two our realisations have been very small, owing, in fact, to the causes which I have pointed out to you. Now, just consider for one moment what a load this lock-up in the Estates Company has been upon the bank. Here is £1,850,000 in this balance-sheet, on which, if it had been liquid, we could easily have earned 6 per cent. We have never got more on an average than $1\frac{1}{2}$ per cent. as dividend from the Estates Company; so that the bank has always been working with a loss of profit of some £75,000 to £80,000. Had this asset been a liquid one, the bank could have earned easily 10 per cent., if not a little more. Of course, with so much money locked up, the bank, as I think I have remarked here before more than once, has been very much dependent for its dividends upon what it could get in the shape of dividend out of the Estates Company. I have told you how small it has been; but this year it has been worse than ever, and, instead of getting any dividend out of it, we have had to lend the company a considerable sum of money towards meeting the debenture interest: in fact, it has been worked at a loss. This, of course, is an exceptional year; I do not for a moment suppose that the same thing is likely to occur again for a long time; but, as a matter of fact, the bank has had to put its hand into its pocket and find a considerable sum towards the payment of the debenture interest of the Estates Company."

Honourable members will thus see that the net amount realised to the 31st March last was only £340,000. That was all the cash realised until the end of March of the present year. Let honourable gentlemen, all of whom have

ordinary business experience, mark what this means, and consider, if the Assets Company in four, or, rather, nearly five, years has only realised that small amount of money, what can you expect of the balance? The colony is committed to the extent of two millions, with no possible escape from payment of that amount but on that realisation, and yet that is all that has been realised up till the end of March, 1894. I will not weary the House by reading extracts from Mr. Glyn's interesting and instructive speech at length; but what can we expect when so little revenue can be made out of these assets, insufficient even for the debenture interest? We must look this matter in the face. There is probably very little chance of these assets realising more than the secured debenture claim upon them. There is therefore at least a loss far in excess of the bank's capital on this asset. Then, if you look at the bank's balance-sheets, starting from 1888, you will find year after year that they have altogether written off over four millions of money, representing their loss during that period, but that does not in any way represent the full measure of their losses. We find from the balance-sheet laid before the meeting in London that, under the heading "Advances and other Debts due to the Bank," the amount is £4,855,569: that is the enormous amount to which these advances have again risen. After the Assets Company was formed this amount was under three millions, but it has crept up since most unwarrantably, until it is now nearly five millions. As the honourable member for Wairarapa pointed out, £600,000, according to a very reliable British paper, the *Scotsman*, has been advanced out of the bank's funds to assist the Assets Company in improving its properties. We already knew something of this expenditure. We know, for instance, that the Onehunga ironworks have been carried on at a loss of many thousands year after year, as well as other enterprises of that sort. I have no doubt that that item of £600,000 appears as an asset among the £4,855,569. The chairman, at that meeting to which I have referred, was pressed for an explanation as to the clause bearing on this report. The report says,—

"Mr. Snow: This last paragraph, sir—'There are certain accounts in the bank's books'—"

"The Chairman: I have replied as to that. You rather weary me.

"Mr. Snow: Will you kindly reply again?

"The Chairman: There are some accounts in the bank which were old accounts, taken over when we joined. They are not in so good a position as they were. They have not actually realised losses, but they are not so good owing to the same state of things as affected the Estates Company. We do not think we should make provision for that, but leave it to the new Board.

"Mr. Snow: What is the amount?

"The Chairman: I cannot tell you; and I would not if I could."

"Mr. Snow: Let us know exactly how we stand.

"The Chairman: How we stand is thus—we are practically handed over to the Government."

"A Shareholder: You have complained that you are moribund. You apply for an Act of Assembly authorising £2,000,000 of capital, and now you complain that by the passing of that Act you are in a moribund position.

"The Chairman: No; I said the Board was in a moribund position, with a new Board in Wellington. I think no better stroke of business was ever done than borrowing these £2,000,000. (Applause.) It is the strongest bank south of the equator."

Sir, there are in this item of £4,855,569 all the items carried forward, and doubtfuls arising during the four or five years since the clearing-up of the bank's affairs, when the Assets Company was formed. As I have said, it probably includes the £600,000 mentioned, but we shall have no accurate guide as to the extent of the loss on the item until the new Board reports next year. There is, however, an enormous loss, under this most injudicious guarantee, going to accrue to the colony. There is no use in blinking the fact, or shutting our eyes to it, and the sooner we realise our position the better. I make these remarks because I am told the Government, despite these facts and circumstances, have a majority for this measure, and I consider that in the interest of the colony it is a duty to point them out, so that members may vote with their eyes open, aware of the enormous loss we have to face by our recent unwarranted legislation, and warned of the risk we run of further loss from the Bill before us. I hope each member of the House will feel the responsibility that is upon him, and will act according to his judgment, and that members will not be called upon, or yield, and vote out of party allegiance in a question of this sort. We have no right to suffer the colony to be plunged into further entanglement in banking matters, and members ought not to be afraid to do their duty and reject this Bill, in the interests of the taxpayers. An honourable member has passed me a note dealing with the question of the right of the Government to give part of the Public Account to another bank. In that respect I hope the amendment of the honourable member for Patea will be agreed to. By the agreement in 1891 the Remittance Account was divided between the Colonial Bank and the Bank of New Zealand, but there was no committal, I understand, as to loan-moneys—how they were to be deposited; and I think the House ought to safeguard the Bank of New Zealand over such deposits. We are now especially interested in the Bank of New Zealand, and I trust there will be found sufficient members of this House to agree to the clause introduced by the honourable member for Patea, to the effect that no moneys shall now be placed in any bank not already guaranteed by the colony. I heartily agree with that amendment, and for these various reasons

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have no hesitation in voting against the second reading, and I trust that honourable members who believe in the views I have expressed will not hesitate to throw the Bill out.

Mr. HOGG.—Sir, we have had this Bill reviewed to-night at the hands of the honourable members for Wellington City (Messrs. Bell and Duthie), the honourable member for Hawke's Bay, the honourable member for Wairarapa, and the honourable member for Patea; and I observe that the criticism has all been of the same quality—it has been adverse. The honourable gentleman who spoke last appeared to be satisfied that no banking institution could possibly stand the manner in which the position of the Bank of New Zealand is continually being brought before this House. I would ask honourable members to consider for a moment what party in this House is responsible for bringing the affairs of this particular bank up on every occasion. Have we not noticed day after day, in regard to questions affecting this bank, that those questions have emanated from the honourable members who are now criticizing this Bill so very adversely? What has the honourable member who spoke last been doing with regard to this particular question? Has he not been attacking the Assets Company? Has he not been deorcing, scarifying, virtually scalping this bank, and in every possible way turning it inside out? He has been exhibiting the balance-sheets of the bank before the public of the country in the most damaging form; and I should like to know what company, solvent or insolvent, could possibly stand for any time criticisms of this character. I say that, no matter whether the State is under any obligation to this bank or not, there are not a few in this colony who are indebted to this banking institution; and, in my opinion, it is neither more nor less than gross ingratitude for certain honourable members to be holding up to scorn a financial institution that has stood by New Zealand for many years past, and which has undoubtedly done good service to some of her oldest settlers. The question of the solvency of this particular bank has been raised, and its credit has been decried; it has been designated as a bank in serious difficulties, and its balance-sheet has been used to demonstrate that for years past it has been suffering enormous losses, which it could not possibly stand. This is the way in which an endeavour is made to injure the institution that we are endeavouring to raise by assisting it with the credit of the colony itself. I say this is no place for raising questions as to the solvency or insolvency of institutions which have such an important bearing upon the financial history of the country. It is perfectly true that the banks of Australia have passed through a very severe crisis, and the banks of New Zealand have possibly felt the effects of that crisis. It is also absolutely true that during the present session we have assisted our banking institutions in order that they might be able to meet the demands that might be made upon them. This is not the first time in the world's

history that a similar crisis has been experienced by banks, not merely in the Australian Colonies and New Zealand, but in other parts of the world. What has been the history of banking in Great Britain and America? Have there been no crises there of a similar character to that which has affected the Australian Colonies? I say there is hardly a bank with a history, not even the Bank of England, which has not had at some period a similar experience to that of the banks in Australia. But what is the reason for the crisis that has occurred? Has it been because some of those banks are in a chronic state of insolvency? Can it be said that any of the banks of New Zealand are in that position at the present time, or that they are not able to pay if called upon—not able to meet every call made upon them? What are the facts? They are solvent, because their assets are in excess of their liabilities; and if only they could be assured of sufficient time to realise upon those assets, almost without exception, both in Australia and New Zealand, they would be able to meet their obligations. We know that the reason why the recent bank crisis occurred was, not so much owing to depreciation in values, but because in time of depression it is not possible for banks, any more than it is possible for public companies, to realise upon their assets. The honourable member for Wairarapa accused the Government of plunging into wild schemes of finance.

An Hon. MEMBER.—So they are.

Mr. HOGG.—The honourable gentleman denounced the Government as being extremely culpable because of the measures they have brought forward in order to strengthen financial institutions, and he accused them of using their position to make them as sound as possible. He also stated that it was an open secret that the Government of the colony encouraged the proposal of the bank to which I am referring to amalgamate with the Colonial Bank, and that it was the Government that withdrew at the last moment. Then, again, several honourable members, in dealing with this question, have opposed clause 2. What is the object of this clause? The sole object is to strengthen the whole of the banks in the colony—not merely the Bank of New Zealand—and to put them in a much better position than they now enjoy—to provide that if Parliament is not in session they may be prepared for any emergency. We know there is an old proverb that it is the unexpected that always happens; and I should like to know from the gentlemen who are adversely criticizing this Bill now before us, and who are attacking the Government for bringing forward a Bill to assist the banking institutions of New Zealand, are not they individually concerned in these banking institutions? The labour representatives in this House have not said one single word this evening against this measure; we have not heard a syllable from the lips of the men who are associated with labour; but all we have heard is from the representatives of capital, and it is from them that we have had the whole of this

adverse criticism. I only wish that the effect of any disaster that might occur to these banks, if the legislation we are now endeavouring to pass is not passed into law, could be confined to the individuals who are denouncing this legislation to-night. I wish we could exempt people all over the colony from the effects of the non-passing of Bills of this character, because in that case I should be only too ready to take opposing members at their word, and walk into the same lobby with them and get rid of this clause. Honourable members who are supporting the Government in this House, and especially the representatives of labour, must notice that those who are now opposing the Government in trying to help the financial institutions are the representatives of capital. They have enjoyed monopolies in the past, the Bank of New Zealand has helped them to acquire estates and embark in commercial enterprises, and it is base ingratitude to turn round now and say that this institution is absolutely insolvent: yet that is the language that they use towards an institution that has been both a mother and a father to them. I believe in speaking plainly. It is base ingratitude on the part of certain members of this House who are representatives of wealth that they should refer to this institution in the way they are doing to-night. I say that if this Bill is intended for the benefit of any particular portion of the community it is that portion which those gentlemen are understood to represent in this House. I intend to support the Bill; but I say that if it were not for a regard for what might happen to people outside the walls of this building I should be only too glad to take the honourable gentlemen at their word in striking out clause 2 of the Bill. I should cheerfully follow them into the lobby, because I believe they would very quickly go down on their bended knees and ask that the Bill be recommitted for the purpose of restoring the clause which at present they profess to be anxious to get rid of.

Sir R. STOUT.—Sir, I agree with the last speaker that this is a very important Bill. I regret that there should have been need for another Bank Bill, as I understood that there were to be no more Bills on this subject brought before the House. In cases of this character we must accept really what the Government have to tell us, and if they say it is necessary for the finances of the colony that this Bill should be passed we ought to give their statement very careful consideration. I think we have overlooked the fact that before last election the Premier told the colony that he would allow no bank to fail. The colony therefore was warned of what it might have to do, and members who were returned pledged to support the Government must have taken that along with them as part of their responsibility. As to the Bill itself, there is no objection to the 3rd clause, and the whole of the objections raised to that section of the Bill may be narrowed to the question, Are the Government to insist upon being satisfied that the capital of the bank is intact, before they

guarantee the note-issue? And, as our Act of last year provides that bank-notes are to be the first charge on the assets of banks in the colony, the reason does not seem to be so great.

12.0. I understand, however, two proposals have been made: one by the honourable member for Wellington City (Mr. Bell), in which he desires that this clause should be restricted to the Bank of New Zealand; and one by the honourable member for Selwyn, that it should not be restricted to the Bank of New Zealand—in fact, that it should not apply to the Bank of New Zealand, although it might apply to the other banks. That is, he proposes the converse—

Mr. SAUNDERS.—We both propose the same.

Sir R. STOUT.—I understood it was the other way. However, I would say that this is what we have to look to: We have, I apprehend, to look more after the Bank of New Zealand than any other bank. We have already given it a guarantee of £2,000,000, and we have to see that this sum shall not be lost to the colony. If we put this clause in the Bill we tend to weaken the institution that we are backing up; and what I think we should do instead of that is to allow the Colonial Treasurer, in the face of this House, to say that he will not guarantee any new bank unless he sees that it is more than ordinarily secure. I do not think that we should, as a colony, come to the aid of any more banks than we have done, and if I thought this 2nd clause of the Bill would cast an additional responsibility on the colony, even as regards the Bank of New Zealand, I would oppose it; but it seems to me, so far from that, the bullion, coin, and Government securities being against the note-issue with the clause in the Act of last year, that the bank-note issue is already a first charge, which takes priority over any other debts, which the two-million guarantee does not. I do not think there will be much risk. You cannot increase the bank-note issue. I do not care whether you guarantee your bank-note issue or not, you cannot get this colony to absorb more than a certain amount of paper money. That is not an opinion of my own. I take it from the effect of the guarantee given to the banks in Sydney. Notwithstanding the fact that the Government of New South Wales guaranteed the note-issue, the increase of paper money there was merely nominal: in fact, I do not think it was anything at all. That shows, Sir, that no colony can absorb more than a certain amount of paper money, and whatever may be the nature of your transactions the paper money will not increase. You will find that you cannot issue more notes than these banks issue now. The guarantee of our issue in New Zealand of all the banks combined will not vary much over a million, and you will not be increasing this note-issue. What will happen by your guarantee to the Bank of New Zealand? I suppose it will not exceed half a million, and that will be a first charge on the assets which the bank will have—against the Government securities, bullion, and coin. I do

not think, therefore, the risk is much. If you were to put in the amendment of my colleague (Mr. Bell) that might be casting a slur on the bank and injuring its credit, and it would be far better to demand from the Treasurer, before we agree to this, that he will give the guarantee I have asked for. Let me say one word about the proposed amendment of the honourable member for Patea in reference to the Colonial Bank. I do not think that the Colonial Bank can be debarred of the business it gets from the Government now, but I think you ought to deal liberally with the Colonial Bank, for this reason: You have come to the aid of one bank that is in competition with other private banks. Well, that is giving it a very great handicap; and, if you treat the Colonial Bank or other banks harshly, as a result you may cause them to be put in a very peculiar position, though I do not think that there is any chance of their being injured. And, then, are you to be called on to give aid again? You cannot go and extend your liabilities in this way. I think that it would be advisable not to add that clause to the Bill, but I think we must leave it to the Government to say what should be done. I think the Government should support the institution they have guaranteed, while at the same time they ought not to deal harshly with other institutions; and if they are in the habit of allowing drafts to be passed through the Colonial Bank for transmission to London I do not think the Government should take from the bank its share of that business. I consider that we have not before us now—and we could not have before now—a question as to whether the colony should indorse the bank-notes of all banks; no bank has asked for that—neither the Bank of New Zealand nor any other bank—and consequently we are not in a position to say whether this indorsement should be given or not, and we must cast this responsibility on the Government, we cannot take the responsibility on the House; it is an administrative act: but I hope the Government will give the pledge I ask. If they do, I do not think it will be necessary to press the amendment proposed by my colleague (Mr. Bell). I do trust that the Government will give this pledge, and will undertake that we are not, either for the Bank of New Zealand or for any other bank, going to cast any additional responsibility upon the colony unless it be properly safeguarded by guarantees, and be made perfectly safe and without any risk whatever of loss. Unless that is done I do not think we ought to cast a greater responsibility on the colony than this £2,000,000 which I have already mentioned. We have gone far enough, and, if this private institution cannot carry on its business with the two-million guarantee that we have given, then it is far better that we should know the worst and see what we have to face at once, because I think it would be a great mistake for us to increase the liabilities of the colony. I do not think we are in the position to do that, and I will ask the Treasurer, before I vote for this clause, if he will give his undertaking that he will not cast any additional

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responsibility upon us, and that he is not going to take in any other bank unless he sees that its assets are more than sufficiently safeguarded. The Government has taken up this attitude, and I think we have a right to demand what I have asked, and I do not think that then the amendment proposed by the honourable member for Wellington City (Mr. Bell) should be pressed; and I again repeat that to single out one bank in the Bill would tend to weaken the credit of the institution, which we have to deal with, not in New Zealand alone, but also in London. I say again we cannot undertake the responsibility of determining this matter in the House, it is for the Government to bear that responsibility, and I do hope they will give the pledge I have mentioned, because if it is not so given I shall have to vote against the Bill.

Mr. R. THOMPSON.—Sir, I am rather surprised at the speech of the honourable member who has just sat down. I fail to see why members of this House should try to divest themselves of their share of responsibility, and try to put it all on the Government. I hold that every member of this House must take his share of responsibility in connection with any loan that is proposed in the House. I am not going to take up the same position as the honourable member takes, but will take my share of responsibility, and not cast it all on the Government. I do not wish to say one word to embarrass the Government in any way. But I have to say, after thinking the matter over quietly and deliberately, that clause 2 of this Bill should not be allowed to pass. I am not going to mince matters in any way, and for my own part I will be no party to passing this Bill, and, at any rate, so far as my vote will go, clause 2 of the Bill will not pass. I should like to ask some of those honourable members who are asleep on the benches while a matter of such great importance to the interests of the colony is being discussed, whether they are prepared to allow the taxpayers of the colony to become responsible for the losses of any bank in the colony. We have already gone a great length in assisting the Bank of New Zealand. Probably we have gone so far that we shall have to continue that assistance still; but I say now that we should not attempt to go outside that institution and get ourselves mixed up in any way with any other bank in the colony. I say that if there is any other bank in the colony which is in such a position that they would have to apply to the Government for assistance, as proposed in clause 2 of this Bill, the sooner that bank winds up and liquidates the better. I for one in this House will protest, so far as I am able, against placing any further burdens on the taxpayers of the colony in connection with any banking institution in it. During this session, every time these banking Bills have been introduced, I have noticed that honourable members have appeared to be afraid to approach the subject by giving any expression of their opinions as to these institutions. I do not know why honourable members should hesitate to do so. For my own part, I shall do what

I believe to be my duty, and shall certainly vote against clause 2 of this Bill.

An Hon. MEMBER.—Will you vote for the second reading?

Mr. THOMPSON.—I do not know that I shall vote against the second reading, because I think clause 3 should be passed. The amendment proposed by the Colonial Treasurer does not meet the case in any way, although he now proposes to include paid-up capital and reserve funds. That means simply the assets of the bank, and we know very well what the assets in some of these institutions are. In some cases I do not believe 50 per cent. could be realised of the assets as they stand in the books of the banks. Every member in the House who has any knowledge of finance, or who has any sense of responsibility, should make it his duty to see that we do not place any further burdens on the taxpayers of the colony. I am afraid that we have gone rather too far already in this direction, but I say that we should go no further in making the taxpayers of the colony responsible for the least assistance to any of these institutions. I trust that when the Bill goes to Committee clause 2 will be eliminated altogether. Clause 3, I think, should be passed, and should put this bank in such a position that there will be no fear or dread arising among our constituents during the next nine months. I do not wish to cause any fear or alarm myself; still, I am afraid, unless we are very careful how we deal with these institutions, the colony will be let in for very serious consequences. Of course, in dealing with a question like this, there are very few of us who are in a position to pronounce absolutely upon all the proposals. We have not got the information; we have to depend almost entirely on what the Colonial Treasurer tells us; but we all know sufficient to know this: that if we incur liabilities, if we pass legislation which will make the taxpayers responsible for the losses of any of these institutions, we are not doing our duty to those who have sent us here. I trust that when the Bill is in Committee honourable members will insist upon eliminating clause 2 from the Bill.

Mr. SEDDON.—I had intended to leave all that was to be said further by the Government upon this question to my colleague the Colonial Treasurer, but I think I should be wanting in my duty to the House and to the colony did I allow the speeches which have been made upon this subject to go unchallenged. The present is a time when and this is a subject in connection with which, I think, all political feeling should be set aside, and we should deal with this question as statesmen, and as representatives of the people, and do that which we believe to be right in the interests of the colony. Some speeches that we have listened to, and more particularly the speech of the honourable member for Wellington City (Mr. Duthie), were painful to hear. The honourable member for Wellington City (Mr. Duthie) does not, as a rule, take a bright view of things, but his speech to-night was absolutely pessimistic. It was even worse

than that: it was vindictive. I should have thought, had he come here with a desire to injure the Bank of New Zealand and the whole of our colonial banks, and to further the interests of foreign banks, he could not have done more than he has done. But I do not wish to misrepresent him. If I am mistaken in my interpretation of his remarks, well and good; but I do say that in making the remarks which he has made with reference to one banking institution in this colony—I allude to the Bank of New Zealand—in applying the terms which he did to that bank, if he wanted to bring about a serious trouble, if he wanted to bring about a financial crisis, he could not have used words which would have done more to bring that about than he has used. He has quoted in support of his statement some questions which were asked—and we are not sure as to whether the newspaper report is correct—of the chairman of the directors; and the honourable gentleman tells us that heavy losses have been made, and that there are accounts upon which no interest has been made. Why did he not tell us that upon the debentures of the Assets Company they have paid more than interest—5 per cent.? He ought to have told us that has taken place. If he had stated that on the balance there has been only a small interest made he would have told us the truth; and I put it to him, in the case of commercial men in this colony during the last two years, what have they made upon the whole of their capital? And is it to be said that, because during the time we have been labouring under severe difficulties they have not been able to make interest on the capital invested, they are not solvent? If we are to believe that argument in the case of this institution, it would apply to a very great number of the best firms in the colony. I should be very sorry to make such a statement, because it has been due to the influence of the bad harvests and low prices, and to circumstances which are beyond the control of any one in this country; and we are not in New Zealand responsible for the financial disasters which have occurred. Australia was not responsible for it solely. I say that it has been worldwide; and we ought to congratulate ourselves on the fact that, though our near neighbours have suffered, our country has remained, so far, absolutely unscathed. I say that for an honourable gentleman to take up the position which the honourable member opposite has done is not doing justice to the country, and is not fairly representing the intelligent people of Wellington; and I say the honourable gentleman ought to be the last to say such things as we have heard said by him in this debate. What did the honourable member tell us? He said that this is a scheme to entrap the colony. What a reflection to cast upon Ministers! What a reflection it is to say that all honourable members who support this measure are doing so for the purpose of entrapping the people of the colony—concocting a scheme with no other object in view than to entrap the colony into severe losses—to ask the

colony to undertake liabilities which will be a burden upon the taxpayers! I say that the statement made by the honourable gentleman in this respect is absolutely and utterly without foundation. I say that the Ministry are not seeking to entrap the colony. They are not seeking to do any more than that which we believe, as prudent men, is absolutely necessary; and we are bound to do that which we asked Parliament to do when we passed the Bill of this session, and which we thought we had done when it was passed. But, after the measure was passed, when we came to see the legislation which had taken place in one of the other colonies, and after a careful reading, and with the fullest information in connection with the whole of our institutions, foreign and otherwise, we came to the conclusion that our legislation should be such that, if required, it could be acted upon without delay. As the law now stands, I say that could not be done. The question put is this: Shall we remain in a position with our hands tied behind our backs and unable to move should the necessity arise? Certainly not. Therefore we come to Parliament and say, "That is the law as it stands; this is the law as it should be," and we ask you to place us in a position which the Legislature intended. Did the Legislature intend, when it passed the Act of this session, that it should be inoperative—that it should be such a law that even in the case of an emergency arising it could not be used? Or was it intended that, if an emergency did arise, the Government should be able to take the necessary steps to give effect to the law? I say this was the intention; and, this being the intention, the Government were justified in bringing down this measure. Does the honourable member for Wellington City (Mr. Duthie) think for a moment that we would bring down this Bill unless we thought there was some necessity for it? We were told that if we proceeded with it there would be marked hostility to it, and that it would be better to withdraw it. The Government believe in a bold course being taken. We believe that if there is a difficulty we should face it and overcome it. We decided to state the position fairly to the House, and rely on a majority carrying the measure. It was for this reason that the Government, in spite of the threats made, decided to go on with the Bill. The honourable member said that our party was to be called upon, and that honourable members would support the measure from party motives, and would not act conscientiously; and he advised honourable members to act conscientiously. I hope the honourable member will apply his advice to himself. I also hope every honourable member will act conscientiously. I may tell the honourable member that this is not a party question at all. This is a matter of so much moment and of such importance that we say that members on both sides of the House should do what I believe, and what the Government believe, and what I think the great majority of the country believe to be the proper thing to do, and that is, to see that

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what has occurred in the other colonies shall not eventuate in New Zealand. If we had not done what Parliament has been asked to do this session, where should we be now? In reference to what we have done, I give credit to Parliament; the Government take no credit at all for it. We give the whole of the credit to the representatives of the people. What we have done has been prudent, and it has been beneficial; and we have not, as one honourable member said this evening, simply staved off the evil. We have absolutely averted anything occurring in New Zealand such as has occurred in Australia. My own opinion is that we have turned the corner. It only requires that we should complete the course which we have been going upon to make everything absolutely safe, and the measure now before us will do that. Let me tell the honourable member this: that in the Speech from the Throne we stated, as far as we could, that which was absolutely correct, and we made that statement from the only information which was then at the command of the Government.

Mr. DUTHIE.—Oh!

Mr. SEDDON.—A statement which I made in a speech at Foxton was challenged at the time. I have been able since to prove that what I then stated was absolutely correct—that the colony was being drained of its capital, and that it was going elsewhere. My statement was denied then, and in most of the newspapers of the colony I was taken severely to task because I made the statement. On the only information obtainable I made that statement at the time, and so far as we were aware it was absolutely correct. Then the crisis came, and further information was placed before the Government. I hope never again during my lifetime to have to go through the same thing. But when we had this information before us we decided upon a course which I still say was the correct one, and which I think will ultimately prove to have been a prudent and safe one for the colony and all concerned. Now that we have had an opportunity of obtaining the fullest information, it gives me very great pleasure to tell the House and the colony that the Government would be prepared to take the same course and ask the House to support us in the guarantee.

Mr. G. HUTCHISON.—The House would not do it again.

Mr. SEDDON.—My own opinion is that the House would; and the House in doing it would act wisely. Now, there is another phase of this question. We have been told by speakers to-night, and newspaper extracts have been quoted, and assertions made that the Government were the first to suggest or propose amalgamation. That has been stated time after time on the floor of the House, and I have seen it stated in the papers. Now, I simply wish to say this: that it was neither the Colonial Bank nor the Government that first proposed amalgamation. I have not stated that before, but, as it has often been challenged, I think, in justice to the Colonial Bank, that

I should state the plain facts of the case. As regards the statements with reference to the Government on this point, honourable members are at liberty to say what they please; but, with regard to the Colonial Bank, it is only a fair thing to say that what has been stated in the Press and on the floor of this House is absolutely incorrect. Now we come to another phase of the question, and that is what was referred to by the honourable member for Wellington City (Mr. Bell). He said that there would be an enormous loss on the guarantee that we had given. Well, I would say this: that if there is a loss I should put it at the door of the honourable member and the other honourable gentlemen who, with him, in season and out of season, have been decrying what we have done, and who have been endeavouring, as far as it was in their power to do so, to injure the credit of our local institutions. I have been silent so far, but I now simply wish to state this: that if anything was to occur now I should lay it at the door of the honourable gentleman and of other gentlemen in the House who, in season and out of season, have done their best to cause a loss on the guarantee that we have given. I say that what was intended by the Legislature, and what was intended and what was wanted at the time, was something to give stability to the bank, and to prove to the creditors and the world that the colony had every confidence that all would in the end come right. The guarantee was given for that purpose, and before it was finally completed members were saying that we had no right to do it—that serious consequences would result, and that practically we were throwing away the money. I say that no commercial man would indorse another's bill and then go about and say, "Smith is clean gone; he will never be able to meet his liabilities; his business cannot succeed, and he is practically insolvent." I ask you, would that be friendly? would it be businesslike? I am not saying anything about friendship, but that is the position my honourable friend the member for Wellington City and those with him take upon this question. Why does he make these statements—these innuendoes? What could be gathered from his speech and the speech of the honourable member for Patea. It was this: that the colony in giving the guarantee would be a heavy loser; and that the institution we had secured was in a very unsound position. The honourable gentleman went so far as to say it was insolvent. The honourable member for Patea did not go quite so far, but I will take his words. He said this: "He would simply say that had the figures been known we should not have given the Guarantee Bill." It is only blinking at its matter to say otherwise. He might just as well have said this: "Had the true position of the Bank of New Zealand been known, we should never have given the guarantee." I say that by his innuendo he was conveying what the honourable member for Wellington City had said in another way. It is pleasing to me to know—notwithstanding the innuendoes of members on the floor

of the House, notwithstanding that they dislike the Bank of New Zealand,—that its business is still flourishing, and that the people of the colony have the fullest confidence in it. It seems to me that it is a wonderful institution to be able to survive what it has survived in the colony; and it will survive, because it has the people and the representatives of the people behind it; and I again repeat that, with the fullest information before it, the Government would not alter the course adopted, and that we did the proper thing in giving the guarantee. What has happened here, on the floor of the House? I should like to say what has happened since we gave the guarantee. Not a single day has passed but we have had questions on the Order Paper containing some attack on the Bank of New Zealand or on the Colonial Bank. I ask again, is that a wise or a prudent course for the representatives of the people of the colony to take? What is the object that they have in view? Is it patriotism? Is it a desire to save the taxpayer? Is it for the purpose of eliciting information? It was done in the interest of foreign institutions which are no friends of our colony. I say, if they were friends of our colony, under these circumstances, and knowing, as they must know, what has occurred and what is occurring—I say that, instead of inciting and aiding and abetting those foreign banking institutions, which are and have been so antagonistic, they ought to have helped the Government, and united themselves to help the people and the colony out of the difficulties we were labouring under—difficulties which were not of our creating, for the money was taken away from the colony by at least one institution which we know of. And since we have had this legislation, and the crisis was averted, we have been told by members on the floor of this House that money is plentiful at a lower rate of interest, and that things are more cheerful, and that that condition of things is due to members of this House, who, like wise men, have helped us to overcome the difficulty; and for that we all are entitled to reward. I would earnestly urge upon honourable members not to make any more speeches such as we have just listened to—speeches which, when they appear in *Hansard*, will be regretted by those who have made them. We ought to be more cautious. What the honourable member for Wellington City (Sir R. Stout) said was the proper thing—“That, whatever we do, we should not forget our responsibility.” We are not doing anything more now than was done under the Bank-note Issue Act of 1893 and the Bank-note Issue Act of this session. What was in the Bill in a former part of the session was the question of responsibility in the declaration to be made, and the responsibility rests with the Government of the day, whoever they may be when the Proclamation is required in connection with the note-issue. What is intended to be given by Parliament is done. These are the reasons I have to give, briefly, to the House. In asking it to pass this legislation we are

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practically doing what was asked of us. Time after time we have been asked, “When are you going to bring the banking legislation forward?” What was thought by some honourable members was this: that we should bring forward legislation for a complete scheme of amalgamation, and that we should ask the House to consent to such amalgamation.

Mr. BELL.—The Colonial Treasurer told us so.

Mr. SEDDON.—The Colonial Treasurer did nothing of the kind.

Mr. BELL.—He said it would be a good thing.

Mr. SEDDON.—I remember what the Colonial Treasurer said. He does not carry his thoughts upon his sleeve, that he who runs may read them. I know what his answer was, and it was this answer which caused these frequent inquiries: “When are you going to bring down your banking legislation?” It came down, and those honourable gentlemen have been taken aback. They expected something to come down which they could criticize adversely, but, instead of that, it is a simple little Bill of two clauses, and one of the clauses I think nobody will vote against. I think that if they are a little disappointed their disappointment should not find vent in a desire to injure institutions which are deserving of, and are entitled to, our support, and I will ask honourable members to deal with the matter as business-men. I say that the law requires altering. We are asking the House to assist us in the alterations that are necessary to enable us to be prepared for any emergency. We felt, as the law stood, when the difficulties were pointed out to us, that if we did not take the House into our confidence, and tell it what was required, we might find ourselves in an emergency with our hands tied, and that we should be unable to do anything. Had we not done so we should be told hereafter that we ought to have taken the House into our confidence. The law as it is to be amended is to give relief should the necessity arise. By doing what we propose the position of every banking institution in the colony will be strengthened, and our proposals will act as a preventive. We are taking the bold course. We take the House and the country into our confidence. We see what it is necessary to pass, and if it is passed I say that we shall be proving ourselves to be prudent men by placing ourselves in a position to meet any emergency. The Colonial Treasurer and myself, however, do not think that there will be any emergency. In 1893 we were told that the banks were incurring enormous liability, and we were prepared to do something, but the banking institutions told us that they did not want any assistance. But I say it is not for those institutions to decide in a matter like this. There are times when some of these institutions make immense wealth when prices rise, but the responsibility is with us to ask Parliament to give us power should an emergency arise so that we may be prepared to meet it. The other colonies failed to make necessary provision, and owing to

their timidity and want of foresight they will suffer for years to come. People who had been prudent and thrifty, and had made provision for their old age, have become absolutely penniless, and are leading a life which they little expected and little deserved. We do not want that state of things to happen in our country, and I do not think it will happen, and all you are asked in this Bill is that, in case the necessity should arise, you will place yourselves in a position to meet it. The Colonial Bank, the National Bank, and the Bank of New Zealand are New Zealand institutions, and I say the whole of these New Zealand institutions are deserving of our support. They have been worked prudently,—and that has been proved,—and we should, as the representatives of the people, be the very last to do anything that would injure them. I feel satisfied that the good sense of the House will pass the Bill by a large majority; but I should like to see the House unanimous. Let us get it into Committee, and, as prudent businesslike men, do our work properly.

Mr. DUTHIE.—The Premier was pleased to say that I was acting in the interests of a certain bank.

Mr. SEDDON.—The honourable gentleman is mistaken. I never said so, nor intended to imply it. If I had said so I should at once withdraw it unreservedly.

Dr. NEWMAN.—Sir, the Hon. the Premier has made a speech; and what does it amount to? He tells us we should deal with this matter as statesmen. I think it is our first duty to endeavour to know what we are about. The Colonial Treasurer talked for half an hour, and told us nothing. I was very much struck with a clause the Treasurer put in the Financial Statement about the guaranteed loan of £3,000,000, in which he said, "I take the opportunity of complimenting the House on the courage displayed by its members—a marked characteristic not altogether unexpected in dealing with a critical emergency." It was the courage of seventy rats caught in a barn, and not knowing where to turn for escape. The House was caught in a hole, and did not know where to turn, and members voted in the way they were obliged to vote; but, as to courage, they were driven into a corner and could scarcely help themselves. One of the great drawbacks in connection with our banking legislation has been that the Colonial Treasurer has given us no information. It has all been done by surprises. Not one of the Bills has been referred to the Public Accounts Committee, and no consideration has been given to the Bills by the House, and no knowledge afforded us. Last year this House in a single night—panic-stricken because a few men and women in Auckland got greatly excited and made a run on the savings bank in a moment of alarm, without adjourning, passed a Bank-note Issue Bill guaranteeing a million of bank-notes. After that was guaranteed the House had rest for a short time; and this year, at the beginning of the session, the House passed, in a single night, a guarantee of two

millions—thus guaranteeing, in two nights, without consideration, no less a sum than three millions. Then, the honourable gentleman talks about statesmanship. What has been the position? We passed a bank-note issue guarantee Act last year—the honourable gentleman did not know how it would affect the banks—and this year he brought down a Bill altering and amending that Act; and again, just at the end of the session, he brings down a third Bill amending it. Where is the statesmanship, where is the wide knowledge, when the Government within fourteen months bring down three Bills amending one single Act? I want to draw the attention of the Colonial Treasurer to two or three things in connection with this guarantee. When we passed the Bank-note Issue Act of last year it was to remain in force for fourteen months. Well, I take it that Act ought at this time to have run out, and should not be renewed. We are here asked to renew it for another fourteen months. It would be much better if the honourable gentleman would accept an amendment that the Bill should run for two years and not be "renewed." Then the banks might have time to put their house in order, and the guarantee would not run on year after year. If it does, there will be no improvement, but we shall go from bad to worse. There ought to be a definite termination to these engagements. Then, I would draw attention to this: Under the Bank-note Issue Act of last year and this year, should any banks which had dealings in Australia choose, they could bring their notes over here, and could shovel a lot on to the Colonial Treasurer and make him exchange them for gold. Is not that the case?

Mr. WARD.—Certainly not.

Dr. NEWMAN.—They could do it to a very considerable extent. If they had not sufficient securities up to the full amount here they could recall them from Australia, float them with the honourable gentleman, and withdraw the securities—that is, having told the Treasurer they had so much security here to-day, ask him to guarantee their notes, and, having got that guarantee, turn round and ship away the lot. I will ask the Treasurer to say, in his reply, in what clause of the Bill this is prevented. Now a word or two about amalgamation. There is no question that this Bill has been put off from day to day because the Ministry have been wondering how much they could ask the House to swallow; and this little Bill—is this the result? I would ask the Treasurer why he brings down clause 8. He has power under the Bank Guarantee Bill we passed two or three months ago to veto any amalgamation. Then, if so, what is the need for a Bill like this? It seems to me his followers are not prepared to trust him to this extent, and therefore he is giving it to them in writing. That is what it amounts to. If the honourable gentleman had not been afraid of his followers not taking his word we need not have had this Bill. I do hope the House will strike out clause 2; and, as for clause 3, it does not matter whether it is there or not.

Mr. G. J. SMITH.—I agree with the Premier that this is a very important Bill, and I agree that it ought to be very carefully considered, and to be voted for on its merits and in what we consider the best interests of the country. So far as section 3 is concerned, I feel sure the House will be almost, if not entirely, unanimous in agreeing that it is a most important clause—one that has been looked for, and will be passed unanimously. But, when we come to clause 2, there is a considerable difference of opinion. I should like to make a few remarks with reference to the words the Treasurer proposes to add with regard to the security for bank-note issue. The words he proposes to add are to be added to section 3 of "The Bank-note Issue Act, 1893." At present the law is that the note-issue shall be the first charge on all the assets and property of the bank. He proposes to add certain words in reference to paid-up capital. I should like to point out that the Bank-note Issue Act of 1893 already covers the addition. The words "assets and property" cover everything he proposes to add. It is therefore a merely verbal alteration, which means nothing. The Act of 1893 gives power to the Governor in Council to declare notes legal tender, with the proviso that the assets shall exceed the liabilities by at least the sum of the paid-up capital and reserved profits. At the beginning of the session we passed an Act which omitted the words "reserved profits;" and it is now proposed to take out the paid-up capital, leaving only the assets as against the liabilities. I should like to ask the House to consider what this alteration actually means. As I understand it, it means that the assets are to be put against the liabilities; and the assets are to be calculated not on the real value, but on the value as disclosed in balance-sheets. The colony guarantees the note-issue, which is the first charge on the assets of the bank. I agree with the senior member for Wellington City that so far as the guarantee is concerned it may be quite right, and we shall make no loss; but I would ask, have the creditors of the bank no rights? Are we to protect ourselves and leave the creditors of the bank out in the cold? In my opinion we ought to leave the law as it stands at present, and we should be satisfied as between the bank and its creditors that its assets exceed its liabilities by at least

1.0. the sum of paid-up capital. I think, so far as that is concerned, we have gone quite far enough, and that, in the interests of the bank, in the interests of the colony, and in the interests of business generally, we ought to refuse to take these words out. Now, what is the object of the guarantee? The guarantee, I take it, would not be given to prop up a failing institution. The guarantee ought to be given where the bank itself is perfectly solvent, but where, owing to circumstances surrounding the business, it cannot meet its liabilities upon a sudden emergency. Then I conceive it would be within the duty and right of the colony to interfere, and to guarantee the note-issue. But I do strongly object to this colony entering into any further guaran-

tee of notes on behalf of any banks. I think the colony has already incurred quite sufficient liability, and ought seriously to hesitate before going any further. I agree with the honourable member for Marden with reference to this section, and in Committee, if no one else proposes it, I shall move that the section be struck out. I consider the Bill if passed into law with the 1st and 3rd sections is admirable; but if the 2nd section is left in I consider it will spoil the Bill entirely, and therefore I shall move in Committee to strike it out. There has been a good deal said to-night about the banking legislation of the earlier part of the session. That banking legislation is past, and I think, so far as members of the House are concerned, it will be as well for us to say as little as possible about it for some time to come. At the time we agreed with the legislation; we recognised the emergency, and the necessity for meeting it; but, in view of what has taken place since, and of the information we have received, I think it is wise, before congratulating ourselves too much, to wait and see the result of the business we have done. Sir, I shall support the second reading, and reserve to myself the right to move in Committee to strike out the 2nd section.

Mr. WARD.—Sir, I should like to say a few words in reply. I am sorry the honourable member for Wellington Suburbs is not in his place. That honourable gentleman delivered a speech just now which clearly, to my mind, showed that he did not at all understand the position so far as the amendment of the note-issue in this Bill is concerned. The honourable member talked flippantly about the transfer of a million of securities, and he gave a hypothetical case, and when he gave it he gave himself away absolutely so far as understanding this matter is concerned. He said that if a million of securities were transferred the note-issue might be increased to that extent. The honourable gentleman must be entirely ignorant of the terms upon which all lending institutions can issue notes. In the first instance, there is no alteration of the law now proposed which gives any one banking institution the right to increase the note-issue by a single pound beyond the amount prescribed by the Act under which they were established in the colony. The honourable member talked as though by transferring securities to the colony they could have an increased note-issue, and then could transfer the securities out of the colony. To my mind, such a statement as that from an honourable member who occupies a responsible position in this House, and who wants his opinions on these questions to be taken seriously, shows the complete ignorance of the honourable gentleman in connection with this matter. Let me refer to the speeches made by the leader of the Opposition, the honourable member for Wairarapa, the honourable member for Wellington City (Mr. Duthie), and the honourable member for Patea. What has been the substance of all their speeches? It has been a condemnation of the Government—an attempt to find fault with the Government

for what they have done in connection with the whole financial business. It is the easiest thing in the world for anybody to find fault. It is the easiest thing in the world for honourable members who have no responsibility, or very little responsibility, upon their shoulders to say, "I told you so. Wait till by-and-by: we will watch, and will judge by results," as the last speaker said. Now, I want to ask those honourable members if they have never read history in connection with financial crises. I want to ask those honourable members who are so very fond of telling us that we ought to accept the guidance of gentlemen who occupy in another part of the world the same side of politics as they do, have they ever compared their attitude, and the narrow view they have taken in connection with this matter, with the conduct of those gentlemen? I want to invite them to look back to what has taken place in connection with financial crises elsewhere. For instance, my honourable friend the member for Wellington Suburbs—who, I notice, has just come in—is always quoting from those gentlemen's speeches. He is always fond of quoting lords to us, and saying, "Look at the speech of Lord So-and-so in the House of Lords." These honourable members are always talking of those great authorities in order to show how wisely they act, and how desirable it would be that statesmen in this colony should follow them. Yet upon a financial matter of this kind, when those honourable gentlemen ought to be the followers of those they point out to us as examples, what do we find them doing? They find fault with a very light heart with the way the Government is dealing with these matters. But the honourable member has apparently quite forgotten some of the lessons of the history with which he is at times in the habit of favouring this House. Let me ask him to compare the attitude of himself and his friends on that side of the House with the attitude of the statesmen they refer to during the great financial crisis in England. What have they done? What was done in connection with the Bank of England? I should like to ask those honourable members who are always finding fault with the Government to look at what was done in 1825. In that year there was a great crisis in England, and those honourable members will find in Macleod's "Banking," Volume 2, what was done on that occasion. Probably, as the honourable gentleman does not like to take any authority in the colony for his guidance, he may be willing to take an authority I am going to quote as a guide for himself and his friends. Now, what happened?

Mr. G. HUTCHISON.—They then suspended the Bank Charter.

Mr. WARD.—I am glad to see the honourable member remembers that; but when he was criticizing the Government it was entirely forgotten by him. I do not think it is needful for him now to anticipate what I am going to read:—

"On Friday evening, the 16th, the *Courier*

said, 'We are happy to think that the worst is over, though there are still great demands upon the Bank, particularly from the country.' The same paper, on the next day, the 17th, said, 'Although public confidence is on the return in the metropolis, and things are resuming their usual course, yet, as might be expected, this has not yet communicated itself to the country.' In fact, the London panic was completely allayed in this week by the profuse issue of bank-notes."

Very well. Now, I merely wish to point out to honourable members that from the 16th to the 17th—that is, in one day—the Bank of England had notes issued to the extent of £5,000,000. And then it goes on in this same work to indicate what was done in the country in the same way; but what I particularly want to come to—

Mr. G. HUTCHISON.—No other bank issues notes but the Bank of England.

Mr. WARD.—Is it possible? I am glad to hear the honourable member say so, for that is exactly what I read out just now. Now, I want to read what occurred in 1866, and to refer to the Chancellor of the Exchequer—a gentleman whom the honourable gentleman quotes with apparent satisfaction, and claps himself on the breast when speaking of him to this House. I want to show what happened. It says,—

"The judgment in the case of the Mid-Wales Railway converted this into a complete ruin; and on the afternoon of Thursday, the 10th May, the terrible news spread through London that the great establishment of Overend, Gurney, and Co. had stopped payment, with liabilities exceeding £10,000,000—the most stupendous failure that ever took place in the city. This news only spread about after banking-hours, but every one could foresee what the effects would be the next morning. The Chancellor of the Exchequer said next evening in the House that the oldest inhabitants of the city declared that the excitement was without a parallel. Early in the evening he was questioned as to whether Government had authorised the Bank to issue notes in excess of the legal limit. The Chancellor replied that he had not yet done so, but that he had received a deputation from the private bankers, and was expecting one from the joint-stock banks, on the subject. Very soon afterwards this came; and the members of the Cabinet, having retired to a Committee-room, and consulted the Chancellor later in the evening, announced, amidst the loudest cheering from all parts of the House, that the Government, following the precedents of 1847 and 1857, had informed the Bank that, if they thought proper to make advances beyond the limit, the Government would bring in a Bill of indemnity. He also stated that the bank had advanced £4,000,000 that day.

"The announcement of the suspension of the Bank Charter Act produced the best effects next morning. The Bank raised its rate to 10 per cent., and everything was calmed down; and, though subsequently to this some other

stoppages took place, yet the knowledge that the Bank had power to make advances on good securities abated the panic. On the 18th May the Chancellor of the Exchequer stated that the Bank had advanced £12,225,000 in five days. The sum that was paid away during the panic can probably never be known, but it was something perfectly fabulous. It has been said, though, of course, we know not on what authority, that one great bank alone paid away £2,000,000 in six hours."

Now, contrast this with the attitude of honourable members opposite. One evening the Chancellor of the Exchequer announces that in consequence of a run upon a private institution—an institution which had a capital of ten millions of money—after conferring with his colleagues, he comes down and asks authority—for what? Authority by which in one day four millions of money are issued, and within three days twelve and a half millions.

Mr. G. HUTCHISON.—The Bank of England did not increase its note-issue on that occasion. Its ordinary issue was sufficient, with a high rate of interest.

Mr. WARD.—On the 18th of May the Chancellor of the Exchequer said that the Bank had advanced £12,225,000 in five days; and the honourable member knows perfectly well, I think—and he ought to know it if he does not—that such an issue has been authorised whenever a panic has taken place in London; and that the Bank of England was authorised to issue notes within a radius of forty miles.

Mr. G. HUTCHISON.—I say on that occasion the Bank of England did not issue beyond its limit, although authorised to do so.

Mr. WARD.—The honourable member is trying to draw a red-herring across the scent. What is the attitude of that honourable gentleman and of those who act with him in opposing the Government? Their attitude is this: that the Government of the colony, for the purpose of averting a crisis, should take no responsibility upon its shoulders.

Mr. G. HUTCHISON.—No, but should safeguard itself in a proper way.

Mr. WARD.—Only in such a way as the honourable member might suggest; and, because the honourable member is not here to safeguard the colony in the way he thinks best, every other attempt to safeguard it is wrong. That is the sum and substance of the honourable gentleman's argument. Now, what is the proposition in connection with this note issue? All we are asking the House to do is to enable an institution, should any emergency arise, and should it want to take advantage of the note-issue, to be in a position to show that its assets are in excess of its liabilities—that the amount of its capital is in excess of its liabilities only. It is the absence of this limitation that renders the present Bank-note issue Act in certain cases unworkable and useless, and that we are asking the House to remove. Then, honourable members talk, as the honourable member for Wellington Suburbs has done, about a million of securities being transferred. I am

surprised at the honourable member. He is not looking at the position of the whole of these banks in connection with the note-issue. Every one of them is limited to the coin in reserve, the bullion, and the Government securities held—every one. But the honourable member talks about the possibility of a million of securities being transferred to the colony, and an issue to the extent of a million being obtained, and after that these securities are to go back to the Australian Colonies. That is how the honourable member talks; but I tell him that is impossible.

An Hon. MEMBER.—Why?

Mr. WARD.—Is the coin reserve—the Government security—the million of securities transferred from the other side? The honourable member surely cannot have read the Act in connection with the bank-note issue business. If he reads it he will find it is a note-issue within the colony. How can the honourable gentleman say a bank is enabled to transfer securities from other colonies, and ask the House to believe his suggestion that a million of securities from other colonies could be transferred here and used in that way? He suggests that the main note-issue Act does not provide for an issue in this colony only. Now let me come to the question raised by the honourable member for Wellington City (Mr. Bell). He referred to what I admit at once to be the correct position—the impossibility of the colony being able to get security over assets beyond the colony. The honourable member for Patea referred to that as well. Everybody knows that, and nobody denies that for a moment. We do not propose—there is no such suggestion in the Bill as taking security over assets beyond the colony. But if honourable members will refer to the note-issue Act they will find that the terms of the law are that "the Governor in Council may," so that it is not mandatory at all. Supposing, for instance, an institution had the bulk of its assets outside the colony, and asked the colony to authorise the issue of notes in the way proposed, do honourable members think the Government would be foolish enough to do it? If they do they make a mistake.

Mr. G. HUTCHISON.—The Act allows you.

Mr. WARD.—Does the honourable member suppose every one else is bereft of common-sense but himself, and that if the emergency arose—because the Act necessarily must give some latitude, and the Government thinks it is necessary in the interests of the colony—it must do so in all cases?

Mr. G. HUTCHISON.—You can take the right.

Mr. WARD.—Yes; we can take the right. We do not take the wrong, and there is no intention of doing it. The honourable member for Wellington City (Mr. Bell) must know that in the exercise of a heavy responsibility and a duty, such as this is, no Government would do anything but what it believed was in the interests of the colony. If the honourable member for Wellington City (Mr. Bell) sat on these benches, I would trust him in a grave emergency absolutely to do what he thought

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was best in the interests of the colony. I would even trust the honourable member for Patea to do so, and that is saying a great deal more. They do not do us justice, and they imagine, if the emergency arose, that we would not do the best we could to conserve the interests of the colony. They ought to give us the same credit that we should be prepared to give them if they were upon these benches. Let me refer briefly to the speech of the honourable member for Wellington City (Mr. Duthie). I think it is a regrettable speech. It is a speech which the honourable member, when he calmly thinks over it, cannot congratulate himself upon having made. Let me recall to the House the points which the honourable member raised in discussing the report from which he read—I mean the report contained in the *Scotsman*. Let me point out one important fact. In the first instance, what did he indicate to the House? He indicated that, from the information contained in that report, certain losses were likely to be made in connection with this institution. Does the honourable member suppose there would ever be a necessity for the colony to come to the rescue of the institution if everything were going on well with it and it were making profits all over the world? Could anything be more ridiculous than to suggest, as the honourable member did, that if the institution never made losses it should be guaranteed? Why, Sir, it was the very fact of its having made losses that called for the special assistance which was afforded it by the colony; and the honourable member, in harping upon that, and making the damaging statements which he attempted to make against the bank, did a great injustice to the colony itself: not to the institution, because the honourable member must know, if he and his friends were successful in the strictures they have made from time to time upon the Bank of New Zealand,—if they compelled this institution to go into liquidation,—what the result would be. Do they suppose that some of the strongest institutions which do business in the colony, which are not owned in the colony, would not suffer also? If they suppose that, then all I can say is that they must lack all business acumen. The honourable gentleman's speech, if it meant anything at all, meant that he had well calculated what the effect would be. A speech of that sort delivered by an honourable gentleman occupying a high position in the commercial world, which he does, is calculated to do that which every one should try to prevent. What is the use, when honourable members know we have given the guarantee for ten years, and know what that guarantee was given for—what is the use, I ask, of saying and doing things which they know may deprive the colony of the opportunity of getting that guarantee right, and may deprecate the institution to which it has been granted? That is what the honourable gentleman has done.

Mr. DUTHIE.—So that members may not be led blindly into more things of the kind.

Mr. WARD.—I say the honourable member has taken the very course to bring about the

thing which he should deprecate. He evidently does not wish the colony to enter blindly into more. Neither do I; but he makes a speech which, whether he intends it or not, he must in his calmer moments wish that he had not made.

Mr. DUTHIE.—All I said was deliberately said.

Mr. WARD.—Then, I can only regret that the honourable member makes deliberate statements of the kind, and apparently statements which he had thought out, and which he must realise are statements that are calculated to injure every man in the colony, if what he thinks should come about. The honourable member invites it, and assists to bring it about, and the effect of what he states will be to injure more than anything else the commercial men in the colony.

Mr. DUTHIE.—You are now mixing things up.

Mr. WARD.—Sir, if that is the honourable member's case, I should not like to be in his frame of mind. If he were here on these benches, and I were in opposition, in discussing whether it is a good thing or not, the fact that anything that was done was being done in the interests of the colony would make it my business—as it is the business of every man who wishes well to the colony—to do all I could to bring the guarantee out right. There is nothing to be gained by making speeches such as my honourable friend has made to-night, and which, as I say, are only calculated to do the very reverse of what we are all trying to do. Again, the honourable member asks why this legislation is brought down, and other honourable members ask the same question. He and other honourable members on the other side of the House, ever since the guarantee was given, have been continually firing questions of every sort about the institution across the floor of the House day after day and week after week. Honourable members on the other side of the House have been doing that sort of thing for political purposes.

An Hon. MEMBER.—Not at all.

Mr. WARD.—Well, Sir, a few of them have. Some honourable gentlemen, apparently for political purposes, have made up their minds to make capital out of the financial exigencies which unfortunately occurred and caused the colony to give the guarantee, and they seize every chance to attempt to embarrass the Government in connection with what has been done in the matter. That appears to be the sum and substance of the whole matter; otherwise I cannot understand sensible men, and men who should have the welfare of the colony at heart, making speeches which tend to injure every man, woman, and child in the country. I cannot for my life understand that; and I say it deliberately.

Mr. SAUNDERS.—May I be allowed to ask the honourable gentleman to tell us whether he will accept the amendment to confine the operations of clause 2 to the Bank of New Zealand only?—because our votes depend upon that a good deal.

Mr. WARD.—The amendment of the honourable member is the same suggestion that came from the honourable member for Wellington City (Mr. Bell), to confine this note-issue entirely to the Bank of New Zealand. I say, if honourable members want to do the bank an injury, they should propose and support that. I say that will be the effect of the proposal if it is carried. In my opinion, if honourable members want to do a good turn to the institution to which I refer, they should not support that amendment.

Mr. G. HUTCHISON.—It would be an injury to the other banks.

Mr. WARD.—The honourable member is quite welcome to his own opinion, but I think he should have sufficient idea of the way in which business is carried on in the world to know differently. Surely, if any particular institution is singled out in this manner, there can be only one opinion in the minds of people about it outside, and that is that something extraordinary had taken place in order to cause such a condition to be attached to one institution. Whether the honourable gentleman desires to do this I do not know. I am perfectly certain the honourable member for Selwyn is not actuated by a desire to do anything but what is right, and what is best for the country. I tell honourable members, with a sense of the responsibility that is on my shoulders, what the effect of that will be. It is not that this institution has specially asked for it. We say that it is desirable in the interests of the country. If an emergency arose in the country the Government, having the responsibility during the recess of conducting the affairs of the country, should, if necessary, exercise that responsibility.

An Hon. MEMBER.—Whether there was a margin or not?

Mr. WARD.—That is a different matter altogether. I am surprised at the honourable member suggesting it.

An Hon. MEMBER.—That is why we are wanting to limit it.

Mr. WARD.—The honourable members who have been advised in connection with this matter have not had good advisers. If this country had been unfortunate enough to have had those honourable gentlemen in office, and if the expressions of opinion given utterance to since the Government has been called upon to face this matter were entertained and expressed when a crisis was pending in the colony, then it would be a very bad thing for New Zealand; because it is quite evident to me that such a Government would not have had the pluck to accept the full responsibility for whatever might happen. A grave emergency arose, and we believed it was our duty to do what we have done, and we did not shirk it. But if those honourable members had been upon these benches, judging from the half-hearted way they have acted and the want of courage they have displayed, what would have happened? Why, they would have woke up after the whole affair was over—would have let the crisis come

on and have tried to stop it when too late; and they would have said—

Mr. BELL.—I never wavered in my support of the guarantee to the bank.

Mr. WARD.—I admit that the honourable member consistently supported the guarantee to the bank. But, Sir, he was an exception. We find that an honourable gentleman, a calculating man of business, who says he carefully weighs everything he does, and who should take care, as a merchant in this colony, not to say anything that would injure other business-men, got so carried away by excitement this evening that in this case he has not realised the fact that any injury which was done to this institution by his remarks and action might be severely felt by the whole commercial community. We can only account for it by supposing that probably his judgment was warped. If this Bill is not passed I tell the House that it will entail a great responsibility. That is undeniable, and I tell the wiseacres so. That the result, had we not acted promptly with our guarantee, would have been very serious to the whole of the colony is beyond question. No one can deny that; and in the event of this Bill not being passed a serious responsibility rests on the shoulders of honourable members. I do not believe in people who afterwards say, "I do not think it ought to have been done." I think very little of that sort of thing, and of those people who desire to shirk responsibility. The honourable member for Patea is now prepared to condemn what the Government have done.

Mr. G. HUTCHISON.—I did not shirk the responsibility.

Mr. WARD.—The honourable member virtually shirked the responsibility, as he wanted to refer the matter to the Public Accounts Committee. He wanted to shelter himself behind that Committee, knowing perfectly well that the Committee would come to the House, and that the House must take the responsibility. I want to say one word in reply to the honourable member for Christchurch City (Mr. G. J. Smith). He asked if the creditors of this bank had been considered. Does the honourable gentleman mean to say that the State should not step in and take the first security? No; I say that, if the State should step in for the purpose of preserving the credit of our institutions—

Mr. G. J. SMITH.—The State has the first claim on the bank, and, if the honourable member will allow me, what I said was, if you take away the paid-up capital, the note-issue comes first, and possibly there may be nothing for the creditors at all.

Mr. WARD.—Then, I think it is quite right that, where the State steps in and takes the responsibility in order to preserve the credit of any institution, it should safeguard itself; and the creditors ought to be very glad that the country is prepared in an emergency to preserve them from trouble. I have only to say, in regard to the position of this matter, that I again repeat that there is no such thing as authorising an extra amount of note-issue by

any institution in the colony. An alteration in the Bank-note Issue Act of 1893 is necessary, because if the emergency should arise it would be absolutely impossible in certain cases for the necessary declaration to be made to warrant the Governor in Council coming to the rescue if it should appear to be necessary. I have now only to move the second reading of the Bill.

The House divided on the question, "That the Bill be read a second time."

AYES, 49.

Bell	Hogg	Pere
Buddo	Houston	Pinkerton
Buick	Joyce	Pirani
Button	Kelly, W.	Russell, G. W.
Carnell	Lang	Seddon
Carroll	Lawry	Smith, E. M.
Collins	Mackintosh	Smith, G. J.
Crowther	Massey	Stevens
Duncan	McGowan	Steward
Flatman	McKenzie, J.	Stout
Fraser	McLachlan	Tanner
Graham	McNab	Ward
Green	Millar	Willis.
Guinness	Mills	
Hall	Montgomery	<i>Tellers.</i>
Hall-Jones	Morrison	Larnach
Harris	O'Regan	Maslin.

NOES, 16.

Allen	Mackenzie, T.	Thompson
Buchanan	McKenzie, R.	Wilson.
Earnshaw	Meredith	
Heke	Newman	<i>Tellers.</i>
Hutchison, W.	Russell, W. R.	Duthie
Kelly, J. W.	Saunders	Hutchison, G.

PAIRS.

<i>For.</i>	<i>Against.</i>
Cadman	Te Ao
Mitchelson.	McGuire.

Majority for, 33.

Bill read a second time.

The House went into Committee on the Bill.

IN COMMITTEE.

Mr. R. MCKENZIE moved, That progress be reported.

The Committee divided.

AYES, 15.

Bell	Hutchison, G.	Stout
Crowther	Lang	Thompson.
Earnshaw	Massey	<i>Tellers.</i>
Graham	Newman	Buchanan
Green	Russell, W. R.	Mackenzie, T.
Heke		

NOES, 37.

Buddo	Hogg	Millar
Buick	Houston	Montgomery
Button	Hutchison, W.	Morrison
Carnell	Kelly, W.	O'Regan
Collins	Lawry	Parata
Flatman	Maslin	Pinkerton
Fraser	McGowan	Pirani
Hall	McLachlan	Russell, G. W.
Hall-Jones	McNab	Saunders
Harris	Meredith	Smith, E. M.

Smith, G. J.	Ward	<i>Tellers.</i>
Stevens	Willis.	Joyce
Steward		Mills.

PAIRS.

<i>For.</i>	<i>Against.</i>
Duthie	McKenzie, J.
Kelly, J. W.	Mackintosh
McGuire	Mitchelson
McKenzie, R.	Larnach
Mackenzie, T.	Green
Newman	Millar
Te Ao	Cadman
Wilson.	Duncan.

Majority against, 22.

Motion negatived.

Clause 2.—"The words 'by at least the sum of the paid-up capital,' in the first proviso to section five of 'The Bank-note Issue Act, 1893,' are hereby repealed."

Mr. SAUNDERS moved to insert at the beginning of the clause the words "The terms expressed in," and to strike out the words "are hereby repealed," with a view to insert, in lieu thereof, "shall not be made a condition precedent to the issue of the Proclamation mentioned in the said first proviso as far as the Bank of New Zealand is concerned."

The Committee divided on the question, "That the words 'The terms expressed in' be inserted in the clause."

AYES, 14.

Bell	Hutchison, W.	Saunders
Buchanan	Lang	Smith, G. J.
Crowther	McNab	<i>Tellers.</i>
Earnshaw	Montgomery	Meredith
Heke	Russell, W. R.	Thompson.

NOES, 35.

Buddo	Hogg	Pere
Buick	Houston	Pinkerton
Button	Hutchison, G.	Pirani
Carnell	Kelly, W.	Russell, G. W.
Carroll	Lawry	Seddon
Collins	Maslin	Smith, E. M.
Flatman	Massey	Stevens
Fraser	McGowan	Steward
Graham	McLachlan	Willis.
Hall	Morrison	<i>Tellers.</i>
Hall-Jones	O'Regan	Joyce
Harris	Parata	Mills.

Majority against, 21.

Amendment negatived.

Mr. G. HUTCHISON moved to add the following words at the end of the clause: "The words 'in the colony' shall be read as inserted after the words 'assets' and 'liabilities' in the said proviso."

Amendment agreed to, and words added.

Mr. WARD moved to add the following words: "and section three of the same Act is hereby amended by inserting after the word 'property' the words 'including the paid-up capital, un-called capital, and reserve fund.'"

Amendment agreed to, and words added.

The Committee divided on the question, "That clause 2, as amended, stand part of the Bill."

AYES, 88.

Buddo	Kelly, W.	Pirani
Button	Lawry	Russell, G. W.
Carnell	Maslin	Seddon
Carroll	Massey	Smith, E. M.
Collins	McGowan	Stevens
Flatman	McLachlan	Steward
Fraser	Morrison	Ward
Graham	O'Hegan	Willie.
Hall	Parata	<i>Tellers.</i>
Harris	Pere	Joyce
Hogg	Pinkerton	Mills.
Houston		

NOES, 15.

Bell	Hutchison, W.	Saunders
Buick	Lang	Thompson.
Crowther	McNab	<i>Tellers.</i>
Earnshaw	Meredith	Buchanan
Hall-Jones	Montgomery	Smith, G. J.
Hutchison, G.		

PAIRS.

<i>For.</i>	<i>Against.</i>
Cadman	Te Ao
Carncross	Russell, W. R.
Duncan	Wilson
Green	Mackenzie, T.
Larnach	McKenzie, R.
Mackintosh	Kelly, J. W.
McKenzie, J.	Duthie
Millar	Newman
Mitchelson.	McGuire.

Majority for, 18.

Clause agreed to.

Bill reported, with amendments.

On the question, That the Bill be read a third time,

Mr. G. HUTCHISON said,—I desire to take this opportunity to protest against the manner in which the Bill has been forced through Committee, and is now being forced through the third reading. It is a Bill of the utmost importance, which may involve not less than the sum guaranteed to the Bank of New Zealand in the early part of the session. It is a Bill, so far as can be seen, likely to be pernicious as suggesting recourse to State aid by banks which can do very well without it. We have had no proof or evidence of any kind, other than the assertion of the Minister, that such assistance is required. For my part, I believe that no banking institution in the colony has asked for protection. I think we ought to hesitate before following Australian banking legislation, unless it is shown to be actually necessary. It has been claimed by the Government that they are strengthening the banking institutions by this Bill. I cannot believe it. So far as I know, the Bank of New Zealand requires no assistance of this kind. It has just raised two millions on the guarantee of the colony, £500,000 of which is understood to be intended as a gold reserve, and another million of it invested; thus making the bank apparently quite superior to any danger such as might be averted by making its note-issue legal tender. I desire to say that in Committee I proposed to move the following new clause: "Notwithstanding anything to

the contrary contained in the Public Revenues Act, the Public Account of the colony is required to be kept in the Bank of New Zealand." The Premier, speaking, of course, for the Government, resented the proposal as a slur upon himself, quite ignoring the fact that it could not have been intended in that sense at all. We know from the public prints that an attempt has been made on the part of the Colonial Bank to secure one-third of the Public Account; and, in the circumstances, I think it was only proper to propose such an amendment as this, seeing that I had previously put a question on the Notice Paper which had been replied to evasively by the Colonial Treasurer. Of course, the Premier having referred to this as a matter which would be determined as upon a question of confidence or no confidence in the Government, it was useless for me to press the proposed clause. But I urged again and again in Committee that he should give an assurance that the bank account would not be disturbed. I am sorry to say that the Premier did not respond to that invitation, but appeared to me to steadily refrain from meeting it in a straightforward way. I trust, however, that the Government will not, during the recess, alter the Public Account from the Bank of New Zealand. We are more and more bound to that institution now in all legitimate matters affecting the public finances of the colony. But, if the Public Account is to be broken up, then there is no reason why, if the Colonial Bank is to receive a share, another New Zealand bank—the National Bank—should not also receive an equal share.

Mr. BUCHANAN.—The present Government has already been the means of unloading some of the burdens of this bank on to the shoulders of the taxpayers of the colony, and I regard this Bill as going still further in that direction. I hope and trust that the taxpayers throughout the colony will mark, learn, and inwardly digest the conduct of the Government in this matter. I protest in the strongest possible manner against putting such provisions upon the statute-book as are contained in the 2nd clause of this Bill. I consider that they give a power to the present Government which should not be given to any Government—namely, that of guaranteeing bank-notes on altogether insufficient security. I also protest against the manner in which the Bill was passed. The hour at which we are now sitting

here is anything but creditable to the 4.30. Parliament of New Zealand, and is another outrage by the present Government upon the liberties of the members of this House. They have a majority behind them which enables them to carry any legislation they desire, and to conduct the business of this House in any manner they choose. I deeply regret that that majority should allow themselves to support the Government in conduct of this character. I have, however, discharged my duty as a member of this House by protesting and voting against such legislation, and I can do no more. The responsibility must rest with the Government, but not the

whole. A liberal share of responsibility must rest upon members who, entirely against their own convictions, are supporting the Government in their iniquitous course. I can do no more than record my protest against the passing of this Bill.

Mr. BELL.—I have only one sentence to speak, and that is to express my conviction that there is an engagement now under way between the Government and the Colonial Bank, and that as soon as possible they will enter into an engagement with the Colonial Bank by which part of the funds of the colony will be placed with that bank: and the sign and token of it is the action of the Colonial Treasurer upon the motion of the honourable member for Patea.

Mr. THOMPSON.—I merely wish to place on record that I decline to take any responsibility for the passing of this measure. I regret very much that there is any necessity for the passing of the measure. We are told there is a necessity, and that is all we know about it. It is a measure which I feel satisfied will be the means of involving the taxpayers of this colony in the liability for a very large amount of money. I am afraid, when I look back upon the divisions that have been taken to-night, that the interests of the banks are considered more by members of the House than the interests of the taxpayers of the colony. I am very sorry to have to make these remarks, but I know I am here as representing the people who sent me here, and I am bound to place my opinions on record. I fear the result of to-night's work will be very serious to the colony. I hope I may be mistaken, but that is my honest conviction. I am sorry it has been thought necessary to pass such a Bill. However, I must bow to the majority. I have no wish to cast any blame on the Government. The Government may have some reasons best known to themselves for forcing through the Bill; therefore I am not going to throw any blame upon them. At the same time I decline to take any responsibility in connection with the matter.

Mr. SEDDON.—I think that at this hour of the morning honourable members do not desire that any remarks which are made should be of a lengthy character. Members who have fought for the passing of this measure have voted from conviction, and believing they were voting for that which will be in the interests of the country. I say there has been no forcing of the measure through at all. Is it to be thought that half a dozen members, who hold views different from those held by some forty or fifty other members, should be allowed to prevail because they refuse to permit progress to be made—such refusals as we have had here from time to time to-night? The question arises, Should forty or fifty members be sent home in deference to the opposition of half a dozen—in fact, less than that, because they were not, I believe, more than three or four—or is the business of the country to progress notwithstanding this opposition? That is really the position; and

I would myself say to the honourable member for Patea and the honourable member for Wairarapa, who stated that this measure has been forced through, that it has not been forced through at all. What the majority had to insist upon was that a mere handful of members should not block the business of the country. That is what the Government had to do, and that is not forcing business through. It is simply insisting that progress shall be made irrespective of such opposition. It is well known that those who are a majority in favour of the Bill are not responsible for being here at this hour of the morning, and I say that under ordinary circumstances the members who have caused this waste of time ought to tender an apology to those members who have been kept here to do the business of the country. I tell the honourable member for Wairarapa and the honourable member for Patea that they have no right to say that the business has been forced through: there has not been anything of the kind. Then, the member for Wairarapa says—and he is perfectly right—that it is very strange that none of the institutions in the colony want this legislation—that none of them had asked for it.

Mr. G. HUTCHISON.—Neither have they.

Mr. SEDDON.—The honourable gentleman is absolutely correct in both statements—that none of the institutions have asked for it and none at present want it; but when the Government found that there was a defect in the law, and found that the other colonies had made an alteration in the law to meet any emergency that might arise, we considered it our duty, after carefully considering the matter, to put our legislation in such a state that if an emergency did arise it could be met. These, Sir, are the circumstances that led the Government to take this step, and we knew that in proposing it there would be opposition to any banking legislation proposed here on the floor of this House; on such a very large question there are members holding diverse views. Consequently I fully contemplated that this would take place; and I say that, with the exception of one or two speeches made on the second reading, the Government have nothing to complain of. There were some speeches that I think the honourable members who made them will regret having made, and I hope they will withdraw them, because remarks were made which may prove prejudicial to the best interests of the colony, and, although our institutions have not gone through a crisis to be compared with that which has happened in the other colonies, yet, in regard to the question of their stability and their management by those intrusted with their control, we should be very loth to say on the floor of this House anything that would prejudicially affect them. We have been told by several members that in doing what we have done we are increasing the burdens of the taxpayers of the colony; and when we passed the Act of 1893 exactly the same remarks were made. It was said that we were increasing the liabilities

and burdens; but, since the Act was passed, has the colony been called upon to pay one farthing? Not at all. We are passing this legislation as a preventive—as a precautionary measure—and if there is prudent management of the whole of our institutions there will be no risk at all, and therefore, I say, we are not increasing the burdens of the taxpayers, or placing any further liability upon them. Well, I desire to say this: that I was rather pained to hear the remarks made by the honourable member for Marsden. He certainly transgressed a little. I certainly think that he had no right to cast reflections upon honourable members here by saying that he considered that they thought more of the interests of the banks than of the interests of the taxpayers. I say that that is a reflection which I cannot allow to go unchallenged. They have been considering the interests of the colony generally, and the well-being of the people: that is what they have been doing in considering this Bill. There will be no increased liability placed on the taxpayers by this Bill, and there will be no special advantage conferred on the banking institutions. Some honourable members would be very much pained here if I stated that they had been considering the interests of foreign institutions, and that for that reason they had been refusing to allow this legislation to pass. It would be a very painful thing to any honourable member if I said that of him, but it would be just as true as to say that the majority here to-night have been considering the banking institutions and not the interests of the colony.

Mr. BUCHANAN.—Would it be true?

Mr. SEDDON.—It would be absolutely incorrect in both cases, but I simply say that such a charge has no right to be made in either case.

Mr. G. HUTCHISON.—I did not make such a charge.

Mr. SEDDON.—I was alluding to the honourable member for Marsden, when he said that the members of the House were studying the banking interests rather than the interests of the colony. At all events, this appears in our public prints, and my opinion is this: that in coming to the conclusion we have come to, what we have been doing to-night is the proper thing to have done, and that the result will be beneficial, and that we shall have nothing to regret from our action. Those honourable gentlemen who have supported this Bill will have the satisfaction of knowing that they have done their duty, and those who have opposed it will find hereafter that their fears were unfounded, and that they have been conscientious to no end. As far as the honourable member for Wellington City (Mr. Bell) is concerned, he has put a wrong construction upon my refusal to give any reply to the question of the honourable member for Patea. I took up what I believed to be a dignified and proper position. I believe the amendment was moved for the purpose of forcing the hand of the Government. The Colonial Treasurer

Mr. Seddon

gave a reply in the House, which the honourable member for Patea was dissatisfied with. To force the position, that honourable member gave notice of an amendment to the Bill, and then he said that he would not go to a division upon it, as a majority of the House were against him. I say that the law gives the power to the Government of the day; there has been no abuse of the law by the present Government. There was no abuse by the present Government under our late respected Premier. Why, then, should we have any amendment in the law, when there is no reason for it? When I was in opposition I used to fear a good many things. I used, when in opposition, to come to conclusions sometimes right and sometimes wrong. When Sir Harry Atkinson was here, if such an amendment had been moved by me as has been moved by my honourable friend, I undertake to say that I should have got a severe castigation. I should not have been treated in so mild a way as I have treated the honourable member for Patea. In conclusion, I think we have done well in passing this Bill.

Mr. G. HUTCHISON.—Very unsatisfactory.

Mr. SEDDON.—It may be to the honourable gentleman, but it is very satisfactory to me. I do not think any of us have any reason to complain. I am firmly of the opinion that the House is acting wisely and prudently in passing this Bill.

Mr. R. MCKENZIE.—I wish to enter a protest against the third reading of this Bill. There is no doubt the Bill is more far-reaching in its effects than most honourable members have any idea of. I am perfectly satisfied of that.

Mr. HEKE.—I wish to say this: that we have had in this House a precedent laid down by the Premier that when any important Bill is brought before this House for consideration, especially at this late stage of the session, it is our duty to report progress. We have been discussing this Bill with a very thin House. I supported the Premier in a motion to report progress on a similar occasion, as I thought it was reasonable. I say this Bill is one of the most important Bills that have been brought down in this House; and, so far as the action of the Premier and the Colonial Treasurer is concerned in reference to questions that have been asked them with regard to the Bill, they have given no answers at all, and I think it is only fair that the representatives of the people should have an understanding on the matter. We have had a statement from the Premier that this House should accept the assurance of the Government. Now, I wish to say these few words in conclusion: that, as far as I know from the little experience I have had in this House, the assurances that have been given by the Premier and his colleagues have not been kept at all, and, in the face of that, I am not inclined to believe any assurance that may be given by the Premier and some of his colleagues.

Mr. WARD.—I will not occupy the time of the House very long. I should just like to say to the honourable member who has last spoken

—he will excuse me for saying it, but he is a young member, and I have watched him very carefully—that he has been responsible for a delay of five or six hours in the business of the House to-day. I wish to say to the honourable member—and I hope he will take it in good part—that if there can be anything which is calculated in future to lead to abolition of the special representation of the Natives in this House it is the way in which that honourable member continually gets up on every conceivable matter before the House, and, whether he understands it or not, proceeds to lecture honourable members. I say that to the honourable member because I was once a young member myself; but I am bound to say I never before saw a young member take up so much time, and with such an assumption of experience, as the honourable member has done since he has been in this House. I have no motive in saying this except to give the honourable member a little bit of friendly advice, and I trust he will profit by it. I think it is valuable advice, and I hope he will consider it, and profit by it next session. If he does not want to injure the race he represents, and which I hope will continue to be represented in this House, he ought to show more judgment and more consideration for other members of the House, since every member of the House has displayed a very large amount of consideration for him; but the honourable member gets up on nearly every question, and, with a self-satisfied smile upon his face, talks in a way that is calculated to annoy members of the House. He ought to be more careful for his own reputation and for those he represents. Now I wish to say a word or two for the honourable member for Patea. That honourable member made a statement about this measure on the third reading of the Bill. I was a little surprised to hear the honourable gentleman say what he did say, though he is in the habit of making statements to suit his purpose in this House, whether they are in accordance with fact or not. What was it he said? He said we had forced through a measure this evening which involved a sum of not less than the guarantee given to the Bank of New Zealand.

Mr. G. HUTCHISON.—Which might involve.

Mr. WARD.—The honourable gentleman said it would involve.

Mr. G. HUTCHISON.—No.

Mr. WARD.—I made a note of the remark at the time. The actual words used were these, if he wants the actual words: He said, "involving not less than the guarantee which was given to the Bank of New Zealand." Now, the interpretation is that it would involve it, and it requires a member of the legal profession to draw this fine distinction, and to say it does not mean it. There is the fact. And I repeat that in the legislation we are passing to-night we are not adding to the responsibility of the colony by way of guarantee, as the honourable gentleman suggested we were; no one knows better than the honour-

able member for Patea and the honourable member for Wellington City (Mr. Bell) that we have not added one pound to the guarantee given in the Act of 1893.

Mr. G. HUTCHISON.—You have.

Mr. BELL.—You are increasing the risk.

Mr. WARD.—The honourable member shifts his ground. He says now we are increasing the risk.

Mr. BELL.—I have never shifted my ground.

Mr. WARD.—I was not commenting on the remarks of the honourable member for Wellington City (Mr. Bell), but on those of the honourable member for Patea. When I am dealing with this honourable gentleman he shifts his ground when he finds it convenient to do so.

Mr. G. HUTCHISON.—By reducing the security you increase the risk.

Mr. WARD.—I say the honourable gentleman is shifting his ground. He said that the legislation we passed would involve no less than the guarantee given to the Bank of New Zealand. Now, when he is bowled out, and he has to admit it, and it is confirmed by the honourable member for Wellington City (Mr. Bell), he shifts his ground and says we are increasing the risk. That is what the honourable gentleman said: and what I wish—

Mr. G. HUTCHISON.—It is not what I said. I challenge the honourable member's statement.

The ACTING-SPEAKER.—Unless the Hon. the Colonial Treasurer gives way the honourable member for Patea cannot be permitted to interrupt him.

Mr. G. HUTCHISON.—He will not give way.

The ACTING-SPEAKER.—Then, I must ask the honourable member not to interrupt; he will have an opportunity of explaining later on.

Mr. G. HUTCHISON.—Very well.

Mr. WARD.—The honourable gentleman said the legislation which had been forced through was legislation which would involve not less than the guarantee given to the Bank of New Zealand. Those were the words he used. But he has now shifted his ground by saying that we have increased the risk. We have not altered our legislation, so far as the guarantee is concerned, to the extent of one pound. This legislation has not altered to the extent of one pound that guarantee, and, what is more, we can point to the experience of the last recess, and say that, although it was a critical time in banking matters, there was not a single application made to us from any institution of the colony signifying its wish to have such an Act; and in this coming recess, if some institution or institutions should apply to the Government and are able to show that their position is such as to warrant this provision of the law being put into operation, then honourable members will know that not two-pence of risk will be put upon the colony.

Mr. G. HUTCHISON.—I deny that.

Mr. WARD.—The honourable gentleman's denials are worth nothing.

Mr. G. HUTCHISON.—I deny that also.

Mr. SEDDON.—I appeal to the Acting-Speaker to say whether he is going to allow these continual interruptions.

The ACTING-SPEAKER.—The honourable member must allow the honourable gentleman to proceed.

Mr. WARD.—The honourable member should extend the same courtesy to me that I did to him. I made the statement that unless application is made during the recess that this law be brought into operation, and unless the institution making such application is able to show that its position is such that the Governor in Council would be justified in allowing the provisions of the Act to come into force, not one shilling in the way of guarantee or risk will be incurred by the colony.

5.0. That is a fact, and the honourable gentleman denies it. If he denies a statement of fact, such as that, all I can say is that the honourable member is in the habit of denying facts; and, if he persists in denying such a statement, I am perfectly justified in saying that I decline to accept his denial, or that assurance I should like to accept from the honourable member on a point of the sort. The honourable member also referred to the fact that our banking institutions had not applied for this Bill, and he was perfectly correct; the Premier also said that was the case: but the Government felt the responsibility that would be upon them during the recess if we found that the existing legislation would be useless, and those honourable members opposite would be the first to accuse the Government of not taking the trouble to acquaint themselves with what was going to take place. The Government have taken the responsibility; and I reiterate that those who would have been the first to accuse the Government if anything had happened would have been the honourable members opposite. And when we find honourable members charging us with temerity for doing what we have done, and what, if they had been in our position, they would have done also, I think it is only right I should say this. The honourable member for Wairarapa has disappeared, and I am very sorry that he has. He complained of the delays that had taken place in connection with this legislation, and he also complained that it was being forced through. I complained in Committee and charged honourable members with having delayed this measure, and the honourable member was one of them. I called attention to the fact that we passed the second reading of this Bill at half-past one, and yet it was actually three o'clock before we commenced to get on with the work, and that the honourable member and one or two others had delayed the business in Committee. Then, the honourable gentleman told the House that members were voting against their conviction; but I say it is not right to make this accusation, because members of this House are just as well able to exercise their convictions as the honourable member for Wairarapa is. I also resent the remarks made by the honourable

member for Wellington City (Mr. Bell), and I think that on reflection he will quite agree that they ought not to have been made. I say the remarks he made were absolutely and totally incorrect; he has no authority to make such a statement, and, unless he has some authority for making it, I say the honourable member should be more careful of his facts, and that he was not justified in making it. I could make a statement in the same way if I desired to do so, but I have refrained from making any statement of the kind. I merely wish to say, in conclusion, that I thank the supporters of the Government who have made up their minds to stand by the Government, and also some of those honourable gentlemen opposite, who have greatly assisted the Government to-night. I have to thank them for the way in which they have stood by the Government. It is right for reasonable protest to be made and for a Bill to be fairly and reasonably debated on the second reading, but a legitimate criticism has not taken place in Committee, and I think it is regrettable that a large number of the members should have been detained in this House by a few members, and that a minority should attempt to override a majority. Why, in one of the divisions there were forty-nine to sixteen, and the lowest division was thirty-three to fifteen; and yet the honourable member complains. I say that comments such as these are frivolous, and that they are doing no good, and are not placing on record what is correct in connection with this matter. I have only again to say, in answer to the question of the honourable member for Patea as to the necessity for this, that he has been urging the Government, along with other honourable members opposite, all the session to bring down legislation: and when they get the legislation, because it does not give them the opportunity they wanted, they find fault with the Government. I say that the legislation which has been introduced has been introduced in the general interests of the country.

Mr. G. HUTCHISON.—The Colonial Treasurer, as usual, has misrepresented what I said. I desire an opportunity of pointing out that by withdrawing from the security for the guarantee, as this Bill does, the paid-up capital—

The ACTING-SPEAKER.—The honourable gentleman must not discuss the operations of the Bill.

Mr. G. HUTCHISON.—I desire to explain. He indicated that I had shifted my ground in respect of the amount involved under the Bill which we are passing. I beg to point out that, by the Bill we are now passing, the whole of the paid-up capital—

The ACTING-SPEAKER.—I think your remarks are going beyond what you have a right to say after a reply.

Mr. G. HUTCHISON.—Of course, if you say so I shall submit, but I would ask that you hear the rest of the sentence. I did not state what the Treasurer represented that I stated, and it is for the correction of that misrepresentation I rise. Am I to be allowed to say what I stated, or not? I said that by the operation of

this legislation, in withdrawing the whole paid-up capital of the various banks from the condition of guarantee—

The ACTING-SPEAKER.—I think the honourable gentleman is going beyond his right.

Mr. G. HUTCHISON.—This is how we are allowed to facilitate business!

Mr. WARD.—I merely wish to say—and honourable members are not going to put me down—that the honourable member was not referring to the remarks which I made at all, and I am right in saying that I made no such reference as he has assumed. I referred to the remark he made in saying that the Bill involved an amount equal to the guarantee of two millions. In his point of explanation he is not saying what I referred to.

Mr. G. HUTCHISON.—I desire to have an equal opportunity of explaining the position. If I had been allowed to finish my short sentence I should have come to the point the honourable gentleman has just referred to—namely, the two millions. My point was this: By the legislation we are now passing we are withdrawing from our guarantee, in the event of the note-issue being made legal tender, the whole of the paid-up capital of the various banks, which amounts to more than two millions.

Mr. WARD.—I wish to say again the honourable gentleman made no such statement when he was speaking, and he is only replying to a statement I made, and I protest against this, because I have no right of reply.

Bill read a third time.

The House adjourned at ten minutes past five o'clock a.m.

LEGISLATIVE COUNCIL.

Saturday, 20th October, 1894.

First Reading—Third Readings—Native Land Court Bill—Little Barrier Island Purchase Bill—Horo-whenua Post-office—Public Trust Office Consolidation Bill—Wilson Land Bill—Land and Income Assessment Bill.

The Hon. the SPEAKER took the chair at eleven o'clock a.m.

PRAYERS.

FIRST READING.

Banking Bill.

THIRD READINGS.

Sea-fisheries Bill, Post and Telegraph Department Bill.

NATIVE LAND COURT BILL.

The Hon. Mr. WILLIAMS brought up the following report of the Conference on this Bill, and moved, *That it be agreed to* :—

“The Conference have the honour to report that they have agreed as follows :—

“1. That the amendment made in section 2, page 4, in line 2, be restored.

“2. That the proviso to section 14, page 8, be

struck out, and the following words added after ‘respectively,’ in line 3 on page 8: ‘nor to confiscated lands which have been granted or agreed to be granted by the Crown under any special statutory provision, nor to lands where any share or interest in such lands has heretofore been lawfully sold, conveyed, or transferred.’

“3. That clauses 31 and 33 be restored, and that the amendments made by the Council be waived.

“4. That the words ‘within three months,’ in line 14 of clause 39, be struck out.

“5. That the amendments to clauses 46, 52, and 53 be agreed to.

“6. That the new clause 56A stand.

“7. That the new clause 56B be struck out.

“8. That the amendment in clause 92 be struck out, and a new clause, 91A, be inserted, namely: ‘91A. The Appellate Court may state a case for the opinion of the Supreme Court on any point of law that may arise, and the decision of the Supreme Court on such point of law shall be binding on the Appellate Court.’

“9. That the amendment in lines 21, 22, and 23, clause 115, be struck out.

“10. That the first new proviso to clause 116 be struck out, and the following substituted, namely: ‘Provided that in the case of any block in respect to which it has been certified to, as in this section is provided, that one-half of the shares have been purchased or leased, the purchaser or lessee may agree with the remaining owners of shares to lease any of their shares or interests for any term not exceeding twenty-one years, though negotiations for the lease of the said shares or interests had not been commenced until after the passing of this Act.’ That the second new proviso be agreed to.

“11. That the first amendment in clause 118 be struck out, and the amendment at the end of the clause be retained.

“12. That new clause 118B be struck out.

“13. That the other amendments be agreed to.”

Motion agreed to.

LITTLE BARRIER ISLAND PURCHASE BILL.

The Hon. Mr. WILLIAMS brought up the report of the Native Affairs Committee on this Bill. The Committee recommended that the Bill be allowed to proceed. He moved, *That the report do lie on the table.*

Motion agreed to.

On the question, *That the committal of the Bill be made an order of the day for Monday.*

The Hon. Mr. PHARAZYN said he would like to have the ruling of the Hon. the Speaker as to whether this was a private Bill or not. It appeared to him that there were a number of recitals in the preamble as to the correctness or otherwise of which the members of the Council knew nothing whatever. As a matter of fact, he happened to know that several of these recitals were, if not inaccurate, at any rate not full recitals of all the facts. He also desired to call attention to Standing Order No. 350,

which provided, "Private Bills shall be understood to be Bills which are promoted for the private interest of individuals or companies, or which, by their provisions, directly interfere with the private property of individuals." This Bill did evidently interfere with the private property of these Natives. It was true they were Native lands, but it would be remembered that under "The Native Rights Act, 1865," it was provided that there should be absolutely no distinction as to the rights of Europeans and Natives. In these circumstances, he thought the Natives should be treated as Europeans would be whose private interests in land had been interfered with. He contended, therefore, that the Bill was a private Bill.

The Hon. Mr. KELLY said the question really was, whether this land was the private property of individuals or not. He could not see how Native land which had not been individualised, and had not been vested in the Natives by Crown grant, could be the private property of individuals.

The Hon. the SPEAKER said he had looked into this Bill, as far as the time at his disposal admitted. The Native Affairs Committee had reported that they had taken evidence in regard to the Bill, and they recommended that the Bill be allowed to proceed without amendment. He was, therefore, bound to assume that the statement in the preamble was quite correct, and that it was a Bill to carry out the agreements entered into by certain individuals with Her Majesty. The island was required for public purposes, as a reserve for birds in time of peace, and for defence purposes in time of fighting. It was not to be disposed of by sale or otherwise for settlement purposes. Under these circumstances, he could not rule that this was a private Bill.

The Hon. Mr. PHARAZYN said, under these circumstances, he would take whatever action might be required on the next sitting-day, when he would be prepared to move that the Bill be committed that day six months. He gave that notice in order that the honourable gentleman might have an opportunity, if possible, of affording further information to the Council in regard to the Bill.

The Hon. W. DOWNIE STEWART understood that this was a Bill to compel certain Natives to sell land which they did not wish to sell. Certain Natives had entered into an agreement for a conditional sale, and others who were interested in the land never had consented to the sale, and the Government were taking the land in spite of the protests of those Natives who did not wish to sell. He could not help thinking that this was directly contrary to all principles of legislation, and was also contrary to the spirit of the Treaty of Waitangi, which conferred on the Natives the exclusive right to their property, leaving to the Government simply the right of pre-emption. That, of course, meant that the Natives could not be forced to sell. He believed this matter was very closely contested in another branch of the Legislature. He also knew that a professional man in Wellington

was anxious to be heard in support of the rights of the Natives who had not consented to the sale. He thought the facts of the case should be stated fully by the Chairman of the Committee, or by some other member who was acquainted with them.

The Hon. Sir P. A. BUCKLEY.—We have all the facts here.

The Hon. W. DOWNIE STEWART said they had the facts from the departmental point of view, it was true, but it was possible the Natives might wish to be heard at the bar of the Council. This was a very important question indeed. In fact, this was an attempt to confiscate private property at a price which the Government thought should be paid, quite irrespective of what the Natives thought—he meant those Natives who had not agreed to the sale. This might be a very desirable purchase;—he was not prepared to express an opinion on that point; but it seemed to him an extraordinary thing that the Natives should be compelled to give up their land at a compensation to be fixed not by any outside tribunal, but by some Government official or person acting in the interests of the colony. When the Bill came up on Monday he would probably make some further reference to it.

The Hon. Mr. OLIVER said this Bill only carried a little further a principle to which the Council had made itself a party—namely, the compulsory taking of land—and this Bill only extended that principle to Natives.

The Hon. Sir G. S. WHITMORE said in this instance the Natives were only being treated in the same way as Europeans in their land being taken for public purposes. He could not help thinking, moreover, that behind these Native matters there were always some Europeans trying to work a point, and therefore he asked honourable gentlemen not to be carried away by any *ex parte* statements.

The Hon. Mr. McLEAN hoped the members of the Council would not think the same as the Hon. Mr. Stewart—namely, that the colony should not take this land the same as they would take land from Europeans. If his honourable friend would get a little experience of these Native-land-buying transactions he would agree that the Government should exercise its power to buy it, being for public purposes. He should like all Native land to be sold through the Land Boards, the same as other land was sold. His opinion was, in reference to Native-land buying, that, no matter how clean the hands of any Government might be, if it entered into this business it would defile itself. It did not matter how pure the Government might be, there was always trouble in connection with Native-land buying. He had never ceased to rail at these Native-land transactions. There were always a large number of Europeans behind the Natives, desiring to work points, and the Natives had very often hardly anything to say in the business, the Europeans pocketing the money.

The Hon. Mr. PHARAZYN said the honourable gentleman spoke as if this were Native land which had not passed through the Native

Hon. Mr. Pharazyn

Land Court. It had been passed through the Native Land Court, and was now held under the Land Transfer Act. It was, therefore, quite as much private land as any other private land.

The Hon. Dr. GRACE said there was plenty of land which was held under the Land Transfer Act. The Treaty of Waitangi was altogether out of the question. That being so, he thought the issues were very simple and narrow. He held entirely that, if the Natives did not receive a sufficient price, means should be taken whereby they should receive a fair price.

The Hon. Sir P. A. BUCKLEY hoped to be able to remove all the difficulties which had been introduced into the question by somebody who might have an interest in the matter.

The Hon. W. DOWNIE STEWART.—I heard the discussion in the House.

The Hon. Sir P. A. BUCKLEY said, at any rate he hoped by Monday to satisfy the honourable member that the whole of his contentions were without foundation. Also, with regard to the statements of his honourable friend Mr. Pharazyn, he would reserve to himself the right to reply to those statements on Monday.

Bill read the second time.

HOROWHENUA POST-OFFICE.

The Hon. Mr. RIGG asked the Colonial Secretary, Will the Government make arrangements for receiving and delivering letters addressed at and to Horowhenua pending the inquiries to be made during the recess into the circumstances connected with the closing of that post-office?

The Hon. Sir P. A. BUCKLEY said he had received information on the matter, in the shape of a letter from the Under-Secretary of the department to the Postmaster-General, to the effect that it was not thought necessary to make special arrangements. The question of opening the post-office would receive attention when Parliament prorogued.

PUBLIC TRUST OFFICE CONSOLIDATION BILL.

On the question, *That this Bill be committed*, The Hon. Mr. McLEAN said this Bill bore evidence on the face of it that a great deal of pains had been taken in drafting it. It was a consolidation Bill, and appeared to provide for nearly all the circumstances likely to arise. There were, however, one or two clauses to which he wished to draw the attention of the Council. He referred particularly to clauses 19 and 52. There had been a great deal said about providing cheap money for the people, and the colony was going to lend money at 5 per cent. This clause—19—proposed to validate acts done by the Public Trustees acting under probate or administration granted in error. There would be danger of confusion unless the clause were amended. Then, with regard to clause 52, which made it obligatory to give notice to the Public Trustee when a person died in a public institution, in many cases this would be found to be impossible. This would have to be struck out.

Bill considered in Committee.

Bill reported, with amendments, and read the third time.

WILSON LAND BILL.

On the question, *That this Bill be committed*,

The Hon. W. DOWNIE STEWART thought this was a Bill which it was necessary the Council should have some particulars about. This Mr. Wilson lost his parents in 1869, at the time of the Poverty Bay massacre. The Government granted him an annuity of £50 a year until he came of age. They also granted him one hundred acres of land, of which he was to have the use during his lifetime, and he had power to dispose of the land by will on his death. He now wished to have the land vested in him, and if that were done it meant that he could dispose of the land to-morrow, and thus deprive himself and his children of the benefit intended for them by the Legislature in 1869. Mr. Wilson had granted a mortgage to the Union Bank of Australia over his interest in the land, and if this Bill were passed it would make that mortgage good, and the Union Bank might realise on their mortgage, and thus deprive Mr. Wilson and his children of the land. The object of the Bill seemed to him to be directly in conflict with the intention of the Legislature in making the grant in 1869. He did not think the Bill should be proceeded with any further, and would therefore move, *That the Bill be committed that day three months*.

The Hon. Mr. McLEAN hoped that the amendment of the Hon. Mr. Stewart would be carried. This Bill had been before the Waste Lands Committee, and was carefully looked into. He considered it was a Bill that should not be passed by any Legislature. The colony had given this boy a pension, and it was the duty of the Legislature to protect him from himself. He hoped the amendment would be carried by the Council.

The Hon. Mr. JENNINGS wanted to know what the position of Wilson would be if the Bill passed.

The Hon. Mr. SWANSON said the position was very easy to describe. Wilson would be simply out of house and home. He would like to draw attention to the proviso, which said, "And whereas the said James George Wilson, being at the time in ignorance of the restriction imposed by the said Act, executed to the Union Bank of Australia," and so on. It seemed to him a very curious thing that in executing the mortgage the lawyer for the Union Bank should not have examined the title, and it was more startling still that the Registrar should not have done so. The circumstances were that at the time of the Poverty Bay massacre the whole of the family of this boy were murdered, and the boy at the time went to the settlement and gave the alarm to the people. The women were thus enabled to take their children away on their backs, and the men were able to provide themselves with arms and to make provision for their safety. This little lad was the means of saving the lives of he did not know how many people.

The Provincial Government of Auckland had given him a grant of money, and the General Government gave him £50 a year till he was twenty-one years of age, and this land, with no power of sale, on account of his plucky conduct; and that object would be defeated if the Legislature passed this Bill.

The Hon. Mr. KERR said it seemed to him that this must have been a most extraordinary young boy, and when he grew up he seemed to be more extraordinary still, from the fact that he was able to get money on land to which he could give no title. He (Mr. Kerr) should certainly be inclined to keep him on this land until such time as he was able to bequeath it to the Union Bank or to his children.

The Hon. Mr. PHARAZYN said it was quite clear that the Union Bank was interested in this matter. A good many other people who had blundered in connection with it were also interested in it. It was also clear that this Mr. Wilson would be very much injured if they passed the Bill. Therefore he supported the amendment.

The Hon. Sir P. A. BUCKLEY said his honourable friend Mr. Pharazyn invariably showed some suspicion that there was something wrong, especially in anything the Government had to do with. Probably he would be pleased to know that this was not a Government measure at all. The representation made to the Government was that this man was anxious to get upon the land for the purpose of making a home for himself. As to the amount that was due to the Union Bank, the fact of his living upon the land would enable him to pay off that mortgage. He was liable under the mortgage, and he would be placed later on at a disadvantage if this Bill were not passed.

The Hon. Mr. McLEAN said he could easily go through the Court and clear himself in that way.

The Hon. Sir P. A. BUCKLEY said if that was so he had not a word to say.

Amendment agreed to, and Bill ordered to be committed that day three months.

LAND AND INCOME ASSESSMENT BILL.

The Hon. Mr. MONTGOMERY, in moving, *That this Bill be now read the second time*, said there were a number of alterations in it of considerable importance. He would refer to some of them; otherwise there might be another objection that he only read the side-notes. One important matter was that instead of the assessment being made triennially it was to be made biennially, if the department should consider it necessary to do so. Clause 7 provided that the existing assessment should continue until the new assessment were made. A person might make an objection to his assessment, and the Commissioner might refuse to agree to the objection, but if that were granted the result of that would be a new assessment. There was another matter, and that was with regard to the Board of Review of Assessments.

Hon. Mr. Swanson

That was abolished, and the Stipendiary Magistrate was empowered to review assessments. Then, the 18th clause provided,—

“If any person makes default in furnishing any return of income, or if the Commissioner is not satisfied with the return of income made by any person, he may make an assessment of the amount on which, in his judgment, tax ought to be charged, and the tax shall be payable accordingly.”

That was the same as the English Act. He mentioned that because some honourable members thought it was rather inquisitorial. Then, in section 15 there was an alteration. As the law stood they could call upon a banking company to register; and there was another clause inserted, under which every banking company was to be assessed for income-tax each year. The provision was this:—

“Every banking company shall be assessed for income-tax each year upon a sum representing seven shillings and sixpence in every one hundred pounds of the average of its total assets and liabilities for the four quarters of the preceding year ending the thirty-first day of March.”

There was great difficulty in ascertaining what would be the income of some of the banks, and this was a method of arriving at what they should pay if they conducted their business prudently and wisely. It was something in the nature of a property-tax, as they would have to pay on their property. He had gone through this with great care in order to ascertain why the amount should be 7s. 6d., and why it should be assessed in that way instead of on the actual income; and that was the explanation he had had from the head of the department, and it was the only explanation that could be given. In the case of machinery there was a good deal of depreciation. Some machinery became obsolete, and no allowance had been made for that, or for repairs or depreciation, but under a clause in the Bill that would be allowed. In Committee he would be glad to give any further information which might be required by the Committee.

The Hon. Mr. McLEAN said this was a very important Bill, and he would therefore ask the honourable gentleman to postpone the committal till Monday, so that honourable members might have time to look into the different sections and see what alterations in the law were proposed. There were certainly some amendments which were necessary. Hitherto local ventures had been taxed very severely, while foreign companies had been allowed to go scot-free. He did not see anything in the Bill which provided for the taxing of outside shipping companies trading in the colony. All the local shipping was taxed, but outside shipping might come here and trade and not be taxed at all. He certainly thought something should be inserted in the Bill to reach them. Probably that might be held to come under the provision as to regulations. He was glad to see that at last some justice was going to be done in the matter of taxing banking people. It had been a scandal during the

last three or four years that this question had not been dealt with. Local institutions were taxed up to the hilt, while we allowed some of the foreign companies to go scot-free. He was glad to see the present provision introduced, thus making all banks pay for the protection which they got from the colony.

The Hon. Mr. PHARAZYN thought there must be either a mistake or a misprint in section 18, relating to banks. That clause provided that—

“Every banking company shall be assessed for income-tax each year upon a sum representing seven shillings and sixpence in every one hundred pounds of the average of its total assets and liabilities for the four quarters of the preceding year ending the thirty-first day of March, according to the sworn statements published in the *Gazette*.”

That was a most extraordinary thing—to tax an institution on its liabilities. It might, however, be a technical expression which laymen did not understand.

The Hon. Mr. McLEAN.—It is very fair.

The Hon. Mr. PHARAZYN would like to know how you could tax a bank on its liabilities as well as its assets. The liabilities might be something enormous. It seemed to him an extraordinary use of language. He could understand taxing a man or bank on their profits. Then, as to making returns every two years instead of every three years, it was one of the annoyances of the present system—the complicated returns which had to be made up and furnished to the department. Many persons regarded it as almost worse to make up the returns than to pay the tax—the whole thing was so complicated. Curiously enough, a return was made in this Bill to the principle of the property-tax, although that principle was looked upon as so utterly abominable. For his own part, he thought it was a much better principle than the present system. It was only in the working of it that it failed; it was foolishly administered, and the assessments were not made as they ought to have been. As to the graduated tax, that was simply a form of confiscation, and any one who studied the matter would see that. In his opinion, the whole system was wrong from beginning to end.

Bill read the second time.

The Council adjourned at four minutes to one o'clock p.m.

HOUSE OF REPRESENTATIVES.

Saturday, 20th October, 1894.

Second Readings—Third Readings—Native Land Court Bill—Criminal Code Bill—Native Land Court Bill—Shipping and Seamen's Bill—Death of the Hon. Mr. Dignan.—Pomahaka Purchase.

Mr. SPEAKER took the chair at half-past two o'clock.

PRAYERS.

SECOND READINGS.

James Mitchell Trust Bill, Otago Harbour Board Further Empowering Bill, Westland County Council Enabling Bill.

THIRD READINGS.

James Mitchell Trust Bill, Otago Harbour Board Further Empowering Bill, Westland County Council Enabling Bill.

NATIVE LAND COURT BILL.

The report of the Conference on this Bill was brought up. [See proceedings of Legislative Council, p. 973.]

On the question, That this report be agreed to,

Mr. HEKE moved, That this House does not agree to the recommendation of the Conference as regards clause 115, in so far as such arrangement strikes out the dealing with lands held by Natives in severalty. He contended that the Natives, where they had their title established to them in severalty, ought to be allowed to deal in the same way as Europeans. They were liable to suffer in many respects under Acts passed by the House—such as the Rating Act and other Acts which imposed taxation on them—and he thought it was only fair that Natives holding their title in severalty should have an opportunity of dealing with them in the way Europeans were allowed to deal. They had a provision in the Bill that any Native could apply to the Land Board; but he contended that it cost too much for any individual to apply to the Board to have his land disposed of, and the only way in which any individual would be able to dispose of this burden placed upon his property under the Acts he had mentioned was to allow them to deal with their lands as Europeans.

Captain RUSSELL seconded the amendment, on the principle that, so long as it was provided under statute that no Native should be allowed to alienate his land to such an extent as to render himself liable to become a burden on the State, it was not the duty of Parliament to interfere with the alienation by the Natives of such land as they held in severalty. Under the provision alluded to—in clause 115—no Native had power to alienate his land unless he could prove that he would have sufficient land left to support himself; and under those circumstances it was their duty to assimilate the position of the Natives to that of the Europeans as far as possible, so long as they did not thereby make the Natives a charge on the State.

Mr. G. HUTCHISON took leave to say that he hardly believed the House realised what it was doing in connection with Native lands. Since the Bill had come to the House from the Native Affairs Committee he did not know that half a dozen members had been able to follow the intricacies of the changes that had been made. In short, the provisions of Division II. of the measure as now presented for acceptance were nothing short of confiscation of Native property, tempered by compensation, not under such safeguards as were afforded by

Arbitration Courts in the taking of land for settlement or for public works, but at the caprice of the Minister of the day. It might be very desirable to restore the pre-emptive right over large blocks of land, particularly where the titles were not ascertained; but there were, to his knowledge, holdings of small extent which the Native owners could not utilise themselves—holdings of bush or swamp land—which, under the provisions of this Bill, the Natives would be debarred from dealing with except to the Crown. The Natives were to be treated not only as imbeciles but as outlaws. He had no hope, of course, that his proposal would be carried, but he took the opportunity of saying those few words, for the day would come when this rash and inconsiderate legislation would have to be undone.

Mr. SEDDON was somewhat surprised, after the House had expressed itself on the question, that the matter should now at this late stage of the session be questioned. The honourable member for Mareden had tested the feeling of the House by moving an amendment in Committee.

Mr. R. THOMPSON.—Members did not understand what they were voting on.

Mr. SEDDON said it was well understood, and, at any rate, the amendment was not carried. Then, the Legislative Council placed the same thing in the Bill. It came to the House; the House disagreed with the amendment and instructed their Managers to disagree; so that, now the House had had its own way, an amendment was moved providing that it should stultify itself by agreeing to what it had refused on two occasions. It was placing the Managers for the House in a false position. It meant practically free-trade in Native land, and that was not considered by the House to be desirable. The Natives were not treated unjustly, but in a way that would be for the benefit of the race, and were protected as against what had been happening time after time, and what had proved injurious to the colony in stopping settlement, and what had led to litigation as between the Natives and the Europeans which had caused serious trouble to Parliament. The House had repeatedly to be passing validation Bills, and the only way to stop this was to agree to the Bill as amended. The feeling of the House was so well ascertained on this point that, whatever might occur in the future, the Bill should be passed at once.

Mr. THOMPSON knew it was useless to say anything in reference to the Bill; but the Premier had scarcely put the case fairly before the House, and that accounted for the way in which a great many honourable members voted on the question. The honourable gentleman represented that this meant free-trade in Native land. It meant nothing of the kind, and if honourable members would look at clause 28 of the Bill they would see it was not free-trade. No Native could divest himself of land without going before the Trust Commissioner and satisfying him that he had sufficient land left to live upon. There could be no stronger

indication of the injustice of the Bill than the fact that the Native members in the House were opposed to it. They must surely know their own business, and be able to look after their own affairs. He told honourable members if the Bill passed it would lock up the North Island and stop settlement. If that was what honourable members desired they were going to attain their object. He knew it was useless to say anything in the matter, but if they came back next session they would find that the matter would be reopened, and the measure would have to be repealed.

Mr. BUCHANAN said, representing as he had done for many years a considerable number of Natives, he must, in justice to them, support the amendment. His opinion was that the Natives in all the settled districts who had titles in severalty to their land would be very much injured by the Bill. They had lived in contact with Europeans for many years, and were perfectly well able to deal with their own property—just as well able as many Europeans. They were always making professions of placing the Natives on the same footing as Europeans, and now they proposed to pass this Bill and commit a rank injustice upon such Natives as he had described. Then, again, the passing of the Bill would mean the confiscation of considerable sums of money, spent by Europeans in assisting Natives to get titles to their land. Under the provisions of clause 115, those who had so advanced to Natives, and had done so in a *bonâ fide* way, would have their advances confiscated, because there was no protection for them under the Bill. If it were provided that the Government should recoup them on the sale of the land, justice might possibly be secured; but as it now stood there would be a great amount of injustice perpetrated, both on the Natives, who had in his experience been always willing and anxious to deal fairly and justly with the Europeans, and also on the Europeans themselves who had advanced money in a *bonâ fide* way.

Mr. McGUIRE would support the amendment, because the Native Minister was acting in a very arbitrary manner. It was a very unjust thing, and would inflict great hardship upon the Natives, who were subject to pay rates and taxes, and whose land would be locked up at the sweet will of the Government. It was also very unjust to the North Island, and would be the means of retarding settlement. This was one of the ways in which the present Government meant to bar the progress of the North. They were working in the interests of the South, as could be seen by the Land for Settlements Bill. He hoped the amendment would be accepted, as it was on lines of justice. The Premier knew nothing whatever of Native matters, or he would know that it was the wish of thousands of Natives that they should have the right of dealing with their own lands.

Mr. WILSON said they might just as well stop the Europeans on the west coast of the North Island from dealing with their lands as the Natives on the Coast. They had just as

Mr. G. Hutchison

much knowledge of the value of land, and had as much opportunity of getting good value for it, as Europeans. In their interests he would be doing right in supporting the amendment.

Mr. CARROLL was inclined to agree that the time was inopportune to resist the amendments made by the House and sanctioned by the other Chamber. He was inclined to think that at the present stage the question had better be left over, believing as he did that the matter would have to be faced and dealt with before long. If the question were left over, it would allow his colleague during the recess to look at every phase of the question, in the interests of all concerned. He might state that he was quite in sympathy with the desire for individual freedom as advanced by the previous speakers.

Mr. T. MACKENZIE said a correspondent had written to him stating that he had already purchased a large portion of land from Natives whose title had been individualised, and that he contemplated purchasing the balance.

Mr. SEDDON said that was provided for.

Mr. T. MACKENZIE.—Have they a right of sale?

Mr. SEDDON.—Yes.

Mr. LANG rose to support the amendment of the honourable member for the Northern Maori District. He looked upon it that the Natives were quite able to look after their own interests, and that to make provisions such as those proposed was only to retard settlement. It was also most unjust to the Natives. How would Europeans like to be placed in the same position as the Natives, in not being able to deal with their own property? So much had been said on this question that he did not wish to delay the House. He simply wished to add his protest against the action of the Government in this matter.

The House divided on the question, "That the report of the Conference with regard to section 115 be agreed to."

AYES, 39.

Buddo	Joyce	Pinkerton
Buick	Larnach	Pirani
Cadman	Lawry	Reeves
Carncross	Mackintosh	Russell, G. W.
Carnell	McGowan	Saunders
Carroll	McKenzie, J.	Seddon
Collins	McKenzie, R.	Smith, G. J.
Duncan	McLachlan	Stout
Earnshaw	McNab	Tanner
Graham	Meredith	Willis.
Guinness	Millar	<i>Tellers.</i>
Hall	Mills	Montgomery
Harris	O'Regan	Morrison.
Hogg		

NOES, 25.

Allen	Green	Massey
Bell	Houston	McGuire
Buchanan	Hutchison, G.	Mitchelson
Crowther	Kelly, J. W.	Parata
Duthie	Kelly, W.	Pere
Fraser	Mackenzie, T.	Russell, W. R.

Smith, E. M.	Thompson	<i>Tellers.</i>
Stevens	Wilson.	Heke
Te Ao		Lang.

Majority for, 14.

Amendment negatived, and motion agreed to.

Mr. G. HUTCHISON desired to move an amendment with regard to clause 116. This clause was intended to allow an opportunity to those who had been in *bonâ fide* negotiation for interests in land to complete their transactions—in legal phrase, to allow them a *locus penitentiae*—but he doubted if the clause, as it now appeared, would have the effect that had been promised. The understanding was that a clause such as that in "The Native Land Administration Act, 1886," would be inserted in this Bill. But this clause did not preserve rights to the same extent; it would apply only to enable pending transactions to be completed where some interests in the same block had been already acquired according to law. That was to say, unless a person had perfected the purchase or lease of some interests in a block, he could not go on to complete interests which he might have been in treaty for, although the completion of these outstanding interests was subject in the first instance to his obtaining a certificate after due inquiry as to the *bona fides* of the transaction, which on completion would be again subject to various safeguards against fraud. His amendment was as follows: "This House accepts the amendments made in the proviso, if the wording of the main clause be amended to allow (subject to the safeguards as to certificates of *bona fides*) the acquisition of shares or interests which at the passing of the Bill were under treaty, although the person so treating had not purchased or leased other shares in the same block." Although it might be futile—in fact, desperate—to attempt a division on this question, he would probably call for one, for the purpose of putting upon record this protest against such "hugger-mugger" legislation as they were passing—legislation which would almost certainly have to be amended or repealed in some succeeding session.

Mr. BELL said he was quite aware, with his honourable friend who had moved in this matter, of the futility of endeavouring to obtain an amendment. It was not a question of argument, but a matter of fairness between the Premier and himself. There was no dispute as to the facts at all. During the debate on the second reading, at a time when there was some obstruction to the Bill, he had said that if the Hon. the Premier would accept the clause contained in Mr. Ballance's Administration Act he would agree to support the Bill. Thereupon the Premier said he would do so, and suggested that he (Mr. Bell) should stay and give him the benefit of his assistance on the other clauses of the Bill. He was, however, pretty tired, and went to bed, and the whole result followed from that. It was for the House to say whether the country was to be punished because he happened to go to bed. Then, this happened: His honourable friend the member for Auckland City (Mr. Button),

acting under some misapprehension, told the Premier that a clause which was in manuscript, and which he (Mr. Bell) had never seen and had nothing to do with, was his clause, and the Premier inserted it. So far the Premier had done all that could be expected. The Premier had put in the clause which he had been told was his (Mr. Bell's) clause; but he had said that he would put in the clause of his late chief, Mr. Ballance. In that way the Premier was led into this error; and he (Mr. Bell) was under the impression that the clause from the Administration Act had been put in. When appealed to subsequently the Premier said that this was a better clause than the clause in the Administration Act, and that he would stick to it. The Premier had power to do that; and he wished to put on record that up to the time of the Premier ascertaining his mistake, and refusing to remedy it, there could be no possible ground of complaint against him. Since the Premier had discovered his mistake he thought he had not treated him fairly, and that he had not treated the House fairly. He submitted that the amendment of the honourable member for Patea ought to be accepted. There had been a statement made by the Premier on the floor of the House that a certain provision would be inserted, which, by a mistake for which the Premier was not answerable, had not been inserted. That was the case, but, the mistake having occurred, the Premier refused to rectify it.

Mr. SEDDON said the history of this clause was almost as unique as that of clause 21, the famous clause in the Licensing Act. Just for the moment he could not tell who was the preparer of this particular clause. The honourable member must admit that he had put the question to him, if he (Mr. Seddon) had any objection to put in clauses 24 and 25 of the Administration Act of 1886—which he said were put in by Mr. Ballance. He (Mr. Seddon) had said, "Well, if my late chief approved of them they must be all right, certainly." Then, what happened was this: Later on, when they were getting the Bill through the House, Mr. Button came to him and said, "Here is a new clause"—asking at the same time, "What about the amendment you promised Mr. Bell?" He replied, "Very well," and accepted the new clause, at the time believing it to have been drafted by Mr. Bell. This had happened in consequence of Mr. Bell going away. Knowing that he desired the amendment, he had asked Mr. Bell to remain to attend to it and finish the Bill, but he had replied that he felt rather tired and would leave. He left, the clause was given to him by Mr. Button as Mr. Bell's clause, the House accepted it, it was put in the Bill, it went to the Legislative Council, the Legislative Council accepted it with some additional proviso, and the Conference agreed to it. Then he had met Mr. Bell in the lobby, and Mr. Bell had said it was not his clause; he replied that Mr. Button had given it to him as Mr. Bell's clause; and Mr. Button, when asked who had

Mr. Bell

given it to him, said he did not know, but he thought it was Mr. Mitchelson.

Mr. MITCHELSON said it was not he.

Mr. SEDDON said, Well, when he received this clause, he read it carefully, and he saw it was not objectionable—that it went in the right direction, and quite as far as he intended it to go. He had not read clauses 24 and 25 of "The Native Land Administration Act, 1886," at that time, but when he did read them he thought that they would have given far too much latitude. He had simply to say that to have put them in when he was asked to do so afterwards would have been to have made a complete farce of the whole thing, and he refused to be a party to anything of that kind. If they were going to pass legislation, let it be defined; and he would say that, whoever had drafted the amendment, it was well drafted. He felt sure that it had been done by some member of the legal profession. There were three or four little words in the clause which he liked very much; they were "in accordance with the law." These words pleased him, and he said, Well, as long as these negotiations have been in accordance with the law, let the party who is purchasing a block or leasing it continue the negotiations. Now, these words were not in sections 24 and 25 of the Administration Act, and, under the circumstances, if he put in the Bill an amendment which was not an improvement on the Administration Act, and his honourable friend complained, then he should blame himself; but, as the amendment was an improvement, and their experience had led them to know it was an improvement, then he thought no one had a right to complain. The only one who was to blame in the matter was the honourable member for Wellington City, who had asked to have the amendment, for, if he took sufficient interest in the matter, he ought to have remained at his place and have seen that it was attended to. The honourable member did not do that, but went home; and now they were asked to undo all that had been done, though the Bill had passed the Council and the Conference. He did not think the House was called upon to accept the amendment, and he could not accept it, for it would go very much further than the original. When the Bill was introduced representations were made that very many persons who had been legally negotiating would be injured if they were suddenly stopped short in their negotiations, and, under these circumstances, he agreed to give the concession, and he felt satisfied the House would do well to allow the Bill to remain as it was, and the country would be satisfied.

Mr. BELL wished to explain that he had not at all attempted to discuss whether the clause that was now in the Bill was or was not better than that in the Act of 1886. All he had intended to do, and had done, was to say that a clause in the Act of 1886 was the one which the Premier had agreed to put in this Bill. He was glad to find there was no difference of opinion as to the facts.

Mr. SEDDON thought he was entitled to the benefit of the doubt. He had not endeavoured to misrepresent the matter, and might say that the clauses in the Administration Act would not work in with this at all. They would require the aid of the legal profession to put them into shape, and he thought some one had taken the trouble to do that. In the honourable member's absence he had acted in perfectly good faith.

Mr. BELL said he had not accused the honourable gentleman of doing otherwise.

Captain RUSSELL thought there could be no doubt that here both honourable gentlemen were guilty under extenuating circumstances, and that the case was one in which there ought to be a fresh trial.

Mr. SEDDON said he was quite satisfied with the result.

Captain RUSSELL said the hardship to a person who, under the existing law, had entered into negotiations, if those negotiations were cut short by the Bill would be very great indeed; and in all probability the passage of such a clause as has been inserted would intensify the distress. It would be a very good thing now, when there was an endeavour to obtain a final settlement of the Native question, to allow the most liberal interpretation to be put upon transactions which had been *bona fide* entered into between the parties.

Mr. HEKE said he sympathized very much with all those Europeans who had made arrangements with Natives in reference to the leasing or sale of their lands. It had been the practice, especially with the older Natives, to make promises to Europeans to lease or sell, and a great many such engagements were made in good faith by both parties. Although agreeing with the clause, he would say that a great many arrangements had been entered into between Europeans and the Natives which had not been made in a very pleasing manner. There were also many that had been made in good faith on both sides. He

wished to say that in many of these cases there were Europeans who had entered into negotiations with the Natives, and they should have an opportunity of completing the negotiations they might have entered into. Now, there was a great deal of difference between treating privately and publicly with the Natives. He would tell the House again that in future dealings with the Natives public dealings were the best, and the sooner public dealings with them, either by the Crown or by private individuals, were adopted in cases of either sale or lease of Native lands the better it would be for the Natives and for the Europeans, and also for Parliament. Much of the trouble and litigation that had arisen in connection with these matters had sprung from the secret negotiations not only on the part of the Crown, but also on the part of the agents appointed by private individuals. He would not say that it was private individuals alone who entered into these secret negotiations. The Crown also was entitled to blame the same as private individuals; and as soon as the House saw its way

clear, that for the future negotiations with the Natives in reference to the sale or lease of their lands and everything of that nature should be made in public among the Natives the better it would be for all concerned.

The House divided on the question, "That the words proposed to be omitted stand part of the question."

AYES, 37.

Buddo	Lawry	Reeves
Buick	Mackintosh	Russell, G. W.
Cadman	McKenzie, J.	Saunders
Carnell	McKenzie, R.	Seddon
Collins	McLachlan	Smith, G. J.
Duncan	McNab	Stout
Earnshaw	Meredith	Tanner
Graham	Mills	Ward
Guinness	Montgomery	Willis.
Hall	Morrison	
Hogg	O'Regan	<i>Tellers.</i>
Joyce	Pinkerton	Harris
Larnach	Pirani	McGowan.

NOES, 27.

Bell	Kelly, J. W.	Russell, W. R.
Buchanan	Kelly, W.	Smith, E. M.
Button	Lang	Stevens
Carnarross	Mackenzie, T.	Te Ao
Crowther	Massey	Thompson
Duthie	McGuire	Wilson.
Fraser	Newman	<i>Tellers.</i>
Green	Parata	Hutchison, G.
Heke	Pere	Mitchelson.
Houston		

PAIRS.

<i>For.</i>	<i>Against.</i>
Carroll	Allen
Flatman.	Hall-Jones.

Majority for, 10.

Amendment negatived.

Report agreed to.

CRIMINAL CODE BILL.

Mr. SEDDON brought up a report from the second Conference on this Bill, stating that the Council insisted on its amendments, and recommending that the House should waive its objections to them. In moving, That the report be agreed to, he said that the point really at issue was as to the clause dealing with the age of consent. On the occasion of the first Conference the Managers on behalf of the Council refused point-blank to agree to raise the age of consent to sixteen, which was the amendment made by the House. A second Conference was then asked by the House; and the same Managers, with an additional member from the Council, attended, and the Managers for the Council still insisted on the Bill as it left the Council, in which the age of consent was only raised from fourteen to fifteen years. It therefore became a matter for consideration with the Managers on behalf of the House as to whether they should accept the increase of one year, represented by the raising of the age of consent from fourteen years to fifteen years, fourteen years being the age according to law at the present time,

or whether they should refuse altogether to accept the Council's amendment, and wait for a year, and then bring in a Bill next session. After thinking the matter over in the interests of the young females of the country, they came to the conclusion that it would be better to take the increase of a year offered by the Council, seeing that they would have another opportunity next year of sending a Bill up to the Council providing that the age should be raised to sixteen. He hoped that the conclusion arrived at in this matter would meet with the approval of the House. He had felt very anxious in connection with the matter. He thought fifteen years was not high enough. Judging by the expressions of opinion they had had from all parts of the colony from those who took a deep interest in the matter, he thought the Council had done wrong in insisting upon their amendment. However, the House could do no better than accept what it had gained, and in that spirit he hoped the House would accede to his motion.

Mr. MILLS said that before the report was agreed to he desired to make a few remarks. He understood the Legislative Council had excised that part of the Bill providing for a new trial for the man Chemis, and he wished to say that it was a marvel to him that in these days a Legislative Council attached more importance to anything in the shape of retrospective legislation than to the liberty of the subject in this colony. He contended the House had passed retrospective legislation over and over again, and only as recently as the day before they had done so in regard to the Little Barrier Island. He was not going to elaborate on the matter, or to go into the new evidence which came out before the Committee of which he was Chairman; and, though the member for Clutha might interrupt him and laugh, as a father of a family he would ask the honourable gentleman if he could not show some slight feeling of sympathy, if not of justice, as that was practically what was asked for in this case. He did not ask for the discharge of the man, but simply that legislation be passed putting him in the same position as any member of that House or of the Upper Chamber stood in to-day. That right had been denied to Chemis; and he hoped that those members who laughed and jeered at this matter, trying to turn it into ridicule, would yet regret exceedingly what they were doing. He only asked what was right and fair and just, and there was no unfairness about that. When he found honourable members treating such a matter with levity, he simply wished to say that he was not afraid to speak, and that he should always give expression to his own opinions, even though he might be wrong. The honourable member for Wellington City (Sir R. Stout) was a man who considered he could do no wrong, for, like Caesar's wife, he was above suspicion, and he could not make a mistake. And yet he had heard the honourable gentleman in that House say things one day and the next day he reversed the whole statement. His legal knowledge enabled him to express what-

ever views he liked, and to twist them as he wished. He invited the attention of honourable members to this fact: that the logical conclusion in this matter was that either the man Chemis was a murderer or he was not; and if the Crown could prove that he was a murderer he ought to have been hung. Failing that, the man should receive the benefit of the doubt. He might also remind honourable members that there had been many cases recorded, as the House knew well, where prisoners had been convicted and hanged, and afterwards it was proved they were innocent. They knew perfectly well that the session before last a man shot two men on the wharf in Wellington, and the result was that he was only sentenced to ten years' imprisonment. Last year a young man shot his own father in the City of Wellington; and on looking at the details in the newspapers he found that he had been allowed to receive visits from his friends, read the papers, and smoke, until the trial, and then at the trial the verdict was "Justifiable homicide." But in the case of this unfortunate man Chemis how very different the treatment! and it could not be shown conclusively that he was guilty of the gross crime attributed to him. The evidence before the Committee proved to them that he was not guilty, and, in his opinion, that Committee were at any rate quite as well qualified to express an opinion as any common jury. He had no hesitation in saying that a great miscarriage of justice had taken place: of that there was no doubt in his mind; and he was only asking what was right and just—that this poor man should receive the benefit contemplated when the provision referred to, providing a Court of Appeal, was inserted in the Criminal Code Act. He asked honourable members to assist him in the matter, because the position was unfortunate and they were blocked. The House had passed a clause in the Bill to meet this case, and the Upper Chamber refused to accept it. He had done his best to get a separate measure passed, and had at the commencement of the session brought in a Bill to deal with the matter, but it was swept away by the debate on the Financial Statement. Then, week after week went by; and what was the result? Just as the honourable member for the Eastern Maori District had said, these shadowy Bills that were introduced into the House had taken up so much time that this question, which was one of such grave importance, had been allowed to pass, and would, if he and several others had not taken it up, have been allowed to sink into obscurity. Once more he asked not for sympathy, but for justice. They knew perfectly well that many cases had occurred, both in the Old Country and in other countries, where a man or woman had been imprisoned for long years while innocent of the crime he or she was accused of; and in this case there was not one member of that House who could say positively that he was certain Chemis was guilty. He had been convicted purely on circumstantial evidence; and he (Mr. Mills) regretted exceedingly to hear the

Mr. Seddon

honourable member for Wellington City (Sir R. Stout), with his legal training and knowledge, stand up and state that the man was a criminal—in fact, pronounce a second judgment on this unfortunate man, and thus constitute himself a Court of Criminal Appeal. He asked that something should be done to meet the case, and he hoped every member who had any feeling of true sympathy with the unfortunate would help him.

Mr. GUINNESS would like to see honourable members practising what they preached. He regretted very much that the Legislative Council had seen fit to disagree with the clause in the Criminal Code Bill which virtually meant retrospective legislation in regard to the convict Chemis, but he thought the honourable gentleman would remember that at a meeting of the Goldfields Committee he (Mr. Guinness) had proposed that a measure of justice should be done in the shape of a slight modicum of retrospective legislation, but the honourable member had opposed it.

Mr. MILLS.—No.

Mr. GUINNESS said the honourable gentleman's vote threw the proposal out; and he would leave him to think over it.

Mr. HOGG wished to say a few words, in addition to those uttered by the honourable member for the Grey and the honourable member for Waimea-Sounds. He believed that Chemis was innocent of the crime of which he had been convicted; and they were not now asking that his sentence of imprisonment should be in any way interfered with, but that further inquiry should be made into the case. What had been stated by the honourable member for Waimea-Sounds was perfectly true, that Chemis had been convicted on purely circumstantial evidence of an exceedingly shadowy character. The circumstances of the trial were of such a peculiar nature that they were warranted in demanding that the opportunity should be afforded him which the amendment in the criminal law now provided, with a view to enabling him to apply for a rehearing. In reference to this particular case, they must consider the interests of others—of the unfortunate man's wife and family. This family had been damaged in reputation, bereaved, and deprived of their bread-winner; the father had been convicted of murder; and for the sake of those depending upon him, if there was a doubt of his guilt, something ought to be done. There was also to be considered the serious responsibility that rested on the Crown Prosecutor, the public officers, and the witnesses for the prosecution if through their efforts an innocent man was lingering in prison. The jury at the trial had had placed before them a one-sided statement, and not one solitary witness had been called for the defence of this man. His counsel was dying at the time from typhoid fever, and died a few hours after the conviction took place. Before his death he was sure of his unfortunate client's case—that no jury could possibly convict. No evidence was called for the defence; and if all the circumstances

were taken into consideration, in justice to this unfortunate man, he should have a further opportunity of having his case reviewed. He held peculiar views with regard to the whole system of criminal trial. In his opinion the system was one that ought to be reformed. It had been handed down from "the dark ages," and was a most unfortunate state of affairs. They found that, while a matter of a few shillings had to be tried before a trained tribunal, issues relating to the life of a subject were tried before an uneducated common jury. Where men with no judicial training, and no special education, were brought together for the first time in a case of this kind the evidence had often little to do with the verdict—it depended almost entirely on the relative abilities of the counsel for the prosecution and the counsel for the defence whether the accused was convicted or discharged. Under such circumstances, if ever there was a case which demanded a rehearing, in which the action of a tribunal ought to be reviewed, it was the case of the man Chemis. He noticed that the representatives of the legal profession in that and the other Chamber were mostly opposed to a rehearing of this case. The family of Chemis were not asking for any consideration; they were only crying out for justice. He believed that, no matter what steps might be taken by either House, the public mind in connection with this case would not be satisfied until justice was done to this man.

Mr. BELL would like to say a word or two with regard to what had been stated by the honourable member for Masterton, who had attacked those who had conducted the prosecution of this man. Of all persons whom he (Mr. Bell) had ever met, the honourable member for Masterton was the most incompetent to form an opinion on the question whether the prosecution or defence was properly or improperly conducted. For that reason he (Mr. Bell) refused to enter into discussion with the honourable gentleman on this subject.

Mr. O'REGAN said that, even if he differed from his honourable friend the member for Waimea-Sounds on this question, at the same time he could not but admire the interest that gentleman had shown in connection with it, and he took that opportunity of saying that he felt exactly as the honourable member did in regard to this case. If there had been no doubt whatever about the guilt of the prisoner, he wanted to know why the death-sentence had been commuted, and why this case had been given as a reason for setting up a Court of Criminal Appeal. He (Mr. O'Regan) did not wish to express any opinion as to the manner in which the trial had been conducted, or as to whether Chemis was innocent or guilty. But one fact which was indisputable was that there was a doubt about his guilt. It was quite possible that this man who had been convicted upon a charge of murder was suffering innocently.

Mr. REEVES.—No.

Mr. O'REGAN.—The Hon. the Minister

of Education said "No." That honourable gentleman was entitled to his opinion, just as any one else was; but beyond that he (Mr. O'Regan) would not go. It was quite possible the Hon. the Minister of Education might be wrong, and he must refuse to believe that the honourable gentleman had any special qualification to judge of this matter. If the prisoner was really innocent he had the consolation of conscious innocence, and the House was unable to deprive him of that consolation. He (Mr. O'Regan) asked honourable members to consider that this man's wife and children were labouring under the stigma, the terrible stigma, that Chemis had committed murder—a stigma that would rest upon his family when he was gone. He (Mr. O'Regan) had read of instances where men had been convicted of murder upon evidence somewhat similar to that adduced at Chemis's trial, and in these cases the innocence of the accused persons had been established after long years had passed. He remembered the case of a man who had been convicted of murder at Birmingham and was transported to Australia, and forty-four years afterwards the innocence of that man was established. The Victorian Government gave him £1,000 compensation, and a free pardon as well. The relatives of Chemis were not asking for mercy. What they asked for was simple justice. His (Mr. O'Regan's) opinion was—and he said so with all due deference to the honourable members who differed from him—that there was strong evidence to be had of the man's innocence, and therefore his case should be reviewed.

Sir R. STOUT.—It has been twice reviewed.

Mr. O'REGAN.—The honourable member for Wellington City said the case had been twice reviewed: then, it should be reviewed a third time if necessary. The honourable member for Wellington City was bound by cast-iron precedents of law, but there were times when law did not have the sanction of morality; there were laws for which he (Mr. O'Regan) had no respect, and which he for one would not hesitate to break if it were necessary to do so. He failed to see why he should be bound down by mouldy precedents. The case should be tried on its merits; while a doubt remained they should not rest until that doubt was removed. This man might be guilty or he might be innocent. If innocent, there was not only an undeserved stain resting upon him, but upon all who belonged to him, and it was their bounden duty as legislators to see that a stain did not rest upon him or them undeservedly.

Mr. MILLS rose to explain, in reference to what the honourable member for the Grey had stated, that that gentleman had made a proposition to the Goldfields Committee to extend the time to twelve months during which people could put in claims for damage done to their land from tailings put into water-races; but he also wanted to make the law retrospective, and would not tell the Committee for what purpose. That was why he (Mr. Mills) voted against the motion, but finally he

Mr. O'Regan

proposed an amendment which made it ninety days instead of fifty, as it stood, and that, he believed, was carried.

Mr. T. MACKENZIE said no information had been given to the House in the speeches which honourable members had heard which would lead him to suppose that if a further trial were granted those honourable members would be satisfied. The honourable member for Inangahua had stated that if evidence had been twice reviewed it ought again to be reviewed by a Court of law. The case had been tried by a Court of law, and had been investigated by a Committee of members of that House; and yet, years after the occurrence had taken place, these honourable gentlemen stood up on the floor of that House and claimed that all that had been previously done should be reviewed, as if this man had been treated unjustly. Why, if the matter had not been of so serious a character, the whole thing would be amusing. Whether this man was guilty or not, he had been tried by a Court of justice, and it was only fair to assume that he had had a fair trial. All honour was due to the honourable member for Waimea for the action he had taken in this matter if he thought this man was innocent. But he ought not, in taking up the case, to have made reflections upon the law-courts. And then the honourable gentleman referred to the "poor ignorant jurymen" in this case. Why, the honourable member had gone more on his knees before the electors from whom, as a class, these jurymen were drawn than any other member in that House. Why, two-thirds of the members of that Parliament were not qualified to occupy a higher position than that of a common jurymen. They were as able to come to as sound a conclusion upon a question of this sort as those who made reflections upon them. He (Mr. Mackenzie) did not intend to say anything further than this; It seemed peculiar that so much cry had been made over the wife and children of Chemis, but not a single word had been said about the unfortunate widow of the murdered man.

An Hon. MEMBER.—We are not dealing with that.

Mr. T. MACKENZIE.—But it had a great deal to do with the matter. He did not know that that House was the proper place to bring up such a case as that, and he would not have spoken on the occasion had it not been for the manner in which the case had been dealt with by those who assumed, whether rightly or wrongly, that Chemis was innocent.

Sir R. STOUT was glad to see that the honourable member for Masterton had at last come to think that ignorance was a thing to be reprobated, because he had imagined from the speeches which the honourable gentleman had made before that he had a contempt for higher education and matters of that sort. What were the facts about this case? The honourable member for Masterton assumed, and the honourable member for Waimea-Sounds assumed, that this case had not been investigated. There was no criminal case in this

country which had been more closely investigated, not only before a Judge and jury, but when the verdict was given a charge of perjury was laid against the witnesses, which had been most carefully sifted by the Magistrate, who declined to commit them for trial. A Grand Jury investigated the charge, and they declined to send the persons accused of perjury for trial, so that there were two hearings beyond the first investigation which resulted in the man being condemned to death.

Mr. MILLS.—The second investigation was nothing.

Sir R. STOUT.—It was something. It was conducted before a special jury of educated men, and they did not think there was a *prima facie* case to send for trial. The honourable gentleman was so biased that he did not understand what was a fair hearing. There was a third investigation by the Governor and the Executive, and they did not think the man was innocent. The honourable gentleman had complained that this Executive Council inquiry was not equal to a Court of Appeal. He (Sir R. Stout) did not think it was. But it should not be forgotten that in South Australia the Governor and Executive Council were the Appeal Court even for civil cases. Honourable members who had taken up this matter had decided that this much-talked-about man Chemis had not had a fair trial; but their opinion was simply without foundation.

Mr. E. M. SMITH said he had a few words to say. What had brought him to his feet was what the honourable member for Clutha had said. He (Mr. Smith) was quite certain of this: that the honourable member for Waimea-Sounds, in rising that afternoon to protest against the action of those in another place, was within his rights and privileges. What were the facts? The honourable member for Wellington City (Sir R. Stout), whenever this case had cropped up, either that afternoon or any other afternoon, had shown that what he accused the member for Waimea-Sounds of he was guilty of himself. He had placed himself in the same position, for he had pronounced on this case whenever an attempt was made to get Chemis a rehearing. This was a special case. He was not in Wellington at the time, nor did he have an opportunity of considering the way in which the prosecution was conducted when the matter was on trial, but when he came to consider this case before the Committee which investigated it, what was the result? The Committee had all the evidence in connection with the case, and amongst other evidence they had the evidence of an ex-Minister—Mr. G. F. Richardson—who was the first member of the Ministry to point out the doubts as to this man's guilt, and he believed, of all men in New Zealand, if Mr. Richardson was in that House that afternoon he would say that he was firmly confident that this man was innocent. It was well known that Chemis's wife was barred from giving evidence before the Court, when she was capable of showing where Chemis was between certain hours; and that would have

weighed with the jury, provided they had examined her on oath. He considered the law was defective on that point. He would state that if any impartial tribunal went through that evidence they would say that the police had neglected their duty. They appeared to set their eyes entirely on this one man, and they took no trouble to look after other people whose movements had been very mysterious in connection with this man Hawkings. They never attempted to investigate the actions of those people, and if they had he believed there would have been a good deal of light thrown on the case. He said that in a democratic country like this, where they had amended the law, and where they believed this case had never been fairly sheeted home to the accused man, the matter should not be allowed to rest in its present position. What did they do during the session in opening this case? It was to be with the sanction of the Supreme Court, and no outsider could come in and demand that the case should be opened. What harm was there in that? They had seen how the matter was dealt with in another place; but he felt convinced that there were certain honourable gentlemen in that House who, if they could not carry their way, immediately began to lobby, and when they looked at the amendments made in another place they could easily trace where the action had been. He asked the residents of Wellington and the people of New Zealand to get a copy of the petition, and see the way in which it was worded by the deputation that waited on the Governor—the deputation of the prisoner's fellow-countrymen. Let the people read that petition word for word to see how well they had put the case; and, if they did so, they could only come to the same conclusion that he had come to—namely, that it would be only honest and fair to give this man an opportunity by reopening his case in the Court. They could lose nothing by it, but would have everything to gain, and it would be said rightly that they, as representatives of the people, were endeavouring to do justice—not that they were trying to override the ruling of the Supreme Court, because they were not trying to do anything that would tend to throw contempt on our system of trial by jury. As for members like the honourable member for Clutha, who got up in his place whenever there was a case of murder, or opening it up again, and turned it into ridicule, he felt sorry that he was not privileged by the rules of the House to use the words he would like to use in connection with that honourable gentleman's action. That honourable gentleman attempted to throw ridicule on the representatives of the people, and he talked about people that were not able to address a public meeting before they came to the House. He would ask the honourable gentleman to search the records of Taranaki, and he would see that he (Mr. E. M. Smith) had been before the public for the last forty-three years. He had been talking about theology and botany and all those kinds of things; and if he could take the honourable gentleman home with

him to the Old Country he would go with him and deliver an address at the Science College at Birmingham. He would speak there of New Zealand, and give them information about this democratic country. He would not, however, forget to give a page to the honourable gentleman. With regard to this case, he did not say that this man was guilty or innocent, but he firmly and conscientiously believed that the evidence put before that Committee, which was now obtainable by the Court if the case were reopened, would be such that they would lose nothing by bringing it forward, and if they would gain nothing, at any rate they would let the world know that they disagreed with the amendment made in another place.

Mr. ALLEN understood the matter under discussion was the Chemis case, but the question of the honourable gentleman's going home to England had been brought up. Well, they all wanted to go home, and if they discussed useful legislation instead of useless legislation they would get home all the quicker. He had no doubt if the honourable gentleman went Home the country would very much benefit by it, especially if he made the wild statements at Home that he made in the House.

Mr. E. M. SMITH asked if the honourable gentleman was speaking to the question.

Mr. SPEAKER said the honourable member for Bruce seemed to be referring to some remarks made by the honourable gentleman himself during the present debate.

Mr. ALLEN was only astonished that the honourable gentleman had been permitted to make the remarks he had made. The honourable member for Clutha did not wish to prevent him from going Home: in fact, he thought the House would be very glad if he did go. Of course they should be sorry to miss him, because he was amusing to the House, especially when he made the amusing statements he had made that afternoon, and on other occasions, and which he had committed to *Hansard*. If the honourable gentleman wished to go Home and float a company to open up the vast areas of coal in the Mokau district, areas including something like 474,000,000 tons of coal, he thought the honourable gentleman should be permitted to go. In fact, he (Mr. Allen) would be almost inclined to vote for a sum to be placed on the estimates to send the honourable gentleman.

Mr. SPEAKER considered the honourable gentleman was dwelling too long on that particular subject. It would be well now to return to the real subject of the debate.

Mr. ALLEN only regretted that the honourable gentleman had introduced the subject. Otherwise he would not have spoken upon it himself.

Motion agreed to.

NATIVE LAND COURT BILL.

Mr. SEDDON desired to make an explanation, in justice to the honourable member for Auckland City (Mr. Button), the honourable member for Eden, the honourable member for Wellington City (Mr. Bell), and himself.

Mr. E. M. Smith

When the report of the Conference on the Native Land Court Bill was before the House he stated to the House what occurred, and the honourable member for Wellington City (Mr. Bell) gave what had occurred in reference to clause 116. Since the matter had been looked into he found that the clause which had been given by the honourable member for Eden to the honourable member for Auckland City (Mr. Button), and which was given by Mr. Button to him, and which was now included in the Bill, was the clause he took to be the one to which Mr. Bell had referred. What occurred with regard to Mr. Bell's clause was this: Mr. Button asked him, "What about Mr. Bell's clause?" and then gave him this clause. He then went to the Law Officers and asked them to draft clauses in accordance with clauses 44 and 45 of the Administration Act of 1886, and they gave him a draft of the clause, which was the one in the Bill. The complication had arisen owing to the honourable member for Auckland City (Mr. Button) reminding him of the promise he had made to the honourable member for Wellington City (Mr. Bell). He thought what he had stated would effectually remove what was in doubt, to the satisfaction of all concerned.

SHIPPING AND SEAMEN'S BILL.

Mr. REEVES moved, That the amendments made in sections 5, 6, 8, 9, 16, 19, 25, and 35, and the First Schedule of this Bill be agreed to, and that the other amendments be disagreed with, and that Captain Russell, Mr. Millar, and the mover be appointed a Committee to draw up reasons. There was a new schedule, with regard to reducing the number of firemen, and relieving steamers under 50 tons from the necessity of carrying certificated firemen, and providing in the case of larger steamers for the number of what were called "greasers," who were assistants to the engineers. Then, instead of a trimmer having to serve six months before he could be rated as a fireman, under the amendment he need only serve three months. Then, with regard to apprentices, in cases where a master was unable to go on teaching an apprentice seamanship, instead of having all his money returned, the apprentice was only to receive a proportionate amount. Then, there was an amendment under which masters of coastal vessels could engage seamen on board, instead of having to engage them on shore. There was also an amendment which allowed seamen to get certificates, not necessarily that they had served so many years, but to show that they had passed an examination. These, with some verbal amendments, were the amendments to which it was proposed to agree. The following were those with which he proposed to disagree: The Council had, in his opinion, altogether spoiled the provision relating to the overcrowding of passengers. It was proposed that it should not be allowable to overcrowd any class, but the Council proposed to allow overcrowding in one class, provided the total number did not exceed the total number allowed to be carried in all the classes. The

Council also proposed to exempt steamers plying within extended river-limits pretty well from the whole operation of the Bill: they were to be exempted from all provisions with regard to deck-loading, from all provisions relating to carrying skilled persons, and from all provisions relating to accommodation. The last suggestion was particularly objectionable, inasmuch as there was a law at present regulating those steamers, and the Council proposed to exempt them from all laws, and to make the law far worse than it was now. Then, as regarded punishments for desertion, insubordination, and so forth, the Council proposed to make them more severe in some cases. They had struck out entirely the proviso relating to the payment of wages; and they had amended the law relating to deck-loading, and had reduced the penalty on a master for overloading so as to submerge the Plimsoll mark from £500 to £100. That was almost the worst amendment they had made. These were pretty well all the amendments he proposed to disagree with, and he moved accordingly.

Mr. THOMPSON moved, That the amendment made by the Legislative Council in clause 7 be agreed to. This was the amendment on which the House divided when the Bill was in Committee, and which was rejected on the casting-vote of its Chairman. When the Bill went to another place the Labour Bills Committee inserted an amendment, and when it came before the Council there were only five members of the Council who voted against the amendment, which was carried by a large majority.

Mr. REEVES said the requirements of the schedule had been reduced four or five times, and they had been materially reduced again since the Bill was in the House so as to prevent it from inflicting any hardship upon the Auckland coastal marine. He thought the vessels referred to should be required to carry some skilled people on board, although he would be prepared to reduce the number to the lowest possible limit. He would remind honourable members that the extended harbour-limits at Auckland comprised a considerable area of the open ocean. He would be quite prepared to reconsider the matter at the Conference, and see whether further concessions with regard to these steamers could not be given.

Mr. CADMAN said, as this matter was of considerable importance to the Auckland district, where there was a large "mosquito fleet" of steamers, he was glad to hear his colleague state that he was prepared to get the Conference to reconsider the matter, with a view to meeting their requirements. Many of the steamers at Auckland ran short trips of from four to seven hours, and under this Bill it depended on the horse-power of the boats what number of firemen they should carry. Take a boat like the "Rose Casey," whose indicated horse-power was 150, and her nominal power only 80: under this Bill she would have to carry two firemen. It was ridiculous to provide that in making these short trips of from three to seven hours she must carry two fire-

men. In his opinion the Bill should be altered so that the number of firemen would be more in accordance with the number of hours the men were required to work, rather than, as at present, with the horse-power of the engines.

Mr. MILLAR said the only parts of the colony where these extended river-limits applied were at Auckland and the Bluff. In the case of the Bluff he believed Stewart Island had been included within the extended river-limits. If they allowed the extended river-limits to be put in here, it meant that, so far as the travelling public of Auckland were concerned, there was no guarantee that one single competent man would be on board one of these steamers. Was it not as likely that a passenger might fall overboard in Hauraki Gulf as in Cook Strait? Was it not as necessary to have a competent man on board to take charge of a boat, in case of accident, in Hauraki Gulf as in Cook Strait? Then, since 1853, the Shipping Act had laid down that 72 cubic feet of space should be provided for each seaman; but, under the proposed amendments, that provision was not to apply to the extended river-limit. Therefore a man might own a vessel of a thousand tons, and yet crowd the men into 10 cubic feet of space each, like sardines packed in a box. He could do anything with them.

5.0. That was one amendment made, and in the interests of the public he thought there ought to be some limit, so that those boats should come under the law the same as other vessels. There was a mosquito fleet in Wellington—vessels that ran six- or seven-hour trips, and there was no objection raised to their coming under the law. Surely on a vessel of 30 tons register there should be at least one able seaman. Would any one say that they should go with less? There was no vessel trading in the Hauraki Gulf, he would undertake to say, with less than the number of hands laid down in the schedule. What they had endeavoured to do in the schedule was to provide for a number of hands that would make the ship safe; and were the Auckland shipowners to allow their vessels to go to sea as they thought best, without having any one on board, perhaps, who had ever been to sea before? Were the whole of the travelling population of Auckland to be at the mercy of a dozen shipowners, and were they to be the only shipowners in the colony who would not be required to comply with the Act? He did not think that would be fair, and so he should oppose the amendment of the honourable member for Marsden. The point, he thought, was a fair one to have discussed between the two Houses. Some honourable members who last time voted against this provision had since informed him that they did not support it because it meant closing the North of Auckland, so that the people would not be able to get their produce down, and therefore they had voted for the extended river-limits. But that was not the case at all. This did not mean closing the North of Auckland; it was simply a question of whether a vessel, when she went to sea beyond certain limits, should not be required to carry a certain num-

ber of qualified men. The Auckland shipowners wished to run exactly as they liked, with as few men as they liked, or with incompetent men. They wanted absolute freedom. He wished to know if the House was going to grant that concession to them, while compelling the whole of the other shipowners to comply with the Act.

Mr. MCGOWAN thought the honourable gentleman who had just sat down had hardly put the case fairly. He would like to remind the honourable gentleman and the House that the men who were employed in these boats, though they might not possess A.B. certificates, were well able to do the work. There was not one of them but was well qualified to manage a boat at sea.

Mr. REEVES said they had met all that.

Mr. MCGOWAN thought that at the Conference these facts should be considered. Before the steamers were employed a great portion of the trade along the coast was carried on by Natives in their canoes. The Natives had no certificates, but they carried on the trade safely: a large grain trade was carried on in that way. If this coastal service were interfered with it would cause great hardship. These small steamers having a certain number of men were only two or three hours at sea; but the honourable gentlemen seemed to think that, because a steamer was of a certain horsepower, it should have a certain number of able seamen. But the fact was that these men employed on the steamers had been engaged all their lives at the same kind of work.

Sir R. STOUT would suggest that a compromise should be arrived at by the honourable member for Marsden withdrawing his amendment and being added as one of the Managers at the Conference. If that were done, he thought some agreement might be come to. He might say that where he was born they got on very well without any examination or control by the State of the men who were engaged in this class of work, and he did not think there were many accidents. The men were trained to the sea from their early youth.

Mr. REEVES did not wish it to be thought that he was reflecting on the honourable member for Marsden, but would say that he would have no objection if that honourable gentleman would agree to accept the appointment of the honourable member for the Thames on the Conference, as the honourable member himself objected to a very great deal that there was in the Bill. He was prepared at the Conference to meet any reasonable objections respecting the clause.

Mr. CROWTHER wished to know if the Minister of Labour objected to the honourable member for Marsden being on the Conference.

Mr. SPEAKER said it was necessary that the Managers for the House should be a united body in their opinions on matters of dispute between the House and the Legislative Council when they met in Conference.

Mr. REEVES said he proposed to add Mr. McGowan to the Managers.

Mr. Millar

Mr. CROWTHER thought, so far as the inquiry had gone, there could be no objection to adding the honourable member for Marsden, who was thoroughly posted up in this business, and who he was sure had spent more time in connection with the Bill than the honourable member for the Thames, and consequently ought to be more fitted to deal with it.

Mr. REEVES.—Yes; but the Managers must pull together.

Mr. CROWTHER said, from the knowledge he had acquired, there were very few men who could pull together with the Minister of Labour on these questions.

Mr. REEVES.—That is very rude.

Mr. CROWTHER said he had got to be rude frequently, in order to be just. There were men in the locality referred to who had been engaged in these occupations since 1870. They had their own scows, and they went where steamers could not go, and at certain seasons carried fruit, vegetables, and produce. Had this Bill passed as it left the House not one of these would have been allowed in the Auckland Harbour. Thousands of people would have been thrown out of employment, all this plant would have been left on the owners' hands, and the settlers would have been unable to get their produce to market except by paying exorbitant freights to the steamers, and the steamers would not have been able to visit all the localities, because they could not get up the rivers where this trade must be done. He thought that, at this period of the session, the Minister of Labour would have shown very good taste in accepting the amendment as it had come down from the Upper House. The honourable gentleman knew better than any of them the strict examination and searching inquiry that the measure had been subjected to. They had had witnesses from Auckland, and the Minister of Labour had been represented, and fairly represented, on that investigation. He was sorry the Minister of Labour could not see his way to adopt the suggestion of the honourable member for Wellington City (Sir R. Stout), for to decline to do so was to say that the honourable member for Marsden was not fit to be intrusted with matters of this sort, and, if that was so, he was extremely sorry for the ratepayers who had sent that honourable gentleman there.

The House divided on the question, "That the amendments of the Council in section 7 be disagreed with."

Ayes, 31.

Buddo	Kelly, J. W.	Russell, W. B.
Cadman	Mackintosh	Saunders
Carnell	McKenzie, R.	Seddon
Earnshaw	McLachlan	Smith, G. J.
Flatman	Mills	Stevens
Graham	Montgomery	Tanner
Guinness	Morrison	Ward.
Hall	Pinkerton	
Harris	Pirani	<i>Tellers.</i>
Hogg	Reeves	Collins
Joyce	Russell, G. W.	Millar.

NOES, 31.

Allen	Kelly, W.	Mitchelson
Bell	Lang	O'Regan
Buick	Lawry	Parata
Button	Mackenzie, T.	Smith, E. M.
Carnoross	Maslin	Steward
Carroll	Massey	Willis
Duncan	McGowan	Wilson.
Green	McGuire	
Heke	McKenzie, J.	<i>Tellers.</i>
Houston	McNab	Crowther
Hutcheon, G.	Meredith	Thompson.

Mr. SPEAKER said he would give the casting-vote for allowing the matter to be further considered by Managers of the two Houses at a Conference. He consequently gave his vote with the "Ayes," in favour of disagreeing with the Legislative Council's amendment, and with the view of having the difficulty arranged at a Conference.

Motion agreed to, and other amendments disagreed with.

On the motion of Mr. REEVES, Captain Russell, Mr. Millar, and Mr. McGowan were appointed a Committee to draw up reasons.

DEATH OF THE HON. MR. DIGNAN.

Mr. SEDDON.—Mr. Speaker, sad tidings have reached us. The Hon. Mr. Dignan, on his way home from his parliamentary duties, died this morning at New Plymouth. I shall therefore, in respect to the deceased legislator, conclude by moving the adjournment of the House. I would say that he was well and favourably known as an old colonist. He has done faithful service. In the district he has represented for many years in the Legislative Council, and where he has lived for very many years, there is no one who does not speak well of him, and who will not pay due tribute to his memory. All those who have known him as I have known him for very many years as a member of the Legislative Council, and as a member of the House, must have known him to have been in all his actions fearless, honest, and upright. Whatever action he has taken has always been from purely conscientious motives, and from conviction. There is no one, I say, but will admit that throughout the time he has been amongst us there were very few who were so well respected and revered as he who has passed away. It will be to those who are near and dear to him some slight degree of comfort in their sad bereavement to know that every one in this Parliament assembled sympathizes deeply with them. He has passed away at a ripe old age, revered and respected, and leaves behind him an honoured and unsullied name. He has done his duty to the country fearlessly and faithfully; and in respect to his memory I move, That this House do adjourn until eight o'clock this evening.

Captain RUSSELL.—I venture to ask the privilege of being allowed to second the motion of the Premier that this House should adjourn until eight o'clock this evening out of respect to the memory of the Hon. Mr. Dignan, lately a member of the Legislative Council. Sir, there

is little that I can add to the remarks that were made by the Premier. Very many years ago, when I first came to this country as a young soldier, and lived in Auckland, I remember the Hon. Mr. Dignan as a respected fellow-citizen with me in that town. He was a member in the early days of the Provincial Council of Auckland, taking an active part in the government of his province. When I first came to the House of Representatives, in the year 1875, I found Mr. Dignan a respected member of this House; and then, in the course of years, he was translated from this House to a position in the Legislative Council. And all honourable members who, like myself, remember him for nearly a quarter of a century will join with me in expressing the high opinion we ever had of him, for his unvarying kindness and courtesy of manner, and for that generous sympathy and warm-hearted feeling which distinguishes pre-eminently the country from which he came. It is useless to endeavour by expressions of regret at the death of a man whom we all respected to assuage the grief of his relatives, but, at any rate, it is a satisfaction to know that he leaves behind children to bear in New Zealand the honoured name that he has borne for so many years past.

Sir R. STOUT.—Having been for four years in this House closely associated with the Hon. Mr. Dignan, belonging to the same party, and being also, I think, the only one in the House now who was in the Ministry that recommended him to the Governor for appointment to the Council, I may be pardoned for saying a few words. I knew him from the year 1875, in which I first entered the House, and up to the time practically just before he left this city for home I was on terms of unbroken friendship with him. We all knew his leading characteristic, which I may term modesty. He was one who never pushed himself forward in any way. Another characteristic may be mentioned, and that was his extreme fairness and extreme goodness. He was a man upon whose word you could always place the most implicit reliance. I join with the honourable gentlemen who have spoken in paying this tribute to his memory, and, as stated by the honourable member for Hawke's Bay, I hope his children will nobly bear his name and keep his memory in remembrance. The mere fact of the House showing sympathy with them will be, at any rate, a slight solace to them in their great trouble.

Mr. LAWRY.—I was very much pleased to hear the observations which have been made by the Premier, the honourable member for Hawke's Bay, and the honourable member for Wellington City (Sir R. Stout). Perhaps, with the exception of yourself, Sir, and the honourable member for Eden, I had the pleasure—I may say the honour—of knowing the late Mr. Dignan longer than any other member of this House, and every word that has been expressed relative to his character can be borne out by the actual facts. He has lived a most exemplary life, and when the news of his death was received here to-day there was not a single

member of either branch of the Legislature, no matter what his politics may be, who did not express profound regret. The honourable gentleman who has just passed away has been associated with my family for nearly fifty years. I regret exceedingly, Sir, that you are not upon the floor of the House to pay that tribute to his memory which, from your experience and your friendship with the deceased statesman, you are so well qualified to pay. I will conclude by merely observing that the life of the late Mr. Dignan has borne out in its truest sense the expression of Pope, "An honest man 's the noblest work of God."

POMAHAKA PURCHASE.

80. Mr. J. MCKENZIE.—Sir, in rising to move the motion standing in my name, I may say that my motto is the motto of my country and clan—"Nemo me impune lacessit"—"No one attacks me with impunity." That is my motto, and I am sure the honourable member for Wellington City (Sir R. Stout) will be glad to find that I am keeping up my classics. As far as I am personally concerned, I do not think it would be necessary for me to-night to move this motion, or to quote anything in connection with it. I understand the Committee is unanimous in acquitting me of all blame or corruption. But the honour of my department has been assailed, and the honour of my department is, I consider, my honour. It is my duty to defend my department on the floor of this House when I find that undeserved odium is sought to be cast upon it, particularly when that odium is cast in the attempt to strike at me. The history of this matter is well known to honourable members. At the last election my opponent at the Waihemo electorate brought this charge of corruption against myself by way of insinuation and innuendo. He may have said it then in heat, but he repeated it afterwards in cold blood in the *Otago Daily Times*—always, however, by way of insinuation, never by way of open and manly charge. My enemies took it up and echoed it, and my department and I were hinted at as having conspired together to perpetrate a fraud on the taxpayers of the colony. Both he and the editor of that paper clamoured for an inquiry. An inquiry into what, if not into corruption on my part and my department's? Well, the inquiry is held. They are asked to attend and bring their witnesses at the public expense. And what do they do? The people who were so ready to insinuate these charges now declare that they never made them. They say this when challenged to the proof. But it is for this House and the public of New Zealand, when they read the evidence taken before the Waste Lands Committee, to say for themselves whether these charges were made or not. And I venture to say that any one who will read the evidence taken before the Waste Lands Committee, and note the method of cross-examination adopted by Mr. Scobie Mackenzie, can come to no other conclusion than that he was making desperate efforts to unearth something to give colour to those

charges. During the whole of this inquiry this gentleman was endeavouring to find some peg on which to hang a charge of corruption. During the last election at Waihemo this charge was levelled at myself for the purpose of trying to make the people in the electorate believe that I was unworthy of their confidence at the election. My opponent's friends and political supporters at the election endeavoured by all the means in their power, fair or unfair, to get the electors to believe them; but they failed after all, and the result was that I was returned to this House with the very substantial majority of 325. So far as I am personally concerned, I might have allowed the matter to rest there, as the large majority of the people amongst whom I lived during the greater part of my lifetime did not believe the aspersions on my integrity. If they had done so they would not have sent me here. But, Sir, as a Minister of the Crown, I am responsible to a certain extent to the people of New Zealand, as well as to the constituents of the District of Waihemo, and I felt it my duty, both to my department and to my own position as a Minister, to give our opponents every opportunity if they wished to prove anything against us, and with that view I moved that this matter be referred to the Waste Lands Committee for the purpose of inquiry. The result is now before the House in the report before us, and also in the evidence attached to the report. The result of the inquiry will show, if honourable members will look at the report for themselves, and the evidence in connection with it, that the Committee has come to the conclusion that, so far as I myself am personally concerned, I am blameless in this matter, and so likewise is my department. I believe the whole of the Committee was unanimous on these two points. There was a slight difference of opinion amongst the members of the Committee so far as the price paid for the land was concerned. There was also a decided difference about Mr. Scobie Mackenzie. His friends on the Committee—and he had friends there—wanted to shield him from censure; the other members thought he ought to be censured, and I understand that it was on this point only that unanimity was impossible. But I repeat that, so far as myself and my department are concerned, the Committee was absolutely unanimous; and yet Mr. Scobie Mackenzie, the *Otago Daily Times*, and my other opponents insinuate that my department and I escape by the brute force of a party majority! Time will not permit me to go into the evidence or to refer to it at any length, as the half-hour in which I have got to move the motion is so short. I must leave it to the members of the House and the people of the colony, into whose hands this report will go, to judge whether the opinion which is passed upon it is correct. I hope the House will pardon me if I digress here from the inquiry proper in order to show the House the reason why this charge was made against me, and by whom it was made. It has fallen to my lot as a public man in this

Mr. Lawry

colony to expose some of those in high places, and it has fallen to my lot to expose some of the financial rings in this colony, and their managers and agents, during my political career, and in doing that I have gained their never-dying enmity. Consequently no opportunity has ever been lost on the part of those people to do me an injury. During the last election nothing would have pleased them better than to have seen the Minister of Lands defeated for the Waihemo seat. By fair means or foul he was to be defeated at any cost, and they put forth every effort with that object. It fell to my lot several years ago to move, in this House, that inquiries into certain cases of dummyism should be made, and I moved for a Select Committee for that purpose. Through the evidence of that Committee, the Otago Waste Lands Board was called upon to hold inquiry into certain dummyism cases; and what was the result? That a certain individual there, James Smith, of Gellebrand and Smith, had to disgorge several thousands of acres which he had secured by dummies, and to also lose the very large sums that he paid for this land. He had also to pay the costs of the inquiry. That was all brought about by my action in this House as a public man; and from that moment I gained the enmity of this James Smith, a director of and one of the largest shareholders in the *Otago Daily Times*. That will show honourable members the reason for the animosity which that newspaper has always borne to myself. Not only has that paper persistently assailed me in my public capacity, but it has also dragged in my private affairs and my family with the view of doing me all the harm it can. Then, there is another gentleman in Dunedin, a Mr. John McFarlane Ritchie, the manager of the National Mortgage Company, who hates me because in the performance of my public duty I made him disgorge in connection with the Benohau Run. He also would have given a good deal to see me defeated at the last Waihemo election. But I venture to say that if that gentleman had received his due he would have been serving a long sentence in Her Majesty's Gaol at the time of the last Waihemo election. Now, Sir, this John McFarlane Ritchie is, as I have said, manager of the National Mortgage Company at Dunedin; and honourable members may ask themselves this question: How is it possible that any respectable company would employ such a man to manage their business? But let us look back at history. Let us look at the directors of the City of Glasgow Bank, and the directors of the Overend Company, of which we heard something last night. I have no doubt that Mr. Ritchie is employed because he is a man who would do for his company exactly what it wishes him to do, without any scruples as to what is honest. We know that the directors of the City of Glasgow Bank were all pious men; they went to church on Sunday, and robbed the public through the rest of the week. So with Mr. Ritchie. He is a very pious individual.

He goes to church on Sunday, and devotes himself to dummyming runs on Monday. Now, I have reason to believe that this man Ritchie conceived the Pomahaka conspiracy; for conspiracy it was—a conspiracy to damn me and defame my department. He was the gentleman who conceived it, the *Otago Daily Times* helped at the hatching, and in my opponent they found a weak and willing tool. Mr. Scobie Mackenzie was marvellously well informed in respect to the leases held by the New Zealand and Australian Land Company over the Pomahaka Estate. How was he able to put questions on the minutest points to Mr. Douglas, and to know every detail about these leases? It was because he got the information from Mr. McFarlane Ritchie, whose company was the agent of the Australian Land Company in Dunedin. The whole plot was conceived in Dunedin between him and the editor of the *Otago Daily Times*, and Mr. Scobie Mackenzie lent himself to become their tool. But they failed. And what then did they do? Failing to defeat me at Waihemo, they sought revenge in the columns of that paper by repeating and fomenting their slanders long after the election was over. Then, we have the inspector of the Union Bank in Wellington coming before the Committee here, going the length—for he did not scruple for one moment—of disclosing the private affairs of one of the bank's clients in order to assail the Minister of Lands and his department. Such conduct on the part of a respectable bank is almost inconceivable; but it was done, Sir—why I cannot tell; but perhaps the honourable member for Wellington City, Mr. Bell, the solicitor for the bank and the brother-in-law of Mr. Scobie Mackenzie, could explain it, if he cared to do so. Anyhow, it was done, Sir. All the papers relating to Mr. Douglas's private affairs with the bank were placed at Mr. Scobie Mackenzie's disposal, to enable him to injure me. And not only so, but this inspector tried hard to make it appear that the Pomahaka Estate was not worth £8,000, which the bank had advanced against it. He was afraid to openly swear that the land was not worth the money, but, though all the banks were at that time calling up advances, he tried to make it appear that this particular advance was called up not as part of a general policy, but because the land was not worth the money. And that was the construction put on it by their own friends and the Tory Press. But, if that construction were correct, I say that the Union Bank must be in a very bad state indeed, because I have personal knowledge of many properties not nearly so good as Pomahaka, upon which that bank has lent far more than it lent on that estate; so that if that was bad security for the Union Bank the bank must be in a bad state indeed, and the sooner the shareholders look after it the better it will be for themselves. Now, this is the class of people who come up and do everything they possibly can to injure the Government of this colony, because getting at the Minister of Lands is getting at the Government. I venture to say

that if the inspector of the Union Bank paid more attention to his legitimate business it would be better for the bank and for its shareholders. I have complained very bitterly of the terms which have been applied to me by the Tory Press of this colony, especially by the *Otago Daily Times*. The editor of the *Times* behaved in this matter in a shameful manner—a manner in which no honourable, upright man would have behaved. He demanded an inquiry in this matter, and when the inquiry was called he was asked to come here. But did he come? No, Sir: he telegraphed that he had never made any charges against the Minister of Lands, and had no evidence to give. The gentlemen he named, who, he said, could tell the true story, were all summoned here, and not one of them had a word to say in his favour, or in favour of the contention he took up in the matter. But, though my good friend the editor did not come, he was not idle. Information was sent him from time to time of what went on in Committee—information that could only have reached him from somebody who was present; and this information he shamefully distorted and then published in order to poison the public mind in Otago. The Committee was packed; the Chairman was my bosom friend, Mr. Thomas Duncan—honourable members know that to be false, as Mr. Thompson was Chairman; Mr. Scobie Mackenzie was extorting the most damning disclosures; important papers had been fraudulently removed from the file—this referred to one telegram that had never been filed, and had nothing to do with the purchase; Sir Robert Stout's report—the report prepared and produced by Mr. Scobie Mackenzie's friends on the Committee—was the report of my bosom friend the Chairman; and so on all through the piece. This shows how continuous was the falsification of the facts in this paper in its endeavour to do injury to myself personally. Sir, I do not complain of fair, honest criticism on any occasion—no one can accuse me of that; but I say I have reason to complain when false statements are continually made by any paper, and no paper of any respectability would descend to such despicable tactics. I have a great deal to say in this matter, but I must curtail. Let us come to the facts in this inquiry. What has been found? It has been unanimously found that the statements were not proved—statements that were made by insinuations and innuendoes; and before the members of this House can believe that there was one iota of truth in them they must first believe that Mr. Percy Smith, the Surveyor-General; Mr. Barron, the head of the Survey Department; Mr. Ritchie, the Secretary of the Stock Department; Mr. Maitland, Commissioner of Crown Lands of Otago; Mr. Adams, the Chief Surveyor, of Dunedin; and Mr. Turton—that all those gentlemen have perjured themselves. You must believe this before you can believe there was one iota of truth in the statements which were endeavoured to be proved. I venture to say that every member of this House who knows these gentlemen knows

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perfectly well that they could not be guilty of anything of the kind. Before you could hold them proved, you would have to show that all these gentlemen conspired with the Minister of Lands to do a corrupt thing; and I venture to say that not one iota of evidence came before the Committee to show that there was anything wrong in this matter. The only evidence that can at all be favourable to the other side was in connection with the value of the property. That evidence was given by two individuals, including the inspector of the bank referred to. The first day before the Committee that gentleman swore to a falsehood, and had to come back the next day and apologize. Evidence was given by Mr. Stevenson that the land was everything that was bad—not worth more than £1 or, at most, £1 10s. an acre. But he himself voluntarily signed the petition praying the Government to buy it; and, before attaching much weight to his evidence, most sensible people will want him to explain the reason of the somersault he took. The fact is, he has been a station-manager all his life, and his squatting friends probably remonstrated with him for doing anything to promote close settlement. Hence his sudden right-about-face. I have little doubt that he came up as a tool of the squatters in that part of the country. I am told that this man is “off his chump” on the Pomahaka question. This much, at all events, is undeniable: He is the only man Mr. Scobie Mackenzie brought to speak to the value of the property from personal inspection; and, as the Committee had offered to pay the expenses of all the witnesses he liked to name, the fair inference is that Mr. Stevenson is the only man he could get. And that in itself speaks volumes. With regard to the value of this property, you must believe that the twenty-one settlers who took up sections were all fools, if you believe the evidence of Mr. Stevenson and Mr. Scobie Mackenzie—that all the settlers were fools for giving the prices they did to the Government. Now, for some of these sections there was a considerable amount of competition—over a dozen applications in some cases; and those who were unsuccessful must also have been fools not to know the value of the land. The position is that 5,230 acres of the Pomahaka Estate have been taken up, and the Colony of New Zealand at the present time is getting 4 per cent. interest on the total capital cost after surveying and roading. Does that show that we paid too much for the land? And about 2,000 acres are still lying, which can easily be disposed of now that by an amendment of the law they can be sold in larger blocks. The only reason the Pomahaka did not go off altogether was that the acreage was too small in some cases for the country. When I say twenty-one settlers are at the present time paying rent which yields an interest to the colony of over 4 per cent. on the whole cost of the estate, I think it proves beyond doubt that the price we paid was not too high. I know that at present a number of people are trying to make out that they gave too much for the land, and

nothing would please them better than if some of the settlers would decline to pay their rents—nothing would please them better.

8.80. Now, I am going down after the session to see the settlers, and to see for myself what they are doing, and I will then tell them not to be led away by my opponents—men who would not allow them to get one acre of land if they could help it. I have only five minutes more in which to speak, and I have a good deal more to say. The evidence which came before the Committee shows that, so far as the department over which I preside is concerned, everything has been done in accordance with the law, and that the action I took in the matter was such as I was bound to take as Minister of Lands. Then, as I have already shown, the whole of the evidence, except that of the two witnesses I have named, proves that fair value only was given for the land, notwithstanding all that may be said to the contrary. The evidence and the report also show that my opponent had no grounds for making his charges, and he should either have made them openly, so as to allow me to defend myself elsewhere, or he should have withdrawn them when he found they were baseless. I believe at this moment that my opponent in his heart does not believe and never did believe that I was guilty of any wrong, but I believe that in a weak moment he allowed himself to be persuaded to make use of these charges at the instance of those financial people who hate me like poison, and who would give anything to see me out of this House and out of all political power. I believe, further, that, having once made them, he lacked the moral courage to withdraw them and confess himself in the wrong. He is given to the use of reckless assertions, and if the Committee's censure teaches him to be more heedful in future it will serve a useful purpose. I venture to say that the gentleman who has slandered me has slandered almost every Minister that has occupied these benches. He has got names for them all. He slandered the honourable member for Wellington City (Sir R. Stout) on one occasion, when speaking at Naseby, and called him "a sponger on the Colony of New Zealand." He has slandered the late Mr. Ballance; he has also slandered Sir Harry Atkinson and the Hon. Mr. Rolleston; and he slanders every man who comes into prominence in this House. I trust the lessons he has got at the Waihemo and Tsupaka elections, and at the hands of a Committee of this House, will not be lost on him. Now, Sir, my time is up and I must stop. I have made one classical quotation, and I am going to make another to wind up with—*Honi so'i qui mal y pense*, which means, Evil be to him who thinks evil.

Motion made, and question proposed, "That the report of the Pomahaka Purchase Committee be adopted, and entered on the Journals of the House."—(Mr. J. McKenzie.)

Sir R. STOUT.—Sir, I exceedingly regret that the time-limit has prevented the honourable gentleman who moved this motion from getting sufficient time to deal with the subject he

intended to deal with to-night—namely, the defence of his department. I do not intend to deal with this Pomahaka business, for the opinion I hold about it appears in the draft report I brought up before the Committee. And so far as I am concerned, I believed what I stated in that report,—namely, that no charge of corruption can be made against the Minister of Lands, and that in my opinion neither Mr. Ritchie nor Mr. Barron, the two officers implicated, can be blamed for the action they took. As I have said, I still hold that opinion. What I do regret is that there should have been any inquiry at all about Pomahaka. I do not think it is a wise precedent that the babblement of an election contest should be made the subject of a Committee of inquiry of this House. That, I think, is exceedingly unwise. There have been charges more serious and pronounced made in this House, and yet we have been unable to get any Committee of inquiry. For instance, take the case of the 21st clause of the Alcoholic Liquor Bill. We have been unable to get any Committee of inquiry in reference to that. Then, we had charges made in reference to railway management under the present Commissioners. We have been unable to get any inquiry into that. Now, if that be so, I should like to know why it is that in the case of an election contest, when people are heated and make heated speeches, these speeches should form the subject of an inquiry at the expense to the colony of many hundreds of pounds. That is entirely unwise; and I know there are some members of the Committee, strong friends of the Minister of Lands, who agree with me in thinking that it was unwise that this inquiry should have been held. The next thing I regret is this: that the report as brought up should not have been amended so that it could have been adopted unanimously. It should have been discussed and amended, as there were many details in it. I think it is a great pity the Committee should not have accepted this view of it. I was exceedingly anxious, for the sake of the Minister and his department, that the report should, if possible, be unanimous. It is always a mistake in these Committees when the report is not unanimous, so that, whatever charge has been made, or whatever may have taken place, it could be said there was nothing that looked even like bias in its finding. I consider that the report should, if possible, be unanimous; and I believe that, if my rough draft of a report had been adopted on that basis, we might have come to a unanimous finding on the subject. However, that was not done. What happened was this: I brought a report before the Committee, who ordered that it should be printed. The print was sent round to the members of the Committee, and I think the members got it between five and six o'clock in the evening. The next morning, however, I was surprised to see that my honourable friend the member for Waima-Sounds brought up a printed report, supposed to have been drawn up by himself, dealing with the matter. I asked the Chairman why it had been

printed, and he said he did not know—that he had no knowledge of it, and that he did not authorise it to be printed. I assume, therefore, that either the honourable member has the right to ask the Printing Office to print anything he likes, or else he had had the Ministerial sanction for printing this present report. Now, so far as this report is concerned, I do not think it is judicial in tone, and therefore it must lack weight through the form and language in which it is couched. What I complain of is this: that if it has been drawn up by the honourable member for Waimea-Sounds he must have been so impressed by the speech of the counsel on behalf of the Minister as to have copied his language. There are passages in the report identical in phraseology. Now, as the Minister of Lands has quoted Latin, allow me to give him a Latin maxim. It is this: *Sua cuique quum sit animi cogitatio, colorque pulchrius*; which means that each man has his own fancy and colour, which he gives to his productions. If any one looks at the report, and at the speech of Dr. Fitchett, he will find that there is paragraph after paragraph identical in language. Now, I do not say that Dr. Fitchett drew up the report. I do not know who drew it up. If I am to judge by handwriting, I can only judge handwriting by its appearance and by its similarity to other handwriting that I know. I do not say that the report is drawn up by the person who made the speech. But what I say distinctly is that my honourable friend the member for Waimea-Picton, if he drew it up, has used the same language as Dr. Fitchett. I do not say that that is wrong. The honourable member may have thought it expressed the thing fairly. There is, however, a style about the speech and a style about the report that are identical. It is written in a literary style, and with considerable literary finish, which is generally absent from the honourable member's productions. Let me just read one or two extracts, to show what I mean. If honourable members will turn to the report, on page 2, paragraph 5, they will see this passage:—

"In 1889, 1,140 acres of the same estate, and not the best part of it, were sold at £3 12s. 6d., and for several areas £3 was offered."

Now, if honourable members will look at the speech they will see a paragraph there, on page 108, which reads as follows:—

"Eleven hundred acres were sold in 1889 at £3 12s. 6d. per acre, and not the best of the estate. Some sections were bought in for £3. . . . He refused £3 for large blocks."

Then, let me take another passage of the report:—

"The owner (Mr. J. Logan) had recently died, and his executors put all his property in the district—30,000 acres in all—into the market, thereby outrunning the demand for land and lowering the price."

In the speech we find,—

"The owner was dead, and the trustees were winding up the estate, so they put all in the market—30,000 acres—to bring what it could."

Sir R. Stout

I might, Sir, give paragraph after paragraph, but I will only take one or two others. There is another passage in the report:—

"Lastly, there is the practical test of values afforded by the rents paid by settlers who have taken up sections since the property was thrown open by the Government. Up to the 26th July, 1894, 5,230 acres have been disposed of, at an average rental of 8s. 4d., or a capital value of £3 6s. 6d. per acre, leaving about 1,800 acres still to be let. And it must be borne in mind that these rents were given in spite of much depreciation of the property in the Otago papers, and Mr. Scobie Mackenzie's public statements that the soil was cold and ungenerous, and that the rental for years had been 6d., representing a capital value of 10s. per acre."

And in the speech,—

"Last, but not least, we have the fact that, in spite of the abuse showered on the land by Mr. Scobie Mackenzie and his friends—cold and ungenerous soil, worth no more than a capital sum of 10s. per acre, and so forth—people come forward and voluntarily take up 5,230 acres at an average rental of 8s. 4d."

There are two more extracts which I may give. The report says,—

"As to the suggestion that Mr. Ritchie improperly induced Mr. Barron, the Under-Secretary for Lands, to instruct the preliminary inspection without the knowledge or authority of his superior officer, the evidence was contradicted that Mr. Barron was not exceeding his authority."

And in the speech there is this passage:—

"Mr. Barron was acting within his authority in instructing the preliminary inspection."

Then, again, there is another one referring to Conical Hills:—

"With respect to Conical Hills, the evidence clearly shows that the purchase was impracticable at the time, and could not have been effected without beginning the whole negotiation *de novo*. The offer was to exchange, and there was no statutory power to exchange."

In the speech it is as follows:—

"An offer had been made to exchange, and there was no power to exchange."

Then, I might point out that the framework of the speech and the report are identical. The endings are similar. So I might go on. The language is identical. The literary style is peculiar. There is no difference between the speech and the report. They are the written and spoken utterances apparently of one man. Now, I do not say that Mr. Mills, who brought up the report, did not write the report, but what I do say is that, if he did, his mind is of that plastic cast that would be moulded by the last utterance he heard, and have it reproduced, just the same as phonographs and other instruments do. He has simply repeated what he heard last before the Committee. Now, of course, the Minister of Lands is not to blame. I am not making charges against him; he had nothing to do with it, nor had the Lands Department; but I only point out this, and I hope it may be—I do it

in this spirit—a lesson to other Committees to think, when they meet to deal with a report such as this, that they should be judicial in tone, and not adopt the language or literary style of the counsel of either side who may appear before them. I do not know that I have anything more to say. I am glad I can say freely that I do not think the Minister of Lands had any right to have charges made against him; and I say the same thing of Mr. Barron. However, I disagree with the Committee in several of its findings. I disagree with the language of the report; I disagree as to the value of the land. I do not say but what the Minister thought he was getting a good bargain; and I think the Committee should have left it in the way I proposed. There were only two witnesses, of those examined, who were not connected in some way with the purchase—Mr. Cameron, from Waitahuna, and Mr. Stevenson, from the neighbouring station. As far as Mr. Cameron was concerned, he had ridden from home to Pomahaka, thirty miles, on Sunday, and returned to his home the same night, and that was all his knowledge, and his opinion apparently was that the land was what was called “sappy.” The other witness was Mr. Stevenson, and I exceedingly regret that the Minister of Lands should have assumed that he gave evidence that was biased. I was present when he was examined, and, so far as I can see, he may have had predilections—every person has—but he meant to say what was fair. I think it right that I should explain here why it was that I was opposed to the finding of the Committee. I think the language was not judicial, and some of the statements are not borne out by the evidence, and, further, I consider it was not their province to enter into the political duel between the Minister and Mr. Scobie Mackenzie. Their duty was to follow the order of reference, and simply find the facts, and not to deal with suggestions either to Mr. Scobie Mackenzie or to the Minister of Lands as to how they should in future conduct political contests.

Mr. MILLS.—I may tell the House that when I came here to attend this session I had never heard or read one word in reference to the Pomahaka purchase. Therefore I think the House will acquit me of any prejudice in the matter. I was appointed as a member of the Waste Lands Committee, and, in the ordinary course of our work, an order of reference was sent to us which I will read to the House. But before coming to that I may follow up the first link. On the 10th July the Minister of Lands referred to the matter, and stated that he would call for an inquiry. The senior member for Wellington City at that time complimented him for asking for the inquiry.

Sir R. STOUT.—No.

Mr. MILLS.—The honourable gentleman did compliment him for asking for an inquiry, and, if I were permitted, I could refer him to the page in *Hansard*. The order of reference sent in to the Committee was as follows:—

“Ordered, That the whole transactions in connection with the purchase of the Pomahaka

Block, under ‘The Land for Settlements Act, 1892,’ be referred to the Waste Lands Committee for investigation, with power to take evidence on oath, and call for persons and papers, and to report to the House.—(Hon. J. MCKENZIE).”

In connection with this, the Chairman took the necessary proceedings. He telegraphed at once to Mr. Scobie Mackenzie, to the editor of the *Otago Daily Times*, and to others he thought necessary to get evidence from. Mr. Scobie Mackenzie replied to say that he would attend, and the editor of the *Times* refused. But very soon afterwards the latter gentleman published a subleader, in which he said the Committee were afraid to call those who could tell the real story. He was telegraphed to immediately again by the Committee, and his own words were quoted; and immediately afterwards he replied practically stultifying himself, and stating in so many words that he imputed no motives to any one, but naming certain witnesses who could give effective evidence. Evidence was taken, and witnesses were brought up from Otago and gave evidence before the Committee, who made a most exhaustive inquiry, and, I say, absolutely without any prejudice as far as I am concerned, and I believe I can say the same of the other members; and after the inquiry both Mr. Scobie Mackenzie and Dr. Fitchett, who was acting for the department, addressed the Committee, and both of their speeches were in print before the report was prepared. Probably that was where I acquired some of the language the honourable gentleman takes offence at because he finds it superior to his own. We also had a printed report from the senior member for Wellington City, which is now before me, and savours very much of Mr. Scobie Mackenzie. I should say that Mr. Scobie Mackenzie had a good hand in its production, and no doubt some members of the Committee had read it. So that the honourable gentleman should have very little fault to find with any one else. If honourable gentlemen look at the substance of Sir Robert's report, it is “wishy-washy,” as evidently attempting to please both sides, and gives no result of the inquiry—no practical decision on the merits of the case submitted to the Committee. There are some of the points of the evidence so striking and so contradictory that I intend to place them before the House. I shall not refer to the charge made by Mr. Scobie Mackenzie. Honourable members can see that for themselves at any time by reading the evidence.

Mr. ALLEN.—What was the charge?

Mr. MILLS.—The charges were made by implication and innuendo on the platform when Mr. Scobie Mackenzie was speaking at Wai-hemo, I believe. This is what he says to the Committee: “I maintain that all the statements made by me in that speech, though I am not answerable to the Committee for them, have been proved to be true throughout this inquiry.” Well! I will now refer to one or two replies that he made when he was under cross-examination by the Committee, and then

honourable members will be able to form an opinion as to whether his first statement or his last was the correct one. He was asked by Mr. Duncan,—

"49. Was it not in your mind that it would impress the public with the notion of corruption as against the Minister?—I was addressing those who were prepared to give me their support at the election. There were present persons who were prepared to support the Minister. I had a perfect right to make any statement of fact that might affect the minds of either. If you want to know whether I wanted to generally damage my opponent's cause and help my own, I will not deny it."

I think that is a very conclusive reply. Then I asked him,—

"50. When you made that speech, were you not aware that all these purchases would have to be made according to the statute?—They should have been, but they were not."

Is that not a charge of corruption? I ask any one with common-sense, could he for one moment say there is no charge of corruption even at that late hour? Then I asked again,—

"51. Are you aware that they had to be?—I am aware that they should have been made according to the statute, but I am not aware that they were."

"52. Were you unaware that the statute confined the Commissioners to certain things? When you made the statement, were you aware that any purchase would have to be made through the Board?—Yes, I was aware that the Land for Settlements Act of 1892 constituted a Board to make purchases of land, but that by that Act the Minister was above the Board. The Board might recommend a price, but the Minister may, as 'Governor in Council,' not accept the decision of the Board. The Minister is in reality the Board, under the Act of 1892."

"53. Did you know that the Commissioners had fixed the price?—Certainly not. I do not know it now."

Now, look at this: After a man has gone through this inquiry, accused the Commissioner of giving too high a price, and accused the Minister and the department of corruption and all that, yet he has the audacity to stand in front of the Committee and not only commit himself to this statement, but, after revision, let it come out in print. Then he was asked,—

"54. Then, how was it that you complained of corruption; or how could you infer corruption in saying that too much money was paid for the land, or the estate, rather?—Too much money had been paid for the estate. I knew that £2 10s. had been paid for it."

That is another direct contradiction.

"55. Then, why not impute the blame to the Land Purchase Board?—I throw the blame on nobody; I do not throw the blame on any particular person. I said that a very bad purchase had been made."

Honourable members will see it is one tissue of contradictions. Then Mr. Mackintosh asked a question:—

"64. Then, who do you think is to blame, if

Mr. Mills

they are not to blame?—Primarily the Minister in charge of the department, and probably the Commissioners at the same time. I think the Minister is to blame."

Is not that another direct contradiction? Surely honourable members will see what credence can be given to the statement of a witness who contradicts himself so constantly. Then Mr. Mackintosh asks,—

"65. After all the evidence that has been taken, do you think it was the Commissioners?—I think the whole system of land-purchase under the Act of 1892 is absolutely rotten, and that, in this matter, all connected with it are to blame, including the Minister; all alike have been fooled by Mr. Douglas."

There is the statement clear enough. Then later on I asked the question,—

"69. In what way do you consider the Minister was to blame?—In allowing a man to impose an encumbered and unsaleable estate on the public at an improper price. Somebody must have been to blame, and, if the Minister is not, who is?"

"70. Do you not blame the Land Purchase Board?—They may have their share of it."

He was asked if he had seen the land, and he replied, "No, I never went on it." Here is evidence straightforward: he had never seen the land; he was speaking from hearsay. Later on, as appears on the same page—95

9.0. —Mr. Mackintosh asked,—

"You say that the whole system is rotten, and you blamed everybody concerned?—For that particular purchase."

"92. Minister and all?—Yes."

"93. In what way do you blame the Minister?—I have already said that under the Act of 1892 the Minister was the Board. The Minister is, of course, in any case responsible for any transaction that takes place in his department. In this case he was practically the Board."

This is not true, for, as honourable members know perfectly well, the Act constitutes a Board which is independent of the Minister. The Board makes inquiry, takes evidence from valuers, fixes the price, and then makes a recommendation to the Minister. Then he is asked again by Mr. Duncan, on the next page, 96, question 100,—

"You stated that the Minister could object to the price, or he could accept the price, or that he could raise the price?—He could do anything he liked."

"101. Now, will you tell me under what clause he could raise the price?—If you read the Act you will find that what I say is correct. The Act, moreover, says that the thing should be initiated by the Purchase Board; but in this case it was not so."

Now, the only point which he could raise before the Committee was this: that Mr. Barron had sent from the head department a telegram requesting the surveyor who was going down to another part of the Otago District to visit the estate also. He was asked finally,—

"105. Do I understand you to say that it was in the power of the Minister to raise the price

of land without the consent of the Board?—Whatever price the Minister wished to give he might have carried it. The Minister was the Board. He had the power, and if he chose to exercise it the Board would have to agree to it.

"106. Are you aware that in clause 4 of the Land for Settlements Act these words occur: 'The Governor may purchase at any price which may be agreed on between the Governor and such owners, on the recommendation of the Board'?—Yes, he may, and he may not.

"107. Do you consider it was in the power of the Minister to buy that land without any recommendation from the Board?—I should like to see the Act first; I am not prepared to say he could. He may do it on the recommendation of the Board, there is no question about that. The Minister, certainly, is supposed to get the recommendation of the Board before he does so. I think the law requires the Board's recommendation, but does not require any special price to be fixed.

"108. Could the Minister fix the price without consent of the Board, or above their own recommendation?—I think, from the evidence that has come before us, the Board would be guided largely by the Minister, if not entirely.

"109. That is not a fair reply: give me a definite answer?—I have given a definite answer to that question.

"110. Do you say that the Minister can alter the price fixed by the Board in any way?—I do not think he could alter the price fixed by the Board; but I think he is the Board, all the same."

Now, I ask honourable members to think for a moment what kind of evidence this would be considered when given by a gentleman who had made such grave charges and innuendoes by implication against the Minister of Lands. In the face of this the honourable member for Wellington City (Sir R. Stout) expected this Committee to bring down a kind of wishy-washy report, containing neither censure nor praise, but leaving everything *in statu quo*. The department was not to be censured, and it was not to be cleared of the charges which were made; the Minister was not to be cleared of the charge, nor anything else done. That, at any rate, did not suit the views of the majority of the Committee, who, after going into the matter very carefully, and watching it all through, and taking notes of the evidence, came to the conclusion which they did. The only man who stated to the Committee that he thought the purchase was too dear was Mr. Stevenson, but when he was cross-examined he floundered as much as Mr. Scobie Mackenzie, because in making a statement he said first the land was only worth £1 10s., then he came down to £1, and subsequently he admitted that the sale of a large estate of 30,000 acres in the neighbourhood would affect the price of this land. He was then asked, "Mr. Stevenson, have you ever done any valuation on properties?—I have valued for Mr. Crawford at Timaru." How on earth that could affect the value of land at Pomahaka,

hundreds of miles away, I cannot understand. So far as Mr. Stevenson was concerned, he absolutely knew nothing whatever about the case, and his evidence was clear and convincing to us on that point. It was simply a position of this kind: "Save me from my friends"; for practically every word he uttered was giving Mr. Scobie Mackenzie away as far as the valuation was concerned. Therefore, while the honourable member for Wellington City (Sir R. Stout) has endeavoured to twit me with this report, I may tell him that it satisfied the majority of the Committee, who, as the honourable member has already said, were unanimous on two points—namely, that there was no reflection on the Minister, and there was no reflection on the department. But we did think, after sitting the whole of that time, it would not have been right to pass the matter over without stating what we considered about the action of Mr. Scobie Mackenzie. I shall not read the report at length, but just quote this part:—

"Finally, and as the result of as exhaustive an inquiry as they could make, the Committee find that there was no ground for the grave charges made by Mr. Scobie Mackenzie, and that neither the Minister nor any member of the Lands and Survey Department, or of the Board of Land Purchase Commissioners, is in any way affected either as to integrity or capacity."

We also say,—

"The Committee feel it their duty to refer to one other point:—

"In the course of his evidence, Mr. Scobie Mackenzie said that neither in his speech (quoted above) nor at any other time did he impute corruption to the Minister, and that so far as he knew no inference of corruption was ever drawn from his speech or his subsequent correspondence in the *Otago Daily Times*: further, that he was not responsible for the inquiry, and was merely there because the Committee had invited him."

That, of course, was an absurd position for him to take up, because when he came before the Committee the Chairman immediately asked him if he would like to be represented by counsel, because the department was represented, but he declined, and he was present all the time. He cross-examined every witness, and he had a latitude allowed to him unequalled as far as my experience of Parliamentary Committees goes. Therefore the Committee say,—

"The Committee regret that they cannot agree with him. In their opinion, no reasonable man can read the speech without drawing the inference that the speaker is intending a charge of corruption. The effect of the preliminary disclaimer is merely to put the charges in the form of innuendo instead of direct statement, and to serve as a loophole to escape the responsibility of having to prove them. There was ample evidence before the Committee that, as a matter of fact, the inference was drawn, and that Mr. Scobie Mackenzie knew it and countenanced it.

"They are further of opinion that charges of corruption, if made at all, should be made

plainly and specifically instead of by innuendo and suggestion, and that the person who makes them should when challenged either prove them or withdraw them. Mr. Scobie Mackenzie has done neither."

I think that is a fair reply to the statement which has been made with reference to this matter by the honourable member for Wellington City, who has endeavoured to cast a reflection on the Committee not only for drawing up this report, but also for the way in which it has been drawn up. The honourable gentleman has a very strong individuality, and he tries to exercise it on everybody who comes near him, and unless they accept his dictum as right he thinks they must be wrong.

Mr. McGOWAN.—I have no great desire to add to the history of this celebrated purchase, but I should like honourable members to carry in their minds the statement of the honourable member for Wellington City. The honourable gentleman says he entirely exonerates the Minister and his department from any improper action, and immediately after he says he is sorry that such an inquiry should have been held.

Sir R. STOUT.—No.

Mr. McGOWAN.—The honourable gentleman also said the report is not judicial in its tone.

Sir R. STOUT.—I say so still.

Mr. McGOWAN.—The honourable gentleman also gave us a classical quotation, which he rendered in English as follows: "Each man has his own fancy and colour, which he gives to his productions." Let the House bear in mind what the honourable gentleman says—that he entirely exonerates the Minister and his department; and let the House bear in mind that he says, "Each man has his own fancy and colour which he gives to his productions." Let honourable members remember the first statement, and think of the honourable gentleman's speech upon the question, and then they will be able to know what weight to place on the honourable gentleman's speech.

Mr. MEREDITH.—I have to compliment the honourable member for Wellington City (Sir R. Stout) on the very fair speech he delivered this evening on this question. If the case were a good one there is no honourable member more capable of presenting the case in the best possible light than that honourable member. I am a member of the Waste Lands Committee, and attended most of the sittings during this inquiry, which extended from the 4th September to the 12th October. The sittings which I did not attend were those conducted on the same mornings on which I had to act as Chairman of the Public Petitions M to Z Committee. I have, however, carefully perused the evidence given on the days when I was not present, so that I think I have a fair grasp of the case. At the first meeting of the Committee the Minister of Lands stated very briefly the nature of the accusations made against him by Mr. Scobie Mackenzie and the editor of the *Otago Daily Times*. The speeches of Mr. Scobie Mackenzie during the election

contest contained the following expressions in reference to the purchase of the Pomahaka Estate: "a downright bad purchase," "an unearthed job," "a deplorable spectacle," "a highly-improper purchase," "a fraud." These statements contained in them allegations of a grave nature, preferring charges of political corruption and jobbery against the Minister of Lands, against the officers of the Lands Department, and against the Land Purchase Board under the Land for Settlements Act. Mr. Scobie Mackenzie also accused the department of indecent haste in the purchase of the Pomahaka Estate. Now, the accusations I have just referred to were made by means of insinuation and innuendo. They were not straightforward. If they had been made in a direct manner I should have thought more of Mr. Scobie Mackenzie; and I think members of the Committee who sat and heard the evidence given, and the country generally which read the evidence, would have thought more of him if he had made the charges in a straightforward manner; and I regret that Mr. Scobie Mackenzie lacked that moral courage which should have characterized him, and which I think we should have expected from a gentleman who sat during the last Parliament as a member of this House. I might be permitted to say that I regret exceedingly that this case should have been brought before the House. I regret the circumstances in connection with it. In the heat of party warfare gentlemen are apt to make statements which in their calmer moments they regret, and I have no doubt that when Mr. Scobie Mackenzie made use of the statements I have referred to he thought that there was some provocation from the other side. But I am of opinion, in common with the honourable member for Wellington City (Sir R. Stout), that there was no foundation whatever for the charges of political corruption, jobbery, and indecent haste made by Mr. Scobie Mackenzie against the Minister of Lands, the Lands Department, and the Land Purchase Board. To be brief, I will epitomize the evidence. I will not make any direct quotations from it, but I have made a few extracts which I will submit for the consideration of honourable members. Under the head of "indecent haste," I may say I do not think there was any indecent haste whatever in connection with the purchase of the Pomahaka Estate. A letter was written on the 17th August, 1893, by Mr. Douglas, the owner of this estate, to Mr. Thomas Mackenzie, member for Clutha, informing him that a petition was being signed, asking the Government to purchase the Pomahaka Estate. Mr. Mackenzie received that letter, as he admitted in his evidence, and showed it to Mr. Ritchie, the head of the Agricultural Department, on the 21st August. Mr. Ritchie mentioned the circumstance to Mr. Barron that the Pomahaka Estate was offered for sale; and Mr. Barron communicated on the same day, the 21st August, with Mr. Adams, Chief Surveyor to the Otago Land Board, and asked him, as he was on his way to value the Conical Hills Es-

Mr. Mills

tate, to go on and examine and report upon the Pomahaka Estate. On the 27th August Mr. Thomas Mackenzie, the honourable member for Clutha, received a petition, signed by over three hundred persons, asking that this land should be acquired under the Land for Settlements Act. On the 30th of the same month Mr. Mackenzie presented the said petition to the Minister of Lands. The Minister of Lands referred Mr. Douglas to the Land Purchase Board in Otago. Mr. Douglas communicated with the Board; and on the 4th of September a recommendation was forwarded from Wellington to Mr. Maitland, the Chief Commissioner on the Otago Land Board, recommending him to appoint Mr. Dallas to value the Pomahaka Estate. Mr. Dallas had been employed in valuing land in connection with the Property-tax and Insurance Departments, and as a public valuer generally. Mr. Dallas admitted that he was in the habit of valuing estates for money-lenders in the City of Dunedin, so that Mr. Dallas was a public valuer.

Mr. ALLEN.—That is not so. Where is that in the evidence?

Mr. MEREDITH.—If the honourable gentleman who states that is not correct examines the printed evidence he will find that it is so. On the 12th of September Mr. Dallas sent in his report to Mr. Maitland. The Land Purchase Board sat on the 11th, 12th, and 13th. On the 13th September they agreed as to the valuation, and the desirability of acquiring the estate. On the 25th of September Mr. Percy Smith, the Chief Surveyor, received a report from the Land Purchase Board, and, after submitting the report to the Minister of Lands, he telegraphed to Mr. Douglas and offered him the sum of £2 10s. per acre for the Pomahaka Estate. Mr. Douglas wanted £3 10s. Telegrams passed between Mr. Douglas and the Lands Department in Wellington extending over eight days, showing that there was no particular hurry connected with it. On the 3rd of October Mr. Douglas accepted £2 10s. per acre, and on the 28th of October a cheque was forwarded to Mr. Douglas; so that from the time Mr. Douglas wrote to Mr. Thomas Mackenzie till the cheque was forwarded to him there elapsed a period of seventy-two days—namely, from the 17th of August to the 28th of October; so that the allegation that there was indecent haste by the Minister, by the Lands Department, or by the Land Purchase Board does not accord with the facts brought before the Waste Lands Committee during the inquiry. Now as to the valuation. Mr. Scobie Mackenzie stated in his evidence that the land was only worth 10s. per acre—that was, based upon the rental.

Mr. ALLEN.—That is not so. Where is that evidence?

Mr. MEREDITH.—That was based upon the rental that Mr. Douglas was receiving at the time—that is, 6d. per acre; 6d. an acre was paid upon a tenancy at will, Mr. Douglas having power to resume possession of the land at any moment; and on the 6d. an acre, at the rate of 5 per cent. Mr. Scobie Mackenzie

placed the capital value of the land at 10s. per acre.

Mr. ALLEN.—Where is that in the evidence?

Mr. MEREDITH.—If the honourable gentleman will read the evidence—

Mr. ALLEN.—I have read the evidence, and I say you cannot prove that by the evidence.

Mr. MEREDITH.—Mr. Thomas Mackenzie stated in his evidence that, in his opinion, the land was worth £2 an acre, or it even might be worth £2 10s. The Pomahaka Estate is in the Clutha Electorate, and therefore I place considerable weight upon the statement by the honourable member for Clutha. The Union Bank advanced a sum of £9,000 upon the collateral security of the Pomahaka Estate to Mr. Douglas. That amounted to the sum of £1 4s. per acre. I wish these statements to be placed against the statement made by Mr. Scobie Mackenzie as to the capital value of the land. Then, a Mr. Johnson gave evidence before the Committee. This gentleman belongs to the firm of Wright, Stevenson, and Co., auctioneers and land-salesmen, in Dunedin. He stated in his evidence that £2 10s. per acre was a fair price for the land. Mr. Dallas, a farmer, and property-tax, insurance, and general valuator, a member of the Otago Land Board, valued the Pomahaka Estate in 1891 at the sum of £2 2s. 6d. per acre for property-tax purposes. He valued the land subsequently for sale at £2 10s. per acre. I may point out that in his evidence before the Committee Mr. Dallas showed very clearly that another property which he valued in the immediate neighbourhood of Pomahaka at £3 per acre in 1891 was subsequently sold for the sum of £3 8s. 6d. per acre, or an advance of 8s. 6d. per acre upon the property-tax assessment valuation. Mr. Dallas also stated in his evidence on the quality of the land, or, rather, in the report he made to the Land Purchase Board, that it would grow from 45 to 60 bushels of oats to the acre. If land will grow from 45 to 60 bushels of oats to the acre in the part of the country I represent that land will be worth from £3 to £5 10s. per acre. Mr. Douglas's own valuation was £3 10s.; he accepted £2 10s. in consequence of being pressed by the Union Bank for an overdraft that had been advanced against this property. From 1871 to 1879 Mr. Douglas had been in receipt of 2s. an acre rent and local taxes. Subsequently he rented the land to the New Zealand Pastoral Land Company for 1s. 6d. an acre, and later still for 9d. an acre. In 1889, when the estate was only bringing in 6d. an acre, 1,140 acres of it were sold at £3 12s. 6d. per acre. I should like honourable members to place the realised value of £3 12s. 6d. per acre when Mr. Douglas was only receiving 6d. an acre against the capital value of 10s. per acre placed upon it by Mr. Scobie Mackenzie. Mr. Begg, a gentleman of undoubted veracity and capability, the attorney for Mr. Douglas, stated that there was an offer to lease the land at 3s. per acre for a term of years, and an undertaking to break it up and

lay it down in English grass. Mr. Hugh Cameron, on whose evidence I place great reliance, and who was mentioned by the honourable member for Wellington City (Sir R. Stout)—

9.30. Mr. ALLEN.—How long was he on the ground?

Mr. MEREDITH.—Mr. Hugh Cameron, who was president of the Farmers' Club at Waitahuna, spent eight hours on the land, after riding twenty-six miles to it. The honourable gentleman smiles at the evidence of Mr. Hugh Cameron. I may inform the House that the main portion of the farm which I am working is at a distance of twenty miles from my home—stead. I am frequently in the habit of leaving home at six o'clock in the morning, and either riding or driving to that portion of the farm, and, after spending eight hours on it, I am able to reach home again by nine or ten o'clock at night. So that it was quite possible for Mr. Hugh Cameron to reach Pomahaka in time to spend eight hours in the examination of it, and return the same day. He states this:—

"I am president of the Farmers' Club at Waitahuna. I have had a lifelong experience. I am a farmer. At the Waitahuna Farmers' Club I told them I was very much pleased with the appearance of the estate, and that I thought it suitable for agricultural purposes."

That is fully borne out by his evidence. He said the land consists of "open, flat spurs, and it appeared to me to have good soil upon it." He thought it was worth the £2 10s. an acre the Government paid for it. From the facts I have adduced it is plain there is not a vestige of proof in the evidence placed before the Committee to justify the allegations of Mr. Scobie Mackenzie and the editor of the *Otago Daily Times* in charging the Minister of Lands with political corruption and jobbery. There is no evidence to impugn the integrity and veracity of the members of the Land Board, or of the members of the Land Purchase Board under the Land for Settlements Act. In fact, the whole of the proceedings connected with the acquisition of the Pomahaka Estate were conducted in such a manner as not to arouse the suspicion of any fair-minded man. The cost of the inquiry, I believe, has amounted to over £300, and the responsibility for the inquiry must rest with Mr. Scobie Mackenzie.

Mr. GREEN.—I was somewhat surprised at the manner in which the Minister of Lands dealt with this question. I do not think there was any necessity for all that heat which he displayed, especially when he commenced by telling us that he and his department had come out quite scathless. Like the honourable member for Wellington City, I do not think any one, from first to last, ever thought there was any corruption on the part of either the Minister or the officers of his department; but when he said that he took exception to the charges having been levelled, as he asserted, by Mr. Scobie Mackenzie, he himself commenced to level charges at many persons, and against some who had nothing to do with this purchase, and I venture to assert that whoever heard him must consider that he

Mr. Meredith

made more serious charges against the gentlemen in connection with that inquiry and the circumstances of it than have ever been imputed to him or to any of the officers of his department. And he also said, Sir, that the reason for the opposition to himself as Minister of Lands was the action he had taken in this House in connection with the Cottesbrook runs and the Silver Peak runs. I think I may trust to memory, for since the delivery of his remarks I have not had time to look the matter up, but unless my memory is very much at fault it was the Otago Land Board that took into consideration the action of those who came down from Tasmania and wished to take up the runs in the Cottesbrook Estate, and it was the Board that refused to issue to them the leases they had bidden for at auction.

Mr. J. McKENZIE.—After this House had first inquired into it.

Mr. GREEN.—Certainly not, Sir.

Mr. J. McKENZIE.—Certainly it did.

Mr. GREEN.—I feel sure I am right, but whether I am right or wrong, I have known the honourable gentleman sufficiently long to know that when he says I am wrong he will stick to that. But I was a member of the Otago Waste Lands Board at the time, and I say that the members of the Board were aware that certain people came by steamboat and landed in Dunedin, and, when the applications came before the Land Board, containing the names of some of the passengers by that steamboat, the Land Board refused to issue licenses to these people. Then the Board was threatened with legal proceedings, but it still refused to issue the licenses. The case was taken before the Supreme Court, and Mr. Justice Williams upheld the action of the Board in refusing to issue the licenses. It was then carried to the Appeal Court here, and the Appeal Court upheld the decision of Mr. Justice Williams. It is true that the honourable gentleman, as a member of the House, got a Committee set up; but that Committee, after taking evidence, would only say it was of opinion that a further inquiry should be instituted in connection with the Silver Peak runs.

Mr. J. McKENZIE.—I got the evidence for you.

Mr. GREEN.—You got the evidence? Well, the statement I have just made at any rate is the history of it. The honourable gentleman used to assert then in Otago, as he asserted in the House to-night, that he was determined to drive out all the dummies from the country, and he always made these bombastic assertions in connection with them; but, so far as the Cottesbrook runs are concerned, the Otago Land Board, of which Sir Robert Stout was a member, would not issue leases to those Tasmanians who were suspects; and so far as the Silver Peak runs are concerned, there were only two applicants who, so far as I am aware, the honourable gentleman himself ever asserted were dummies; and those gentlemen—Messrs. Borthwick and Hertslet—who gave evidence before the Waste Lands Board, and others who afterwards gave evidence before the Com-

mittee of this House, swore that they were not dummies, and the Land Board was of opinion that the evidence was not sufficiently strong to justify it in cancelling their leases. But the honourable gentleman for some years, I presume, was of opinion that the Board had not done its duty, and should have cancelled these leases; but, of course, I cannot expect him to admit he was in fault. At any rate, his action entirely reverses the opinion which he then expressed, not only on the floor of this House, but on the public platform on every other occasion, for since then he has appointed Mr. H. Hertalet, one of these same gentlemen, to his own department, and that ought to be conclusive evidence that he has changed his opinion with reference to the character of these gentlemen, because, if he denies this, then he must believe that this gentleman forswore himself; and I cannot imagine he would have appointed a gentleman to his department he thought had forsworn himself. However, he has not stopped short of an accusation against an officer of the Union Bank of having forsworn himself. He stated deliberately that this gentleman gave false testimony before the Committee—a statement I deplore he ever should have made. All through, Sir, the honourable gentleman here takes exception to statements made on the public platform during the heat of a contested election, but if he sincerely objected on any other than personal grounds he himself should have abstained from making more serious charges—in a place where the charges are privileged—against a gentleman who has no opportunity of defending himself and disproving the assertions of the honourable gentleman in the manner in which he has done to-night in connection with the Pomahaka inquiry.

Mr. J. MCKENZIE.—Did not that officer go back the next day?

Mr. GREEN.—I am not here to prove whether that gentleman, in his evidence, was mistaken or not. I was a member of the Committee, and I positively assert that no witness gave his evidence more clearly or in a more satisfactory manner than did Mr. Brittan. I listened to the sworn testimony of the gentleman who gave that evidence, and I was led to form a very different opinion from that which some other members of the Committee formed in connection with the evidence submitted to us. But we were told there was no haste in the matter, and we were also told that everything done in connection with this matter was in the ordinary routine way, and quite in accordance with the ordinary manner of business. Then, I say the Minister of Lands, at any rate, has not, on the public platforms, made similar statements to this, but exactly the reverse, and therefore left a false impression on the minds of the electors of the colony as to how the Lands Department is administered under his Government. He has been in the habit of informing the electors in his own district,—and, I think I am correct in stating, the electors of other districts,—that one of the things which he takes credit for on behalf of the country is that the Government at the

present time, and since they have been in office, have taken very good care to instruct their officers what they were to do, and that the officers in his own department have carried out his instructions. I say, if the evidence taken before this Committee has proved anything, it has entirely disproved these assertions, and it has proved—and he himself in evidence there has stated—that a great deal was done by the officers of his department without his knowledge, and for a very considerable length of time before he knew anything about it. The evidence goes to show that this petition was got up by Mr. Douglas himself; that it was rewritten by the agent of Mr. Douglas; that it was typewritten by a person in the agent's office; that the petition was sent to Mr. Turnbull at Clinton, and was then hawked round by Mr. Douglas's agent and another person in the employ of that agent; that Mr. Douglas paid £40 to the agent and £12 for the young fellow who took the petition round. I am not quite sure—it was disputed afterwards—whether the £12 was paid to the agent in addition to the £40—that is to say, whether the two sums of £12 were not really one £12. The evidence of Mr. Turnbull was that he himself received £12, that the youth whom he employed received £12, and that in addition to that he (Mr. Turnbull) received £40. I do not wish to exaggerate anything, but I am perfectly certain that Mr. Turnbull admitted he received £40 and £12, and paid £12 to the youth for riding round with the petition, which was got up by Mr. Douglas himself and hawked round the district for signatures at Mr. Douglas's instance and at Mr. Douglas's expense. Now, perhaps the members of this House who are not members of the Committee will be surprised to hear me say that, before that petition was presented,—before Mr. Douglas made his offer,—the officers of the department in Wellington here set the officers in Dunedin in motion, and that was some nine days before the petition was received by the Minister himself. Sir, the evidence is conclusive on this point: that is that Mr. Ritchie and Mr. Barron—two officers of the department—had a conversation on the 21st August; that Mr. Barron, without consulting the Minister of Lands, and without consulting the Surveyor-General, communicated with the Chief Commissioner of Lands in Otago, and directed him to instruct the Chief Surveyor to inspect and report on this land. Mr. Douglas's offer was dated on the same day, but it was not received by Mr. Maitland until the following day—namely, the 22nd August—so that, I ask, could you possibly get stronger evidence to refute the statements which we have been in the habit of hearing during the last three years—namely, that this Government had so completely changed the order of things—while the officers of the departments were doing things as they stated they were in the habit of doing before this Ministry entered into office, and which order of things had been completely reversed? They had taken very good care since they came into office to issue instructions in all cases

and to see them carried out. I say that, so far as the inquiry goes, it entirely disproves these assertions. It shows also that the Chief Surveyor of Otago, who was on his way to inspect another estate, was instructed on the 21st August, 1893, in this matter by an officer of the department, and, on the oath of both himself and the Minister of Lands, without any knowledge of the Minister of Lands at all; and that the Chief Surveyor, on the 26th of the same month, inspected that land, and on the 29th he sent his report on to Wellington; and the petition asking the Government to acquire this land was dated on the 25th, and was not received by the Minister of Lands until the 30th. And the Minister of Lands in his evidence stated that he believed Mr. Barron, an officer in his department, was in his office at the time the honourable member for Clutha presented the petition, that he himself handed over the petition with directions to Mr. Barron to set this matter in motion, and that Mr. Barron did not tell him at that time what had been done. And not only had he instructed the Chief Surveyor of Otago to make an inspection and report, but the report was there. But did Mr. Barron inform the Minister of what he and other of the Lands and Survey officers had already done? No, he did not. He did not do anything of the kind. According to the evidence presented to this House the Minister of Lands remained totally ignorant of what was going on. But the Minister of Lands was not ignorant of the desire of Mr. Douglas to sell the estate. In his evidence he stated that Mr. Douglas told him he wished to sell it months before.

Mr. J. McKENZIE.—Nine or ten months.

Mr. GREEN.—I said months before; it matters very little whether it was nine or ten months. It was a very considerable length of time before that he intimated to the Minister of Lands that he wished to sell this estate, and the Minister of Lands in his evidence said that he never told Mr. Douglas that he would require time to enable him to consider the matter, but that he would require to submit an offer, which would have to be dealt with by the Land Purchase Board under the Act. That was months before the 21st August; and, although a deal of correspondence was carried on between Mr. Douglas and Mr. Ritchie, none of which could be produced because it was not official but private and has been destroyed, it does not appear that the Minister of Lands knew that Mr. Douglas had made the offer to sell, or that any action was being taken by his department for the purpose of acquiring this estate. He did not know anything about it till the report of the Board was submitted to him, and he forwarded this on to the Government. But, Sir, when we come to the point again in the matter we find that, to use a very common and perhaps vulgar expression, the cart again gets before the horse, and we find in the evidence that the Surveyor-General, who was Chairman of the Board, signed his instructions to the other members of the Board to hold their meeting prior to His Excellency

the Governor signing the warrant authorising the Board to make the legal inquiry, so that when we arrive at this point we find just the opposite to what the Minister has expressed had taken place in this case, and that officers, instead of the Minister, were running the show, and things are reversed, they being ahead of the Minister and the Governor all along the line. We come now to the price of the land; and there is some conflict in connection with the value of the land, but it is slightly different from what the honourable member for Waimea-Sounds said in connection with this matter. He said that Mr. Stevenson had entirely contradicted himself in his evidence, because he first valued the land at £1 10s. and then at £1. There is nothing contradictory in the matter. Mr. Stevenson said that he would not value the land at more than £1 10s. for any purpose, and he himself would not buy it for £1. He considered that those who were occupying the land only valued it at £1, because the rental which they paid was only interest on £1 per acre. He said it would not be more; and that is how he came to refer to the land being worth only £1. He meant to and did value it at £1 10s. as being a fair price for it, and he, of all witnesses, said that he was thoroughly acquainted with the land, as he was the manager of an adjoining property and knew every acre of this Pomahaka land. He had been over it a great many times, and from his experience and knowledge he was able to give the strongest evidence as to the character of the land. He described the stock on it, and the condition in which the stock was at the time of the purchase and for some considerable length of time before. The other evidence in connection with the value of it of an independent character was that of Mr. Cameron, referred to by the member for Ashley. But the great difference between those two gentlemen, when we consider that they were experts, is that the one manages the adjoining estate, and knows this property intimately, and had been over it a good many times; whilst the other gentleman only saw it once, and that on a Sunday, for a very short time, he having ridden from Waitahuna, a distance of twenty-five miles, and after the inspection he rode back to Waitahuna the same day. Like the Chief Surveyor of Otago, he only saw the estate once, on the 26th October, when he met Mr. Douglas and Mr. Turnbull, who accompanied him during his inspection. You will therefore see, Sir, that while there is a great difference between the estimates of value given by these two independent expert witnesses,—practically the only two independent witnesses who were called to give expert evidence of the value of the land,—there was also a great difference between their opportunities of arriving at an estimate. One lived on and managed the estate adjoining, and the other lived twenty-five miles away, and was only on the land for an hour or two on one Sunday. The House can form its own conclusions as to which estimate is correct. I will not say which one is the more reliable, but leave the House to form its opinion thereon.

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Mr. J. McKENZIE.—What about the price given by the settlers?

Mr. GREEN.—It is too soon yet for any one to express an opinion upon that view of the case, but the honourable gentleman himself has already said in his speech to-night that there was no doubt his opponents would be very glad to induce these people to believe that the price they paid was too high. I do not think his opponents—I presume he means his political opponents—have any such desire as that. I, at any rate, have known some members of this House a good many years, both privately and in a political capacity, and I know, irrespective of what side they are on in politics, they are gentlemen who want to advance the true interests of the colony, and will not for political purposes do anything of the kind that the honourable member has intimated in his speech to-night. The members on this side of the House would be glad to do all in their power to make the settlers happy, contented, and prosperous, without any consideration that by doing so they might add to the popularity of the Hon. the Minister of Lands. “We should require to assume that such gentlemen as the Surveyor-General of the colony, the Chief Surveyor of Otago, and the Registrar of Deeds have entered into a conspiracy for the purpose of misleading and injuring this colony, or we must exonerate them from anything said against them,” said the Minister.

Mr. J. McKENZIE.—That is what you are trying to do now.

Mr. GREEN.—No, Sir; neither I nor any politician need be blamed for saying the price is high, when such officers as Mr. J. P. Maitland and Mr. Marsh, in their official reports to the Surveyor-General, state that the settlers say the price is too high. I am not very much influenced by what the honourable member says or thinks. I have known him for many years, and I have heard him make statements in reference to matters not always in accordance with my view of the facts; but, Sir, we find that time is really the best witness in all these cases, and, at any rate, the honourable gentleman is not exactly correct in the opinions he forms or the statements he makes. I do not require to express an opinion about this particular statement of his. He himself asks this House not to assume for one moment that his judgment is not sound and his opinions good; but we have been told in the official report that the people consider they paid too high a price. He would not consider Mr. Stevenson's opinion of the value conclusive; but, knowing one of his own officers—a gentleman of whom, I am pleased to say, I have as high an opinion as the honourable gentleman has—has been informed before this inquiry was commenced before the Committee, and before this subject had been referred to in Parliament, that the people considered that they had paid—

Mr. J. McKENZIE.—He never saw the report.

Mr. GREEN.—He did.

Mr. J. McKENZIE.—Not the gentleman you refer to.

Mr. GREEN.—If he has never seen the report, and if the honourable gentleman admits he has never seen the report, of course I have a right to ask you to look at the Surveyor-General's report, and there you will find that the Chief Commissioner of Otago has reported to him, and you will also find amongst your papers that Mr. March has reported to the Surveyor-General that he is aware that the people in the district consider that they paid too high a price for this land. We cannot assume that these gentlemen are influenced by any political feeling, or, at any rate, that they have any political colouring in connection with this matter. So far as the question of price is concerned, I say we have the practical judgment of the manager of the adjoining estate, and his evidence; and we have also on record the opinions of two of the honourable gentleman's own officers in his own department, and that they are aware the people in that district are paying too high a price.

Mr. J. McKENZIE.—They do not say anything of the sort.

Mr. GREEN.—It is a great pity that the honourable gentleman will say they do not say anything of the sort.

Mr. J. McKENZIE.—I challenge you to read the report now.

Mr. GREEN.—I say those gentlemen I have mentioned do say so, and any one who reads the evidence given at the inquiry will see it there; but, Sir, I am not in the habit of taking instructions from any man, and certainly will not obey any the Hon. the Minister of Lands may give.

Mr. J. McKENZIE.—They do not read the report.

Mr. GREEN.—I am giving a reason, and I have read these reports and papers, and I will stake my reputation as a man, not as a politician, that the statement I make is correct: but any one who ventures to hold an opposite opinion to the honourable gentleman, and especially if he has the temerity to express it, whether orally or in writing, is a bitter opponent, and he is also an enemy to the true interests of the country. We often hear the honourable member speaking in this way in connection with financial institutions, companies, and banks, and the Tory Press, and we have got so accustomed now to hear the honourable member read about what the Tory Press says of him that if we did not know him, if we were not conversant with matters, these off-repeated assertions of his would make us think his statements were correct, and that these people had personal feelings against him, and wrote merely for the purpose of prejudicing and injuring him, instead of expressing their independent opinions in connection with the man they write about.

Mr. J. McKENZIE.—Hear, hear.

Mr. GREEN.—The honourable gentleman says, “Hear, hear.” That may be his opinion, and he is as entitled to hold that opinion as he is to express it, but a person who makes a statement with regard to individuals should be prepared to prove what he asserts, but the

honourable gentleman would find it anything but possible to prove half his accusations. Sir, there was a gentleman whose name he mentioned, and who we all know is connected with one of these companies. He made very serious charges against that gentleman, and asserted that he ought to be in gaol.

Mr. J. MCKENZIE.—Hear, hear.

Mr. GREEN.—He laid a charge against the manager of a financial company; and from the great power the Minister possesses I am of opinion that that gentleman who he said deserved to be in gaol would have been put in gaol had he deserved it, for I know the honourable gentleman sufficiently well to know that, with the power he can exercise against a political opponent, or any one who ventures to hold different opinions from the honourable gentleman's, and especially if he expresses them, he will punish such a person as severely as it is possible for him to do. And if he considered Mr. John McFarlane Ritchie should have been put in gaol for the part he played in the dummy case the Minister referred to, and as he has not been incarcerated, then, I say, that being the case, knowing the Minister as well as I do, and knowing also the power he possesses as a Minister of the Crown to do what he thinks right to punish an offender, I am driven to the conclusion that he does not think Mr. Ritchie should have been in gaol. At any rate, if he does and has taken no steps to mete out Mr. Ritchie's deserts, I charge the Minister with a great and grave dereliction of duty. Therefore, Sir, I take it only as a figure of speech; and the honourable gentleman, under the heat of debate, possibly expressed an opinion which he did not mean; and I am very much inclined to believe that in his serious moments, as Minister of Lands, he does not believe this gentleman ought to be in gaol, because I know, from the honourable gentleman's spirit of determination, that he would have exercised his power to put him there if he could. I do not want to refer to what he said with regard to the Press, beyond expressing an opinion that it is a pity the honourable gentleman should say on every possible occasion that he does not get justice, and that the Press treats him differently from any one else. I cannot believe that any portion of the Press of the colony is actuated with feelings which prompt it to write him down. I think it deals with him as it does with all other public men—that is, it gives them a castigation when it thinks they deserve it, and it praises them when it thinks they deserve praise. I have several notes yet, but I cannot refer to them, as I hear the bell. I may say that I for one do not think this inquiry is worth the money it has cost the country. The locality is known to a good many people, and I have no doubt that part of the colony has formed its opinion of this matter, and the evidence taken here will strengthen the opinion which has been expressed. I for one must express my regret that the inquiry was ever held, and the funds of the country expended so injudiciously. The £500 expended on this inquiry would, in

my opinion, have been more judiciously expended in bridging a river or making a road to benefit the struggling settlers.

Mr. G. HUTCHISON.—The honourable gentlemen who have already addressed the House on this subject are all, I believe, members of the Committee that investigated this matter, and they have all spoken from an intimate knowledge of the proceedings gained from day to day during the course of the inquiry. I and the majority of the members of the House, in common with almost every one outside the House, have not had that advantage; but I have endeavoured, since the report was brought down, to familiarise myself with the salient facts of the case, and I purpose referring to these facts, as they may be viewed by members of the House and the public outside. The inquiry, and the transaction the inquiry dealt with, seem to me to give an insight into the working of the Land for Settlements Act which will be very interesting to the people of the colony; and, while I am not going to deal out condemnation on one side or the other, but to endeavour to place the facts as they exist, I must at the same time say that the public may not, I think, be prepared for the amount of zeal exhibited by certain gentlemen in connection with the Lands Department. The public impression is that officials are slow to move. The public should make haste to alter that impression—under certain circumstances. This matter presents itself to my mind, after looking through the evidence, in three aspects. First of all we have the Minister so strictly impartial that he is absolutely ignorant of what is going on in his own department. Then we have the great landowner graciously permitting himself to assist in the work of land-settlement; and even, as he says, "giving away" his land. And we have a group of zealous and active officers taking upon themselves not only the initiation of administration but also taking the onus of what has occurred off the shoulders of the Minister who is supposed to be responsible. These are the three aspects; and they remind me of a form of picture not very common nowadays. As the Minister of Lands referred to the classics, I may be permitted to go back to mediæval times, and recall to the memory of honourable members a form of picture called a triptych—a picture of three panels, the centre one fixed to the wall, and the two others hinged to it so as to act as shutters, which, when closed, give no idea of the interior. So, taking the Crown Lands Report in connection with the Pomahaka purchase, you have, I may say, a triptych, with the shutters closed,—a very ordinary piece of official furniture; but when they are opened, as we may suppose them to be by this inquiry, you see the three pictures; the Minister in the centre, naturally occupying the chief place; on the left hand you have the great landowner, and on the other the group of officials. We might take them, I think, in that order. Here, then, is the Minister, who towards the end of last session—on the 30th of August—hears of

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the Pomahaka Estate, apparently for the first time in any official way, from a petition presented to him by the honourable member for Clutha. He makes inquiries, of course, and judge what his surprise must have been when he finds that the machinery of his department has already been in motion for a week or two, and that actually an inspection of the property has been made four days before! In the circumstances, this might be considered fortunate, for the subject was one relating to an estate in the part of the colony he represented. He must have felt relieved, by the action of his officials, from any possibility of connivance in a transaction that might have otherwise had a political complexion, for was not the owner of this estate an elector in the constituency that he was about to contest? How natural it was to have the whole affair introduced by a petition, and how fortunate to have the procedure for purchase actually commenced without his having had anything to do with it! As to the petition, it has a history which I will not anticipate at the present moment. I refer to the petition at this point merely to recall the fact to the recollection of my honourable friend the Minister of Lands, that when trouble afterwards arose he declared vehemently he would take his stand upon that petition. I wish he had better ground to stand on. It apparently was a genuine petition signed by 302 persons; but, then, petitions are often misleading. In this instance, however, the Minister had an assistant who knew all about it—Mr. John Douglas Ritchie, head of the Stock Department, the nephew of the man whose land these 302 petitioners prayed should be cut up. Mr. Ritchie was able to tell the Minister all about the land, and the desire of his uncle to promote settlement. Five days afterwards the Minister of Lands recommends the Governor to direct an inquiry to be made under the Land for Settlements Act. By the 24th of the month the report of the Land Purchase Board is submitted to him in Wellington. On the same day an offer is made by telegram to Mr. Douglas, and a few days after it is accepted. So we see that, within six weeks after the Minister has become aware of Pomahaka being available, another great estate in the colony is "busted." It is said that if that estate had not been "busted" its owner must have "busted." I gather from the evidence laid before the Committee that the income from the estate was £228 and the outgoings £675 a year; and, moreover, that the unfortunate owner was pressed hardly by some importunate creditors. But, even if that were so, what is this but a double advantage—the colony achieving the purchase of another big estate, and the landowner being relieved of large liabilities? That is the great central picture of the Minister. Now we will turn to that on the left hand—that of the great patriot—curiously enough, one of the very class the Minister of Lands was denouncing to-night, one of those large landowners of the colony, one of the "social pests," for he appears in the black list of 1891 as the owner of no less than

41,199 acres: that is, he is a man borne down by the hateful land-tax in its worst form because the Pomahaka Estate had been left unimproved. But, humanly speaking, I suppose he had the feelings of his kind, and might say, like another representative of an afflicted class, "Hath not a great landowner eyes? Hath not a great landowner hands? . . . If you prick us, do we not bleed? If you tickle us, do we not laugh? If you poison us, do we not die? And if you wrong us, shall we not revenge?" If these were his thoughts, he must have dissembled. He would appear above revenge—as overflowing with charity and sacrifice for the public good. Only, a marked man like him—a great landowner and "social pest"—could not openly succeed in becoming a public benefactor. Fortunately there was a way. He had a nephew in the public service. We cannot too much congratulate ourselves upon the relationships which outsiders sometimes have with trusted men in the public service. Mr. Douglas has a nephew in the Lands Department—Mr. John Douglas Ritchie before mentioned—who knows all about the Pomahaka Estate being fit for close settlement, and not such as should be used only for sheep. What does Mr. Douglas do? It is not enough that he has this nephew who is in favour with a Liberal Minister: there must be some movement from without as well. He sets to work, apparently, to make public opinion. He sits down and draws up a petition. Now, I regret to say that Mr. Douglas for some time showed considerable hesitation in admitting that he was the author of that petition.

Mr. J. McKENZIE.—He admitted it right off.

Mr. G. HUTCHISON.—For a long time he denied the merit.

Mr. J. McKENZIE.—No.

Mr. G. HUTCHISON.—I was not prepared to hear the Minister admit he knew so much of what was going on. I was certainly under the belief that Mr. Douglas would not in the first instance admit that he drew the petition up; and it would have been very peculiar if he had announced himself its author. It was not a petition from himself. Let us see what the petition says. It purports to emanate from "settlers and would-be settlers"; but, as the facts are now disclosed, there was no movement among "settlers" or "would-be settlers" at all. There was no committee, no band: only a solitary man, with the last peremptory demand from the bank calling up his overdraft before him, sitting down in his house at Mount Royal to manufacture public opinion. And this is how he does it:—

"Unto the Honourable the Minister of Lands."

Mark the title—"Unto the Honourable the Minister of Lands."

"The petition of the undersigned settlers and would-be settlers in Clutha County and neighbourhood, in the Provincial District of Otago, humbly sheweth."

We have to bear in mind that at this moment there was not a single "settler" or

"would-be settler" turning his attention to Pomahaka, and yet we proceed to find Mr. Douglas confidently anticipating an expression of opinion from the unknown as follows:—

"That your petitioners have watched with pleasurable satisfaction the facilities for settlement afforded by your Government in offering practical opportunity for so doing upon New Zealand lands."

Fancy the magnanimity of this "social pest" suggesting that the public express their "pleasurable satisfaction" with the administration of the Minister of Lands! But no, it is not he; the expression is to be that of petitioners, whose opinions are being moulded for them, even at the sacrifice by Mr. Douglas of all he holds dear. So he goes on and describes the sort of land which the Government should obtain for close settlement. Among other things the petition says,—

"That land to be thoroughly suited for close settlement should be really fitted for growing well both cereals, turnips, and English grass. But there is no open land of that quality in this quarter now in the hands of Government."

Without pause the petition goes on,—

"That were Government procuring land in this district by purchase for settlement purposes, possessing these qualities, this would then place it within reach of settlers to take advantage of any favourable opportunity for either cropping, or rearing or fattening stock, as from time to time may practically be found most profitable."

Again it enlarges,—

"That land thus capable of cultivation affords, over and above the advantages of ordinary grazing, facilities for artificially feeding, rearing, and growing fat lambs for export, as well as for fattening off at an early age the class of long-wool sheep for freezing, now most fashionable as well as profitable."

That was the sort of land, apparently, that it was desirable to have, and that the signatories sought to obtain, for the purposes of close settlement. And now the petition approaches the point:—

"That a property possessing the above qualities, and of maiden soil, is located almost in our midst, and could, we believe, be secured by your Government on reasonable terms—namely, the Pomahaka Downs, the property of Mr. John Douglas, Mount Royal, Palmerston South, and containing about 7,500 acres."

But drafting a petition is not the only thing Mr. Douglas seems to have done in the way of educating public opinion. He seems to have also tuned that mighty organ the Press with its diaphanous stops, although it is a matter for regret that some doubt has been suggested as to the authorship of a certain leading article in the local newspaper. If the Bill of my honourable friend the Minister of Lands—his Libel Bill—had been in force the article must have been signed, and then we should have heard nothing as to the disputed authorship. Now, Mr. Douglas insists that he was the writer of that leader; but the editor of the newspaper denies the claim. He says that all he got from

Mr. Douglas was a few "aspects" of the land as seen through a good glass of whiskey, and that the only article Mr. Douglas gave him was a cigar. Well, whoever he is entitled to the credit of this leader I must leave in doubt, although I must say that not only in the leading article but in the petition there is a flavour of whiskey.

Mr. J. McKENZIE.—Is that part of the evidence?

Mr. G. HUTCHISON.—Yes, it is part of the evidence that Mr. Douglas claimed the authorship of the leading article, and that the editor would not admit any contribution beyond a cigar and some "aspects" of the land as seen through a good glass of whiskey. Well, this petition, backed by the thunders of the Press, was signed by 302 "settlers and would-be settlers,"—none of whom, however, took up any land on the block when they afterwards had the opportunity,—and was followed up by a formal offer of the land at £3 10s. an acre on the 21st August to the Commissioner of Crown Lands in Dunedin, who on the next day acknowledged receipt. So you see there was no time lost. The petition was meanwhile soon on its way to Wellington, where it was presented on the 30th August. But a week before, through the agency of Mr. John Douglas Ritchie, the departmental machinery had been set in motion; and on the very date of Mr. John Douglas's application, and before it reached its destination, he met the Chief Surveyor, Mr. Adams, on the ground. All this was, if not a coincidence, one of those happy conjunctions that redeem our public affairs from the charge of being too slowly or too elaborately conducted. Mr. Adams went to Pomahaka, and there met Mr. Douglas. Mr. Adams afterwards sent in a report, other movements followed,—to be referred to later on,—and, eventually, in less than a month Mr. Douglas got an offer from Wellington of £2 10s. an acre; and then Mr. Douglas telegraphs to the Surveyor-General to try to get the Minister to "split the difference," and make the price £3 an acre. This telegram must be admitted as somewhat unfortunate. The very idea of a Minister in the discharge of his public duty "splitting the difference" is too much to suppose. The Surveyor-General, however, told the Minister that he did not think the Act contemplated the Minister offering a higher price than the Board recommended. Consequently he replied, No, there was to be no "splitting of the difference," and Mr. Douglas then reluctantly accepted, and, as he says, virtually gave away the land! But he is not in the least hurt about it, or, at any rate, he does not show any annoyance. A week after getting the money—£18,656—from the Treasury he addressed a letter to the Minister of Lands, wherein he called the Minister "Dear McKenzie." And—following out what occurred very soon after—Mr. Douglas, although suffering from indigestion, or influenza, or some other complaint, actually travels six miles to the poll and records his vote—for whom, of course, we do not know. Thus we have the great central figure,

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and thus we have the first leaf in this triple picture. Now we turn to the second leaf, which discloses the official group. I may here remind you of a curious thing that sometimes happens when viewing those old pictures. The artist by a stroke of genius sometimes succeeds in making the central figure appear differently in association with one or other of the sides. In association with the one side, for instance, the central figure may appear severe, even forbidding; while, in association with the other side, you will be caught thinking that there is a smile gathering on the countenance, a twinkling of the eye;—you might almost believe the eye is winking! Of course, that is an optical illusion. However that may be, we naturally associate the great central figure of the Minister with his subordinates. And with them we have now to do. We do not know exactly when the official communications began;—that with which the appendix of documents accompanying the report opens is a telegram dated the 21st of August from Mr. Barron, the Under-Secretary for Crown Lands in Wellington, informing Mr. Maitland, Commissioner of Crown Lands in Dunedin, that Mr. Adams, the Chief Surveyor, has been instructed to inspect the Pomahaka Downs property. We do not get the communication to Mr. Adams authorising him to do this. That must have come from the Surveyor-General.

Sir R. STOUT.—No; it went direct from Mr. Barron.

Mr. G. HUTCHISON.—Well, that is not set out in the evidence or in the appendix of documents, but I accept the correction of the honourable gentleman, who was on the Committee and no doubt followed the evidence as it was taken. Well, this telegram states two things; it states that Mr. Adams has been instructed, and it refers to "Begg's office for boundaries." So that the department in Wellington was familiar with all the bearings of the subject—no doubt by information from Uncle John to Nephew John in Wellington. Well, in connection with this matter, it has been explained that this telegram was sent to Mr. Adams so as to save time and expense, because he was in the same part of the district, inspecting another property called "the Comical Hills." But, as it turns out, this property was not properly the subject of any inquiry under the Land for Settlements Act, because the proprietor only desired to exchange it for other Crown lands—a proceeding which was not authorised at the time and has not been since by any legislation—so that it may be said Mr. Adams was inspecting a property that could not be acquired, but which was fortunately near to Pomahaka which could be acquired and was apparently intended to be acquired. We find, then, that Mr. Adams, accompanied by the Land Ranger, inspected this property; but they were so pressed for time that they were only two hours on it. Pomahaka is a large property—over seven thousand acres in extent—and upon it the scenery is very varied, if one can judge from the fact that, besides possessing all the charms so glowingly touched

on in the petition, it has also a coal-mine which has been burning for the last thirty years. A two hours' inspection consequently could only give an approximate estimate. Mr. Adams, referring to the inspection by the Ranger and himself, says, "I do not suppose that the land will be bought on our valuation, as I see that clause 3 of the Act provides for a Land Purchase Board." So it is quite clear that so far there was no real valuation of the property at all. The 30th September was a busy day in connection with this matter. First of all Mr. Barron wires "urgent" to Mr. Maitland in Dunedin for the valuation by Mr. Adams. Mr. Maitland replies from Dunedin, giving the approximate valuation. Mr. Smith, the Surveyor-General, in Wellington, minutes that if the report be favourable the matter is to proceed. Then we come to the 4th October. That is an exciting day. The Minister advises the issue of a warrant under the Act. The Commissioner of Taxes, Mr. Crombie,—in reply no doubt to an inquiry by Mr. Smith, who was on that date at the Cheviot,—recommends Mr. Dallas as the valuer. On the same day Mr. Smith wires to Mr. Maitland in Dunedin to employ Mr. Dallas, and on the same day Mr. Maitland directs Mr. Dallas, at Balclutha, to proceed. "Who is this Mr. Dallas?" may be naturally asked at this stage. Well, Mr. Dallas is a gentleman who a year or two before had valued Pomahaka for land-tax purposes at £2 2s. 6d. an acre, and may be said to have known something about it. On the next day, the 5th September, Mr. Smith telegraphs to Mr. Barron asking whether the Pomahaka matter has been referred to the Board. It is observable that every precaution in the way of saving time was taken in advance. Mr. Smith had already left Wellington, and was hastening on from Cheviot or Christchurch, or wherever he was, to attend a meeting in Dunedin of the Board to decide on the purchase, or, rather, to recommend it. However, this is only another example of the zeal which actuated those officers hurrying hither and thither, and led them to anticipate the slower movements of the heavier bodies in Wellington, for we know now that it was not until two days after the meeting was arranged that the warrant for the Board to meet was issued. It was not until the 6th the Governor directs the Board to inquire. On the 7th Mr. Smith sends a wire to Mr. Maitland, asking if Dallas was instructed. Mr. Maitland replies that he has been, and also wires Mr. Dallas "Very urgent" to bring in the plan by a particular day, yet doubts if he will be ready in time. They little knew Dallas! He was the man for an emergency. Having passed Sunday on the Burning Plains, he was in Dunedin by Monday night, and on Tuesday morning was writing out his report in the Board-room, giving his valuation at £2 10s. an acre. On the same day the Board sat, and resolved next day to recommend the purchase at Mr. Dallas's valuation. Amid such haste it is not strange that one or two things were overlooked. First of all, the Act requires that the land shall be

such as can be cut up in areas of 320 acres or less; but the reports—all of them—are otherwise. It also requires that there shall be a demand in the district for such land; but there is no evidence of that. The petition might have indicated it, but Mr. Smith says the Board knew nothing about the petition. Mr. Smith is back in Wellington by the 25th September, and lays the recommendation of the Board before the Minister, and the purchase is promptly concluded, as already indicated. Then the election takes place, after, of course, the money is paid. On the 20th of February, 1894, the land is thrown open for selection, but unfortunately, little more than half of it is taken up. Since then some more selections have been made—a couple of them by ladies who appear to be absentees. But the Minister is still hopeful that the land so bought will be all settled. Let us hope so, if only to crown the zeal of those who so fill the third picture with life and movement. Looking at the triptych in its completeness it is a matter of some little embarrassment which of those three pictures most to admire—the masterly inactivity of the Minister, the more than masterful activity of the officials, or the self-sacrifice of the patrician. There is the choice, which others shall determine. I am not going to say that the report of the Committee is either right or wrong, or who drew it up, though I must compliment the honourable member for Waimea-Sounds, if it were he, on his style and literary finish, which are so very like those of the learned gentleman who appeared as counsel for the Minister before the Committee. If the honourable member was the author of the report he submitted to the Committee and which they adopted, I can only congratulate him upon having so successfully imitated so excellent a model.

Mr. ALLEN.—Sir, I think it hardly fair that the Minister should be called on to reply immediately after the speech of the honourable member for Patea, because I feel quite sure that after that honourable gentleman's description of the middle picture the Minister would like to have time to collect his thoughts; and so I shall say a few words on this Pomahaka purchase. First of all I should like to refer to the inquiry itself, and the body before which the inquiry took place. We know now pretty well by experience what an inquiry before a Committee set up on party lines is. We have now had many years' experience of what Parliamentary Committee inquiries are, and this is only one of a very long series of inquiries which affect individuals where no justice is given whatever, and resolutions are come to by the Committee not in accordance with the evidence. I am very sorry that a Committee of the House was set up to inquire into this matter. In speaking of the Committee itself, let me say that two of the speakers—one, at any rate—said the blame as regards its cost rests on Mr. Scobie Mackenzie. Now, there is no portion of the evidence which can for a moment show that Mr. Scobie Mackenzie desired the inquiry or asked for it. The Committee was set up by the

Minister himself, and Mr. Scobie Mackenzie was asked to attend it; and I should also like to point out that a most unusual course was adopted with regard to the Committee—that, instead of the Committee hearing the evidence and discussing it for themselves, and coming to a resolution from the evidence submitted, this unusual course was adopted: that the Minister, who was a member, absented himself from the Committee, and put in his place counsel to represent him.

Mr. J. McKENZIE.—No.

Mr. ALLEN.—If he did not represent the Minister, whom did he represent?

Mr. J. McKENZIE.—The department.

Mr. ALLEN.—Oh, no; not the department. Counsel was there to represent the Minister. I happened to be present as a member of the House, and the Minister said he did not intend to remain there, but that Dr. Fitchett would remain to represent him.

Mr. J. McKENZIE.—The honourable gentleman is making a statement that is not correct. I never made such a statement.

Mr. ALLEN.—Well, I will not press the point; it is immaterial whether counsel represented the Minister or the department. The Minister is head of the department, and therefore it may be presumed that, at any rate, he did represent the Minister as well as the other members of the department, and the Minister was the chief person represented. As has been pointed out by the senior member for Wellington City, and by the honourable member for Patea, the counsel practically drew up the report of the Committee. With regard to the question of these Committees of inquiry, there is one fact I wish to draw the attention of the House to, and that is this: that, although the Minister considers it fair to set up a Committee of this kind, ruled really by a majority of his own supporters,—although it is fair for him to set up a Committee to inquire into his own conduct,—on other occasions he does not think fit to set up a similar Committee. I refer particularly to a question which came up in the House some three or four years ago, in reference to an ex-member, Mr. G. F. Richardson. He was accused by the present Minister of Lands—perhaps I am wrong in saying he was accused, but this statement was made by the Minister in regard to certain runs in the South: that Mr. Campbell—who is now dead—set out on his way to Wellington, and on the steamer said that he had practically come up to influence the Minister with regard to setting aside certain runs for sale. Mr. Richardson, whose honour was impugned on that occasion, asked that a Committee of inquiry should be set up, and was willing that the Committee should consist of any members the Minister liked to propose. He apparently did not care whether or not the Committee appointed was all of Government supporters; but when he wanted a fair and proper inquiry it was not granted on that occasion. What I want to ask is, if it is right and fair to set up a Committee to inquire into this particular purchase of Pomahaka and all

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things connected with it, was it not equally fair to set up an inquiry on behalf of a member of the House who had been a Minister?

Mr. J. McKENZIE.—The principal witness was dead.

Mr. ALLEN.—Is that all the honourable gentleman can say in excuse? Was there not sufficient evidence? Had he evidence in his own knowledge that was sufficient to give to a Committee to prove the allegation that he made, or not? If he had not, then I say he ought not to have made the accusation he did in the House. At any rate, nobody can deny that if it was fair in one case to set up a Committee it was still more fair and right that it should be set up in the other case, when the personal honour of an ex-member of the Ministry was concerned; and I cannot understand, except upon political grounds—and, unfortunately, political grounds influence us to a much larger extent than they ought to influence us—why the Committee on that occasion was refused. Refused it was; and I say it was eminently unfair to the Hon. Mr. Richardson that it was refused. Now, with regard to the question of this Committee, it has been blamed by more than one speaker to Mr. Scobie Mackenzie as regards its cost.

An Hon. MEMBER.—Hear, hear.

Mr. ALLEN.—“Hear, hear,” says the honourable gentleman. Mr. Scobie Mackenzie, as I said before, did not demand the Committee; he had nothing to do with it; he only came on its invitation. What he did offer was this: to meet the Minister of Lands upon the public platform on this question; and that offer was declined.

Mr. J. McKENZIE.—He never did.

Mr. ALLEN.—Does the Minister say he never did?

Mr. J. McKENZIE.—No; he never did.

Mr. ALLEN.—You never declined?

Mr. J. McKENZIE.—I never declined, and he never did.

Mr. ALLEN.—I say that Mr. Scobie Mackenzie asked the Minister of Lands to meet him on the platform at Palmerston, and the Minister did not turn up.

Mr. J. McKENZIE.—The honourable gentleman is making a statement that is not true.

Hon. MEMBERS.—Oh, oh!

Mr. J. McKENZIE.—The honourable gentleman is saying what is not correct.

Mr. SPEAKER.—Did I rightly understand the honourable member to say that Mr. Scobie Mackenzie challenged the Minister, or that Mr. Richardson challenged him?

Mr. ALLEN.—I say that Mr. Scobie Mackenzie offered to meet the Minister on the platform at Palmerston, and I will accept no statement from the Minister that what I say is untrue. I say it is the absolute fact.

Mr. J. McKENZIE.—I should know the facts myself, seeing that I was the individual referred to. I did get a telegram from Mr. Scobie Mackenzie, not challenging me to meet him on the platform, but telling me that he intended to be in Palmerston that night, and

that I could have the use of the hall if I chose to go there. He made no challenge.

Mr. TANNER.—What would that decide—substituting an excited public meeting for a judicial Committee?

Mr. ALLEN.—The honourable gentleman calls a Committee of the House with seven members of the Government against three or four of the opposite party “a judicial Committee.” Has the honourable gentleman no experience of Committees in this House? He has been here quite long enough, I am sure, to know that, if a Committee of the House with seven Government supporters on it and four Opposition members is set up to inquire into any matter dealing with a Minister, it is absolutely certain to make a particular report, and we know perfectly well, even beforehand, what that report will be. I say that no Committee of this House on a question of this kind is a judicial Committee in any respect whatever. Now with respect to this particular Committee. There are a good many facts in connection with it which, if honourable members read the evidence, would become patent to them. If they had risen to the speech of the honourable member for Patea, and taken in all the details, they would become conversant with this certain fact: that, as regards the administration of this Act dealing with the purchase of private lands, there is, at any rate, this amount of doubt: that any purchase that may be made of private property may be made through undue influence. I do not blame the Minister, I do not say he knows, but it is open to this interpretation that the purchase of private lands under this Act may be subject to undue influence. That it was so in this case I do not mean to state, but I say all the evidence goes to show that you can come to no other conclusion than that the individual who wished to sell the land was very anxious to get rid of it, that he had a mortgage and the money was called up by the mortgagee, and he had only a certain time to pay it in, and if not paid at a certain date the property would be sold up. Under this anxiety, having a friend here—I do not say the friend had any undue influence on the purchase, but certainly the friend had something to do with the negotiations and the starting of them—I say, putting all these facts together, we can come to no other conclusion but that there is an element of doubt as to the value of this particular property for settlement purposes at the price at which it was purchased. Will any honourable member deny that in other cases similar influences may not be brought to bear, and that the Minister, not being familiar with the property nor conversant with the facts, might come to a wrong conclusion? What has Mr. Scobie Mackenzie been accused of? He has been accused of pointing to the Minister as being improperly influenced, and doing a wrong thing with regard to this particular purchase. Mr. Scobie Mackenzie made no accusation, but only pointed out certain things which may happen with regard to the purchase of land; and that such events did take

place is borne out by the evidence in this particular case; and, if these things happen in one case, I say they may happen in another. The landowner may take the same course as was taken in this case, in which the owner got up what I think may fairly be described as a bogus petition for the purpose of getting rid of land which he was particularly anxious to get rid of, and which, if he did not get rid of by a certain date, would have been sold by the bank. That points to this: that if that has been done in one case it may be done in a dozen others. Now with regard to this petition. I am not going to dwell upon the facts which have been brought out in the evidence, nor upon the facts which have been adduced by other honourable members in speaking on this question; but there are other facts which I do not think are recorded in the evidence, but of which I know myself personally. This petition was signed by 302 persons, all purporting to be settlers and farmers. What I know for a fact is this: that, although many of those people have signed as settlers, a good many of them cannot be described as settlers in any sense of the word. Honourable members know that paid canvassers were sent round to gather signatures to this petition. Honourable members perhaps do not know this, but I assure them it is a fact, within my own knowledge, that these paid canvassers went to individuals not residing at Pomahaka, but residing in the Township of Balclutha, and asked them to sign the petition. Those asked were indifferent, as many people are, about signing petitions, and they offered to sign it; and I know that in a particular instance they signed their names, and were proceeding to write out the occupation which they followed, when they were stopped by the paid canvassers, and the canvassers told them they must not sign in that way, but must sign themselves "settlers." If that has taken place in one case that I know of,—and this I assert as a fact within my own knowledge,—it may have happened in other cases. Couple that with all the evidence which has been brought forward with regard to the petition—that Mr. Douglas himself started the petition, and that he paid canvassers to get up the petition, that he himself wrote it, and that the canvassers were instructed to make every man sign himself "settler"—what value is there in the petition itself? I want to put one other fact with regard to the petition, and that is this: that, although 302 people signed the petition, and it was represented that they wanted to get upon this land, not one single person who signed the petition is now upon the land. Then, what is the value of the petition? Now let me come to this point: The Minister bases the justification of the purchase upon one thing, and one thing only, and that is the petition.

Mr. J. McKENZIE.—I did not say I based the whole purchase on the petition.

Mr. ALLEN.—Well, what does the Minister say himself? Perhaps I had better read what the Minister does say. Had Mr. John Ritchie

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nothing to do with it? That gives me a text for making a few more remarks. Had Mr. John Ritchie nothing to do with it? Does the Minister mean to say that now?

Mr. J. McKENZIE.—Yes.

Mr. ALLEN.—Do honourable members know who started the whole of the proceedings? Mr. John Ritchie, by going to Mr. Barron and telling him that Mr. Douglas was willing to sell this land to the Government. If Mr. John Ritchie had nothing to do with it, why did he tell Mr. Barron that this land was under offer to the Government? I do not know what was the conversation with Mr. Barron, but I know that the result of the conversation was this: that a telegram was sent to Mr. Adams to visit Pomahaka. What conclusion can we draw from these facts? We are told that Mr. John Ritchie had nothing whatever to do with it. Do honourable members agree with that?

An Hon. MEMBER.—Yes.

Mr. ALLEN.—There is one honourable member who says, "Yes," and I am very sorry for him. Then he goes on to say, "The petition was signed by 302 settlers, who thought the land should be purchased. Was it his duty, under the circumstances, to tie a piece of red tape round the petition, put it in the pigeon-hole, and never look at it again?" He considered he had a duty to perform to the people, and that he ought not to treat the petitioners with derision, scorn, and contempt, but to see what could be done. But somewhere or other he says that he really based the purchase on this petition.

Mr. J. McKENZIE.—No. I said the first I knew of it was the petition.

Mr. ALLEN.—Well, I will take up that statement—that the first he knew of it was the petition. Will the honourable member hold by that statement?

Mr. J. McKENZIE.—Yes.

Mr. ALLEN.—The first he knew of it, according to his own evidence, was not then, but was some ten months before that time. I will quote from the evidence:—

"1. *Dr. Fitchett.*] Your name is John McKenzie, and you are Minister of Lands?—Yes.

"1A. I want you to tell the Committee briefly what you personally had to do with the Pomahaka purchase: when were you first spoken to about it?—As far as I can recollect the first time I was spoken to about it was about ten months before Mr. Douglas made his offer of the property to the Government."

He has made two statements to the House now. He said the first he knew of it was the petition. Now, when his evidence is brought before him, he admits that it was ten months before that time. What took place between the ten months and the time the petition was presented? That is a blank, so far as the evidence is concerned. Unfortunately it is a blank. The evidence has been destroyed. How is it that what took place between the ten months and the time the petition was presented—how is it that evidence was destroyed?

Mr. J. MCKENZIE.—There is no evidence.
Mr. ALLEN.—The evidence has been destroyed.

Mr. J. MCKENZIE.—I say there is no such evidence. The honourable gentleman is misrepresenting me.

Mr. ALLEN.—I am not misrepresenting the honourable gentleman. Certain evidence might have disclosed what took place between the ten months when the honourable gentleman first heard about the Pomahaka purchase and the time when the petition came to him. Evidence which may have disclosed the facts with regard to that period has been destroyed.

Mr. J. MCKENZIE.—There is no evidence.

Mr. ALLEN.—Certain evidence has been destroyed, and very important evidence. Part of the correspondence between Mr. John Douglas and Mr. Ritchie has been destroyed; and what that might have disclosed is of importance in this case. However, I will leave that point now, and simply say it was destroyed. With regard to the value of this property, it was purchased at £2 10s. an acre. We have it in evidence that the settlers will have to pay £3 7s. 6d. The Wairuna Estate was sold in 1881 at £2 2s. per acre, and that was a fenced and improved property. We have it in evidence that values of land have fallen since 1881, and that the value of Pomahaka is only £1 10s. Evidence was given as to the sale of several other properties in the district, tending to show that too large a price was given for Pomahaka: as, for instance, Waipahi, an estate of 5,000 acres, sold at an average of £2 2s. an acre,—fenced, subdivided, cultivated, and near a railway-station. Also, Popotunoa sold at £3 8s. an acre—an estate that “runs right up immediately alongside Clinton, and then right down the railway-line towards the Waiwera Township,” part of which estate was sold as township sections, fenced, improved, roaded, and with a valuable homestead. Now one or two words with regard to the rents. My time is short. If honourable members will look at page 112 of the evidence they will find that Mr. Dallas, in his report about this property, says, “I think the land would be taken up if roads were made to it. The worst feature of this property is its long distance from railway communication.” Further on, he says, when asked the value to let, “2s. 6d. to 3s. 6d. per acre, if roads were formed. Only perhaps three or four of the farms would require to be let at 2s. 6d. Average price all over, 3s.” I ask honourable members to note that statement, “if roads were formed.” Then, I ask the House to look at the table on page 117 of the evidence, which gives the rentals to be paid by those who have taken up this land.

11.30. The valuer of this property says were roads formed to it it would be worth from 2s. 6d. to 3s. 6d. per acre, or an average value of 3s. per acre; but, Sir, if honourable members turn to the table on page 117 they will see the rates at which this land was let, and they will find that the lowest price at which any of the land has been let is 3s. per acre, and that it goes as high as 4s. 3d. Now,

I think, on the evidence of this particular valuator on whom the Government rely, this is a property only worth, on the average, 3s. an acre, but we have evidence also that the Government have let the property at not less in any case than 3s. an acre, up to as high as 4s. 3d. Now, I ask honourable members to determine this in their own minds, with the valuation of Mr. Dallas before them regarding the rental: Mr. Dallas valued the property for taxation purposes at £2 2s. 6d., and for settlement purposes at £2 10s., and he puts the rent-value at from 2s. 6d. to 3s. 6d., and we know now from actual facts that the Government have let the land at from 3s. to 4s. 3d. per acre. I ask, how are those who have taken up the land to possibly pay this rent? I say those who have taken up the land have been grossly deceived. They have agreed to give these prices very likely from want of knowledge, but I am certain the inquiry has disclosed this: that they will be quite unable to pay the rents charged; and the Government valuator has himself admitted that according to his own valuation the rentals these people are paying are excessive.

Mr. HOGG.—The honourable gentleman who has last spoken has adopted, I think, the legal maxim, “Bad case: abuse the other side.”

Mr. ALLEN.—I did not abuse anybody.

Mr. HOGG.—The honourable gentleman has been attributing motives pretty well all round; and, if he has not abused the Minister, he has questioned the action of the Minister and of the officers of his department, and in some of his remarks I think he cast a very severe reflection upon those who conducted this inquiry: I refer to the members of the Waste Lands Committee. Now, as a member of that Committee, I think I can speak on behalf of the other members, and say that they approached the inquiry with the determination to do justice as far as they possibly could to every one concerned. I am not aware that the slightest effort was made to prevent the fullest light being thrown on this transaction: indeed, the very fact that the inquiry cost so much money as it did is due to the circumstance that the members of that Committee made every effort to secure all the witnesses who were suggested as likely to throw the slightest light upon the transaction. They afforded every opportunity to those who made the charges to establish them, and there is no doubt about it charges were made. They may have taken the form of insinuations and innuendoes: they were practically charges. As a matter of fact, charges were levelled in that way both at the Minister and at the officers of his department, and the fullest facilities were offered to those who made these charges, through the Press and from the public platform, to show that they could be supported by evidence. Every witness they suggested was brought to the front. No expense whatever was spared. One after another, individuals who had very little evidence to give were brought up from Otago at their suggestion, simply to prevent their saying that a full and complete inquiry had

not been held. It was insinuated before the inquiry took place, and was, I believe, insinuated by the gentleman who is charged in this report with having been the means of putting the country to all the expense that has been incurred—it was stated by him a little before the inquiry took place—that the inquiry would be a farce, that it was going to be held before a one-sided tribunal, and that an injustice would be done. Well, what is the result? We have before us the evidence, in a complete form, published, so that any one can read it: and any person who peruses the evidence will see that the members of the Committee, irrespective of their political opinions, exercised the fullest privilege of questioning, and that the report is based upon an exhaustive investigation. Of course, it is quite competent for honourable members to challenge that report, and it is quite competent for the public outside—for the community generally—to question that report; but I say that the strength of the report lies in the fact that it is, I believe, supported clause by clause by the evidence adduced in this inquiry. The honourable gentleman has referred to this bogus petition—that it was prepared by Mr. Douglas; and he has questioned the way in which the petition was canvassed. I do not for a moment dispute these facts; but how many petitions are got up in almost precisely the same manner! Petitions are often prepared by parties who are more or less interested, and I do not know that Mr. Douglas should be so severely condemned because, in order to dispose of the land, no doubt to the best advantage, as every man would desire to do under the circumstances, he promoted that petition. He does not deny for one moment that he did so. On the contrary, he related fairly the whole story of the process by which it was got up, and admitted that he had employed paid canvassers. All this was admitted in a most frank manner, and I do not see that he can be held up to blame and reprobation. Now, the last speaker also hurled his insinuations against Mr. Ritchie. He wished to know what right Mr. Ritchie had to recommend Mr. Barron to make inquiries regarding this property. Well, I say that, if Mr. Ritchie thought the property could be utilised in the manner proposed under the Land for Settlements Act, it did not matter whether the property belonged to a relative or had previously been under his own management; I say he did perfectly right in speaking to Mr. Barron on the subject. He did not deny it for a moment, and Mr. Barron did not conceal the fact. They were perfectly free and frank, and explained everything that occurred in the way of conversations. Then the honourable gentleman alluded to certain evidence as to correspondence that passed between the Minister of Lands and Mr. Douglas having been destroyed. Now, so far as the Committee were concerned, no such evidence was ever suggested, and where the honourable gentleman gets the information from that there was such evidence I am at a loss to understand. Then, he alluded to the value of

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the land, and suggested that, because certain well-improved properties have, since that land was purchased, been sold at a low price, comparatively speaking, the purchase made by the Government must be an exceedingly disadvantageous one. But he does not take this into consideration: that it is well known that land in that neighbourhood has been falling in value, nor does he take into consideration the very important fact that, subsequently to the sale of the Pomahaka Estate, so much land in the neighbourhood of that estate was put into the market that the market was simply glutted. That, I believe, accounts for the low price that some of the land has been sold for. I will now turn particularly to the remarks made by the honourable member for Patea, and I will compliment that gentleman on having delivered a speech which, emanating from himself, was of a somewhat unusual character. It was full of humour, and of veiled sarcasm. It was calculated to create a vast amount of merriment. There is not the slightest doubt about it that it was funny throughout. Well, as I listened to this speech I was attracted by one of the illustrations he drew when he mentioned something that belonged to mediæval times. He spoke of a triptych. What kind of an article that is I do not pretend to understand. I suppose from his description it is a picture with three panels, but I must say that his speech, if it did not resemble a triptych, resembles something more ingenious. A triptych is described as something mediæval, but his speech resembles something entirely modern—a trance lecture. I thought in listening to the speech that, though we had the voice of the honourable member for Patea, we had the ideas, the sarcasm, and the rich vein of humour which used to emanate from the gentleman for whom he evidently was holding a brief at the time; and I have not the slightest doubt as to who was the author of that speech. From beginning to end he carefully followed his notes, and I do not think he can conscientiously say I am doing him an injustice when I say that the conclusion is irresistible that he was simply in the position of one of those marionettes that you see manipulated on the knee of a ventriloquist, who makes its head move, its mouth open and shut, while the brain and the words belong to the operator. The honourable member for Patea delivered that speech, but I have the impression that we had the late honourable member for Mount Ida once more amongst us, and that we were listening to his eloquence and to his humour. And, after all, what did the speech amount to? It was, no doubt, a very clever speech; it would have made a very good speech for a "corner man." The honourable gentleman did not for a moment confine himself to the evidence, but travelled a long way behind it. Referring to the presentation of this petition, he said that when the petition was presented to the Hon. the Minister of Lands his consternation was very great to find that the matter of this purchase had been initiated several days before. As a matter of fact, there was no

such thing as consternation : on the contrary, when the Minister of Lands received the petition he expressed no surprise at all ; he was not even made aware of the fact, as the evidence shows, that any preliminary inquiry had been made at all ; and, indeed, that is one of the charges which Mr. Scobie Mackenzie makes against the department—that, although Mr. Barron was present when this petition was presented, not the slightest reference was made to any preliminary inquiry having been instituted. Then, Sir, what has the honourable member for Wellington City (Sir R. Stout) to say on this subject ? In the first place, he says that there should have been no inquiry—that it is very unwise that the country should have been put to the expense of this inquiry. No doubt the cost has been heavy. Some £340 has been expended. But, Sir, he surely did not mean that an inquiry of this character was uncalled-for. There were undoubtedly charges of corruption by innuendo and suggestion levelled against a Minister of the Crown. Then, for what purposes and at what time were these charges applied ? We are aware that the charges were made on the very eve of an election, and simply for electioneering purposes. The object was not so much to damage officers of the department as to damage the Minister of Lands amongst his constituents. That was the immediate purpose. That was the reason why this accusation was made. Well, let us see whether corruption was implied or not. With regard to the owner of the Pomahaka Estate, Mr. Douglas, it was asserted that he obtained the assistance of his nephew Mr. Ritchie, the assistance of the Under-Secretary for Lands, and the assistance of the Minister of Lands in disposing of his property on terms that were advantageous to himself, but exceedingly disadvantageous to the colony ; that he managed, through the agency of these individuals, to dispose of property that for many years had been a white elephant, and upon which he was losing money. The implied charge against the Minister of Lands was that he was assisted by certain officers in his department in what amounted to a conspiracy to defraud the colony ; that the conspiracy took place on the eve of the general election, and that the consideration was the political support the Minister was to receive from an influential property-owner and employer of labour. I would ask honourable members if a more serious charge could possibly be levelled against a Minister of the Crown, or against a member of an Assembly like this. It was not merely a charge of corruption against the Minister, but it was a charge of conspiracy against the Minister and the officers of his department. That was what was meant. It may have been direct or indirect ; it matters not whether it was conveyed by insinuations or innuendoes, the charge was one of corruption against a Minister of the Crown and the officers of his department. I say a charge of that kind is bound to be investigated, involving as it did the honour not merely of the Minister, but of the Cabinet. The inquiry, therefore, had to be

held. That is my reply to the senior member for Wellington City (Sir R. Stout). Then, Sir, he goes on to condemn the report. He says that the report is not judicial, and he insinuates that the report is the report of Dr. Fitchett, and not the report of the Committee. He compares the address that was delivered by Dr. Fitchett, and which was printed at the time the report was prepared—he compares certain sentences in that address with other sentences that appeared in that report, and he makes the insinuation that the report was an improper report, not a judicial report, and not a report which should have emanated from the Committee, because, if not prepared by Dr. Fitchett, it had undoubtedly been inspired by him.

Mr. BELL.—Hear, hear.

Mr. HOGG.—But he does not say so. He adopts the tactics followed by the honourable gentleman who says, "Hear, hear," when he gets a witness into the box and proceeds to pillory him. He does not hesitate for a moment to pin him down in a way there is no escaping from. He says, "I am not saying that you were ever in gaol, but it is competent for you to say whether you were or not." Or, in the case of another witness, he says, "I once saw a man hanged whose features very much resembled yours, but I am not going to say he was your brother." That is the method pursued by certain gentlemen. They are trained in this method of hurling pitch right and left, and wherever that pitch is thrown it generally leaves a damaging mark behind it, and that is what the honourable gentleman is doing this evening—throwing pitch in all directions at the officers of the department and the Minister of Lands ; and those who have taken up the same side of the argument have been following his example. But I would remind the honourable gentleman that the pitch generally adheres most closely to the hand that throws it. I should like honourable members who have perused this report, or members who may peruse it, to consider, after reading the evidence, whether the insinuations that were bandied about during the last general election have been sustained. Let us see what the nature of these insinuations is. You will find at the commencement of the report an extract from the speech delivered by Mr. Scobie Mackenzie at Palmerston South, in which he couples with the name of the Hon. Mr. McKenzie the term "political spieler." Of course he says he does not include any Minister amongst the political spieler, just in the same way as some of the honourable gentlemen I have been referring to, when they have pilloried a witness in the box, say, "I do not assert that you have ever been in gaol, but it is competent for you to say whether it is so or not." Then, in another portion of the speech he says, "The owner of this estate is an influential man in this immediate neighbourhood, who employs a number of men, and who may influence a number of votes. His nephew is an officer at the head of one branch of the Minister's department." Now, what are these but in-

sinuations of a serious character. Then he goes on to say, "But a Minister of the Crown may be influenced unconsciously by the pressure of his friends, by the fear of his enemies, by fifty circumstances which have no direct connection with corruption, but which lead in that direction." If that is not a direct charge of corruption I do not know what it is. It is a charge of corruption by innuendo and insinuation. Then, when we come to his address at the termination of the inquiry we find that, in referring to Mr. Ritchie, he says, "Mr. Ritchie was then, and is still, at the head of the Stock Department, appointed there by the Hon. Mr. McKenzie, and in an admirable position to act as medium between Mr. Douglas and the persons with whom he was negotiating."

Mr. SPEAKER.—It is now five minutes to the hour, and I shall leave the chair in three minutes.

Mr. HOGG.—I will draw my remarks now to a close. All I wish to say is this: that the report is based upon the evidence, and that it contains a complete refutation, in my opinion, of the charges levelled against the Minister and the officers of his department, and that the reason why this report is adopted in preference to the one which was cut and dried and submitted to the Committee by the senior member for Wellington City (Sir R. Stout) was that, while the senior member for Wellington City rightly exonerated the Minister and certain officers of the department, we considered it was necessary to go a little further than that, and say whether we had a right to censure the accuser or not; and the report adopted certainly does censure the accuser.

Debate adjourned.

The House adjourned at four minutes to twelve o'clock p.m.

LEGISLATIVE COUNCIL.

Monday, 22nd October, 1894.

First Readings—Second Readings—Third Readings
—Major C. Brown—Death of the Hon. Mr. Dignan
—Railway Officers—Government Life Insurance Bill—Railways Authorisation Bill—Banking Bill—Railways Authorisation Bill—Little Barrier Island Purchase Bill—Otago Harbour Board Further Empowering Bill—Counties Vehicle-licensing Bill.

The Hon. the SPEAKER took the chair at eleven o'clock a.m.

PRAYERS.

FIRST READINGS.

Otago Harbour Board Further Empowering Bill, James Mitchell Trust Bill, Westland County Council Enabling Bill.

SECOND READINGS.

Unclaimed Lands Bill, James Mitchell Trust Bill, Otago Harbour Board Further Empowering Bill, Westland County Council Enabling Bill, Westport-Ngakawau Railway Extension Bill.

Mr. Hogg

THIRD READINGS.

Unclaimed Lands Bill, Government Life Insurance Bill, Land and Income Assessment Bill, Native Lands Claims and Boundaries Adjustment and Titles Empowering Bill, Native Land Court Certificate Confirmation Bill, Native Land (Validation of Titles) Bill, James Mitchell Trust Bill, Otago Harbour Board Further Empowering Bill, Westland County Council Enabling Bill, Westport-Ngakawau Railway Extension Bill.

MAJOR C. BROWN.

The Hon. Mr. MANTELL asked the Attorney-General, On what date was District Judge Kettle's report on the case of Major Brown received by the Under-Secretary for Justice, and was a copy of that report forwarded to Major Brown?

The Hon. Sir P. A. BUCKLEY said that on the 26th of December, 1893, and the 6th of January, 1894, Judge Kettle addressed memoranda on the case of *Meringa v. Humphries* to the Inspector of Police, New Plymouth, calling his attention to the conduct of Mr. Humphries and Major Brown. These memoranda reached the Department of Justice on the 19th of January, 1894. On the 28th of June, 1894, Judge Kettle handed to the Under-Secretary for Justice a memorandum setting forth the facts of the case. This was subsequent to the cancellation of Major Brown's appointments. Copies of these memoranda were not sent to Major Brown; but the Under-Secretary's letter, dated the 20th February, was as follows:—

"Sir,—I have the honour to inform you that the attention of the Government has been called to the case of *Meringa v. Humphries*, heard in the District Court at New Plymouth on the 20th December last. It appears from the report of the case that a statutory declaration made by Meringa, and translated and explained to her by you, contained a statement that she had received a sum of £40 as the purchase-money of a certain piece of land, whereas it was well known to all concerned, including yourself, that as a matter of fact she had only received £20. The declaration was therefore false. The Government will be glad to receive any remarks or explanation which you may desire to offer in this matter."

DEATH OF THE HON. MR. DIGNAN.

A message was received from His Excellency the Governor notifying a vacancy in the Council in consequence of the death of the Hon. Patrick Dignan.

The Hon. Sir P. A. BUCKLEY.—Sir, it is again my painful duty to have to announce to this Council the death of one of its members. The honourable gentleman who has gone was so well known to every one of us that I do not think I can say anything of him that is not known to every one in this Council. The Hon. Mr. Dignan was a kind friend. As a distinguished member of this House, he was honoured by all, and in every way he commanded the respect of everybody here. I knew him perhaps better than most people, because

our friendship was of a very marked and strong character. At this late period of the session, while under ordinary circumstances I would ask the Council to adjourn till to-morrow, I think we shall be paying him every respect by the fact of adjourning. I therefore move, seeing the late period of the session, and the large amount of business that is likely to reach us within the next twenty-four hours, *That the Council adjourn to half-past two o'clock p.m.*

The Hon. Sir G. S. WHITMORE.—I rise to second the motion. I simply say that I sincerely regret it is found impossible, at this late period of the session, to pay a higher tribute of respect to the memory of our deceased colleague. I heartily support the motion to adjourn to half-past two. I wish also to say, as I was one of the Ministry who recommended the honourable gentleman to be a member of this Council, that I have taken particular pains to watch his career while amongst us. I can only say that he so conducted himself as to gain the respect of everybody acquainted with him. He has been most loyal in doing what he conceived to be right, perfectly regardless of the opinion of those who might be against him, and even of those persons who were supposed to be of the same opinion as himself. He was a gentleman who may be fairly said to have left not one enemy behind him. His career in the northern province was well known to everybody. My honourable friend alongside me (the Hon. Mr. Swanson) knows perfectly well how respected he was there. In the Provincial Council of that province, as well as in the House of Representatives of the colony, he was a man who might always be absolutely depended on to vote according to his conscience, without the smallest afterthought for himself, or for the differing opinions of those who were associated with him. I can only say that I have never been more sorry in the course of my whole life than I was when I heard of his sudden and unexpected demise. He was here in his place taking part in our discussions only the day before he left, and his terribly sudden death has shocked not only myself but many others; because we hoped that for years, although he was an old man, his life might be prolonged and spared to give us the benefit of his matured experience on many subjects; that he might continue to afford the Council the example, as he certainly did on all occasions, of being perfectly fearless in expressing his own opinions, and absolutely unmoved in anything which he considered to be right. I must say that I could have wished it had been earlier in the session, so that we could have paid full respect, as is our custom, to the memory of a departed colleague. Under present circumstances I am sorry, as it is the wish of the Council to pay what tribute we can to the worth of the deceased gentleman, that it is only possible to adjourn to half-past two o'clock. I therefore second the motion.

The Hon. W. DOWNIE STEWART.—I would merely state that I have had many opportunities of meeting the deceased gentleman, and I was greatly struck by the very faithful

way in which he discharged even the smallest of the duties devolving upon him. I have had opportunities of seeing his work on the Public Petitions Committee and of knowing how careful he was in everything to see that justice was done. I may say that I formed a very high opinion of his independent character, impartiality, and conscientiousness.

The Hon. Mr. SWANSON.—Having known my colleague in the province from which we both come, and having been a member with him of the Provincial Council, and also of the House of Representatives, and having had with him the honour of a seat in this Council, I cannot say anything further than what has already been said about him. At one time there were some remarks made in my presence, about him, as to his slow going; and Mr. James T. Boylan, a well-known Provincial Councillor and merchant in Auckland, asked the speaker, "If you were going to die, and had to provide for your widow and family, and consequently to put your property in trust for their benefit, do you know of anybody in the whole circle of your acquaintance on whom you could more perfectly rely to carry out your wishes?" when every one present admitted there was no man more entitled to such confidence and trust than Patrick Dignan.

The Hon. Mr. JENNINGS.—I should not like this occasion to pass without saying a word or two, as one having known the late Mr. Dignan from my earliest days, in the Province of Auckland, to bear testimony to his uprightness and gentlemanly conduct. He was one of the pioneers of the colony. He arrived in Auckland in 1840, and had to put up with all the hard work and trials and anxieties incident to settlement in a new country. He fought his way up most thoroughly, and by his independent self-reliance he attained to the highest position it was possible for a citizen to attain to. I knew him personally from my boyhood; and I knew many instances of his kindness and generosity. As most of us are aware, one thing underlying his generosity and kindness was the absence of ostentation. That was a very marked trait in his character. There is no industry in the Auckland Province that I know of in connection with which he has not shown himself an enterprising colonist—no industry with which he was not closely associated. All through, his career, both public and private, was one which those who would enter the political arena would do well to follow closely in his footsteps; and now that the end has come, it can be said, as has been said here to-day by those honourable gentlemen who have known the late Mr. Dignan so many years, that he died with the respect and goodwill of all who were acquainted with his independent character and upright conduct in all relations of life.

The Hon. Mr. BOLT.—As a member who has not been very long in this Council, I should like to say a few words, and indorse the statements that have been uttered in regard to the deceased gentleman. I was almost a stranger to him when I entered the Council, but I must

confess there was nobody I ever met of whom I formed a more favourable impression than I formed of the kindness and conscientiousness of the deceased gentleman. He was a gentleman who was anxious to do what he could for the people. He was of a genuinely kind disposition, and his loss we must all regret. I therefore cordially indorse the sentiments expressed by honourable gentlemen regarding his character, and I express my deep sense of the loss the Council has sustained by his death.

The Council adjourned at twenty-two minutes past eleven o'clock a.m., and resumed at half-past two p.m.

RAILWAY OFFICERS.

The Hon. Sir P. A. BUCKLEY said he had promised his honourable friend Mr. Bolt the other day to reply later on to his question in connection with the railway officers. He had received a memorandum from the Under-Secretary for Public Works, which he would read:—

"I am not aware of any grievances being imposed by clause 4, subsection (3), of the Government Railways Act. The whole of the railway officers are out of the Civil Service now: vide subsection (4) of section 62 of 'The Government Railways Act, 1887'; and section 3 of clause 4 of the Act of this session simply keeps them in the same position. Section 76 of the Act of 1887 preserves such rights as any officers of the Railway Department might have under the Civil Service Acts up to the date of their entering the service of the Commissioners, and subsection 3 of clause (4) of the Act of this session continues this provision in force."

The Hon. Mr. RICHARDSON said the memorandum did not provide for the point which had been raised in the Council. It seemed to him that the officers in the Railway Department would not get the same provision made to them which officers in the Civil Service would be entitled to.

The Hon. Mr. BOLT said he did not think it was necessary to waste the time of the Council at so late an hour of the session, but he would point out that what had been given to the Council was in direct conflict with what the Attorney-General had promised. It was generally agreed in the Council that there were grievances under which these officers suffered, and the Hon. the Attorney-General had given them to understand that he would see that such grievances should be remedied. He (Mr. Bolt) thought the Attorney-General should get power to give the redress sought, not perhaps this session, but as early as possible in the next.

The Hon. Sir P. A. BUCKLEY said he could only give the information which had been supplied to him.

The Hon. Mr. RICHARDSON said the honourable gentleman was responsible for saying that he would do his utmost in the direction of getting an amendment made to effect the object sought.

The Hon. Sir P. A. BUCKLEY said he was not responsible for what was in the Bill; and

Hon. Mr. Bolt

after careful consideration he had got the information in writing that was asked for, so that there should be no mistake.

The Hon. Mr. MACGREGOR was very much disappointed with the departmental reply. He thought the Council expected something more than a departmental reply, as it passed the clause in the Bill with a great deal of misgiving, as the honourable gentleman must be aware. He thought it was very much to be regretted that the Council could not get any information on the point as to whether there was any possibility of injustice being done under the clause that the Council had passed. He hoped the Council would have a guarantee that no injustice would be allowed.

The Hon. Sir P. A. BUCKLEY said he had already stated that.

GOVERNMENT LIFE INSURANCE BILL.

The Hon. Sir P. A. BUCKLEY, in moving, *That this Bill be now read the second time*, said the principle of it was to place the Government Insurance Department in such a position that it would not be at a special disadvantage. The power of getting cheap money had placed that institution in a peculiar position. Honourable members would recollect that, in the Insurance Act of 1886, by sections 10 and 11, the investments were somewhat confined to Government securities, and also in the advancement of money on freehold property to only half the value, and the amount to be advanced on any single property was limited to £5,000. Seeing that the legislation of this year might affect the Government Insurance Department, it had been considered desirable that it should not be placed in a worse position than that occupied by the Public Trust Office; and, seeing that the Board was the same as the Public Trust Board, he thought that some little alteration was necessary with a view of getting desirable securities which the Board might think proper. The office was obliged to let securities go where they amounted to over £5,000, and it was proposed to allow it to advance money up to not exceeding £10,000, and to allow three-fourths of the money standing to the credit of the Government Insurance Account to be invested as the Board might think fit on securities up to three-fifths of the value. They had found by experience that they had to reject securities of this kind which had been taken up freely by other institutions, and they thought that, in the interest of the shareholders, they might be able to compete with the other offices under these conditions, and be placed on a fair and reasonable footing with them. He remembered that in 1886, when the Government Life Insurance Act was before the Council, the amount was fixed by the Hon. Mr. McLean, who, seeing that the constitution of the Insurance Department had been altered, and that some mistakes had been made, moved that the amount should be reduced by one-half. He (Sir P. A. Buckley) rather agreed with him on that occasion, but now thought that, considering the alteration

which had lately taken place, they might agree to what was proposed in this measure.

The Hon. Dr. GRACE said this was a most important measure in the interests of the Government Insurance Department, as honourable members would see that the department had taken up £1,084,000 of debentures, although the department only had on mortgage £490,000. The Government Insurance tables were calculated on the necessity of earning 4 per cent., and, if it did not get a greater opportunity of earning money on its receipts, he was afraid that, one way or another, they would be seriously injuring the institution they had themselves established. He was of opinion the Government would have done very wisely if they had borrowed a million sterling on the general credit, lifted these debentures which the Government Insurance held, and handed the million sterling to the Government Insurance Department, on condition that it lent the money to settlers on the tables which the Government had approved in the Government Advances to Settlers Act. In this way the Government could avail themselves of machinery already established, policyholders would be protected, and the Government Insurance Department would have good opportunity for the investment of the money. What he wished to draw particular attention to was the fact that in their financing they were in danger of injuring one institution by another. They must take care that one general, broad policy was underlying the operations of these departments, and take exceptional care to protect the interest of the Government Insurance Department, and that would be found to be the more necessary when the cost of taking the business of the Government Insurance Department was allowed for. He did not object to this measure, and thought, in the interests of the country, it should be passed. The three-fifths valuation was on a fair basis. He thought the department should not be hampered by being limited to the half value, and should be allowed to increase its advances.

The Hon. Mr. McLEAN did not think it was advisable to take exception to the Bill, and was not going to object to the three-fifths value, as that had been established by the Advances to Settlers Bill, and the machinery established in this Bill would do for the other measure as well. He might say that the life insurance companies which obtained their money from Home and lent their money at half valuation were not competing with the Insurance Department here so far as the half-value was concerned; and he was equally sure that if they raised the amount they could lend in one sum to £10,000 it would be an advisable thing for the Insurance Department to do, in order to show a reasonable profit in the year's transactions. He took an active part in passing the last Bill, and might say he was quite ready to support this Bill.

The Hon. Mr. BONAR was much pleased to see this Bill introduced, and was particularly glad to see that the amount of Government securities was to be reduced from one-half to

one-fourth. He thought that was only right, in the interests of the shareholders in the Government Life Insurance Department, because they had been getting less interest than they were entitled to. He thought, however, the power to lend might be extended now, and advances made up to £10,000. He thought it would be to the advantage of the department, and through the department to the advantage of the shareholders.

The Hon. W. DOWNIE STEWART thought that, seeing the position in which the Government stood in relation to the department, the Council should receive some information as to the advances.

The Hon. Sir P. A. BUCKLEY said the balance-sheet would be before the Council.

The Hon. W. DOWNIE STEWART said the balance-sheet did not show that. This matter was considered very carefully in 1886, and he thought the limit of one-half was too low. With regard to the increase to £10,000, he thought very great care would have to be exercised in lending out such large sums. He was rather inclined to stretch a point in order to get the Bill through, but the safety of the department lay very much with the valuations which were to be made.

Bill read the second time.

RAILWAYS AUTHORISATION BILL.

The Hon. Sir P. A. BUCKLEY, in moving, *That this Bill be now read the second time*, said the Bill was necessary to allow the works referred to in the schedule to be carried out. It was necessary to pass a Bill of this character every session before public works could be constructed, and the object of the Bill was simply to enable that to be done.

The Hon. Mr. REYNOLDS said he would like to make a few remarks before the question was put to the Council. Some years ago a Select Committee of the Council went over the whole of the railways to be constructed; and there was a report in the Journals of the House showing what was authorised at that time, and what it would cost to complete them to the termini proposed. Since then several railways had been authorised, and these railways were still standing in abeyance. The money voted had not been spent upon them, but was paid for railways not then authorised. It was an injustice to other parts of the colony where railways were authorised that the money voted for them had not been spent upon them. He might quote the Otago Central, and the Catlin's River line. There were several others in the same condition. These moneys had not been spent upon these lines, and they were going on authorising other lines to be constructed. Why did not the Government finish these lines before going on with others?

The Hon. Sir P. A. BUCKLEY.—That would not be fair to other places.

The Hon. Mr. REYNOLDS held it was not fair to keep railways standing ten years uncompleted, and to spend the funds voted between Wellington and Taranaki. That was the case,

because the moneys voted for the railways he had mentioned had been expended between Wellington and Taranaki. With a view to test the question, he would move, *That the Bill be read the second time that day three months.*

Amendment negatived, and Bill read the second time.

BANKING BILL.

The Hon. Sir P. A. BUCKLEY.—Sir, in the earlier part of this session legislation was considered necessary for the purpose of guaranteeing one of our local banks, and we stood on that occasion face to face with a very grave crisis, and it was not without some hesitation and a good deal of anxiety that the Government recommended Parliament to pass legislation which, I am glad to say, the Council thought fit to pass, after very great, although perhaps hurried, deliberation; and I have not the slightest hesitation in saying that if this same thing occurred again Parliament would again indorse the action that the Government took on that occasion.

An Hon. MEMBER.—No.

The Hon. Sir P. A. BUCKLEY.—My honourable friend says "No"; but I think he is singular in that remark, because I am quite sure that if he were again in the responsible position in this House—a position he once held—of Minister of the Crown he would be one of the first to indorse the same view, and to carry out the action this Government have taken, in that fearless way which has always characterized him. I have had some passages with my honourable friend, but, knowing him as I do, I say nobody would have faced the matter more boldly than my honourable friend had he been in the position that the Government occupied, or in which they were placed on that occasion. If honourable members will look at the Bank-note Issue Act of 1893, section 5, they will find this provision:—

"Provided that no Proclamation shall be made unless the Governor in Council is satisfied that as between the bank and its creditors its assets exceed its liabilities by at least the sum of the paid-up capital and the reserved profits."

There would be a great difficulty, in case of a run on the bank, in making the declaration required in the 5th section of the Act, and it is proposed by this Bill to amend it so that the section will read to this effect:—

"Provided that no Proclamation shall be made unless the Governor in Council is satisfied that as between the bank and its creditors its assets exceed its liabilities in the colony and the reserved profits."

It is proposed by the Bill to also amend the 8rd section of the Act, which will read as follows:—

"After the passing of this Act all notes payable on demand, heretofore, or hereafter to be, issued, circulated, or reissued in the colony by any bank under authority of this or any other Act of this colony in that behalf, shall, to the amount of the issue authorised, be a first charge on all the assets and property, including the

Hon. Mr. Reynolds

paid-up capital, uncalled capital, and reserve fund," *et cetera.*

We have guaranteed one bank to the extent of two millions, and, lest by any accident or any unforeseen circumstances anything might take place which might cause a run on the bank, the Government, after very careful consideration and after a very anxious time, have considered it desirable to introduce this measure for the purpose of preventing any disaster that might possibly arise. I need hardly assure honourable members that this is a subject which has received very earnest attention on the part of the Government, and we have anxiously considered what was the best to be done in the interests of the colony for the purpose of protecting the colony's guarantee, and if this Bill is given effect to it will be a fair and reasonable way of meeting any difficulty which might, but which I hope will not, occur. When moving the second reading of the former Bill I mentioned that the Government would take the first possible opportunity of separating what was known as the Assets Company—the clog on the banking institution—from the bank; but, after considering the matter over and over again, we felt satisfied that we had no power to legislate to effect that separation, on account of the Assets Company being domiciled outside our jurisdiction; but we have obtained the assurance from the creditors of the company that within a very short period it will be placed under colonial control. With that assurance, I therefore ask the Council to read this Bill a second time. I should further refer to another clause in the Bill dealing with the question of amalgamation. My own opinion is that the least said about this so-called amalgamation the better it will be for the institutions concerned, as I am sure that what is said by "the man in the street" will not benefit those institutions, because it might look as if they were afraid of one another. It seems to me that frequent reference to them will be doing a great injury to an institution which is a thoroughly colonial one; and in moving in this matter the Government have no such desire and no wish to depreciate in the slightest degree any of the interests of that institution, which is, I believe, in a very sound condition, but we think it desirable that there should be no amalgamation without the fullest concurrence of Parliament. I have nothing further to say, except to move, *That the Bill be now read the second time.*

The Hon. Dr. GRACE.—I wish to draw the attention of this Council to what seems to me to be quite a new departure, and a departure for which there is no very great precedent. As I understand it, the colony has made a compact with the Bank of New Zealand, to which it has given its guarantee to the extent of two millions sterling, on condition that the colony should have the appointment of the President of the bank and the appointment of the Auditors. I hold that when that Bill was passed these conditions were accepted by the Bank of New Zealand, and that all right of the colony to interfere with the affairs of the Bank

of New Zealand ended, and I hold that we have absolutely no right whatever, by legislative enactment, further to infringe upon the privileges of that corporation. But it is not only that. I hold that the introduction of a clause of this kind into a Bill is an admission *pro tanto* of want of confidence of the Government in its own official recently appointed—namely, the President. If this amalgamation was not desirable in the interests of the New Zealand Bank, the President had the power to veto it, and that was quite sufficient for the purpose of the Government. In regard to the amalgamation which has been so much discussed, I cannot for my life see in what way the Legislature has any right to busy itself about the consideration of that matter. The Bank of New Zealand is managed by very able, shrewd, clear-headed, independent directors, and, if this amalgamation would not prove to the interest of the bank, those directors would never assent to it. Any person who knows them will admit that. If, on the other hand, this amalgamation was likely to prove to the interests of the Bank of New Zealand, by what right is the Legislature to interfere to prevent it? I know of no claim by which this colony has any right to raise any such difficulty. Let us look at the equipoise that exists on the Bank Board. The President is simply the representative of the Government, and he cannot initiate any project on his own motion. The directors are competent to carry all the responsibility given to them by the shareholders. They are competent men, and are perfectly able to take care of the interests of the shareholders, and we should not in any way interfere by legislation. I look upon this Bill merely as the result of the harassing action of certain individuals who have been constantly putting questions on the Order Paper in another place, inquiring what has been done; and I question the good sense of those persons in interfering with the business of this corporation. I object on principle to this gradual encroachment on the rights of others. It is not for me to discuss the advisability of this amalgamation, but, since so much has been said, I am of opinion, as regards the Bank of New Zealand,—I am not its client,—considering its excellent business connection and its guarantee of two millions sterling securing its deposits, if the whole of its assets were swallowed up by its liabilities, that its position is perfectly secure, and that it is bound to earn good money.

The Hon. Mr. MACGREGOR.—The clause referred to by the Hon. Dr. Grace, which is intended to prevent the Bank of New Zealand from amalgamating with any other bank, has been considered by him apparently as the most important clause in the Bill. For my part, I attach no importance whatever to that clause, and I do not think it is intended to have any importance. What the object may be in introducing it I do not know, but really the gist of this Bill, I am convinced, lies in the 2nd section. I think it would have been a pity if such a very important clause were

allowed to pass without a word. The change which is proposed to be introduced by this clause is one of the very highest importance, and I think it is only fair justice to the other banking institutions of the colony that the provisions of this Bill should be declared to be, as the Attorney-General said, intended to apply only to the bank which the Government have guaranteed. As far as we are aware, there is not the slightest necessity for this clause with regard to any other banking institution, and everybody knows that there is no such danger of any harm to any other bank than the Bank of New Zealand, and in that case there may be a necessity for this clause; but it would be unjust to other banking institutions in the colony if this clause were not declared to be intended solely for that institution. The Attorney-General has given us the reason for the introduction of these two clauses—namely, that it would be competent in the case of any banking institution to call upon the Government to put into operation the Act of 1898 relating to the bank-note issue—and he stated it would be impossible, perhaps, for the Government to make the necessary inquiries to satisfy themselves as to the position of the bank being such as to justify the bringing into operation of the provisions of that Act. That is no reason at all, it seems to me; and it is a mere excuse, and can scarcely be dignified by calling it a reason. If this clause is intended merely for the sake of one particular bank, the Government are bound, standing in the position they do towards that bank now—so long as the guarantee of two millions is in force—to make themselves thoroughly informed from time to time as to the exact position of the Government bank. And the reason they are suggesting for the necessity of making a change in the law does not exist. While I think we should recognise that this clause is intended for one particular bank—and there is a necessity for it—on the other hand, when we know that the other banking institutions do not require it, it is unfair to those other banking institutions. Besides, it gives the Government a power which no Government should be intrusted with, as it gives them the power, by mere Order in Council, at any moment, to launch upon the colony a paper currency, the results of which it would be impossible to foresee. The power is one which I, for one, am not prepared to trust to any Government. I look upon section 2 as the very essence of this Bill, and I cannot give my consent to it, and I hope the Council will consider this question before it goes any further. If the Bill gets into Committee I propose to suggest an amendment restricting the operation of the Bill to the one particular bank—the Bank of New Zealand.

Bill read the second and the third time.

RAILWAYS AUTHORISATION BILL.

On the question, *That this Bill be now read the third time.*

The Hon. Sir G. S. WHITMORE said he desired to say a few words before the Bill was

finally passed. With regard to the Bills on the Order Paper, the Council had not had an opportunity of reading them, and, in passing them without properly considering them, were acting against the interests of the colony. He could very well remember when a Railways Bill caused great interest in that Council, and was discussed from all sides upon its merits; but this Bill had not had any discussion; and it seemed to him, although honourable gentlemen wished to go home,—they had been there for four months, and no doubt desired to get away,—that that was no excuse for their setting aside all judgment and passing Bills without a single word, without a bit of consideration, and without even reading them, but leaving the colony to take the consequences. He confessed that the way the Banking Bill and other Bills had been passed that day was such that he really felt that this session was the worst session he had ever known in respect to the manner in which measures had been rushed through. A crush of work had been rushed upon the Council during the last few hours of the session, and it was absolutely impossible for that Chamber to exercise legitimate criticism in the legislation of the country. Although he would not oppose the Bill going through, he wished to see the Council a little more true to itself, and absolutely refuse to pass Bills at this late stage of the session. If not this session, at any rate, he hoped they would do so next, and refuse to do it, but adjourn and take time. Simply because the other Chamber chose to form itself into a debating society, that was no reason why Bills should be rushed through that Chamber without the least consideration. He thought that such action was not patriotic, and he was quite sure they would have to pay dearly in the future for the action they were taking now.

The Hon. Mr. REYNOLDS quite agreed with the last speaker in the remarks he had made, and he thought the Council was not doing its duty in allowing Bills to pass without members having had sufficient time to enable them to judge of the merits of each measure. If the Council were to do its duty just now it would either decide to go on for a month to give full consideration to these Bills, or else it should throw the responsibility on the Government for not introducing them at an earlier stage, and absolutely refuse to pass them. He might say that, unless the Council exerted its prerogative and had full information on these measures before it, the best way would be to abolish it altogether. He certainly would vote for the abolition of the Council unless the Council performed its duty and considered Bills before they were allowed to pass. He guaranteed that very few honourable members knew anything about the Bills that were brought down that day; and there would be more Bills brought down, because he noticed that there was another Bill on the Order Paper to be introduced that day.

The Hon. Sir P. A. BUCKLEY said that they had heard that old story very often. He had been watching events in another place,

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and could tell the Council that it was quite impossible to get the measures more forward. The Council performed its work faithfully and honestly, and he was quite certain that, with the exception of his honourable friend, every member had made himself fully acquainted with the measure under discussion.

Bill read the third time.

LITTLE BARRIER ISLAND PURCHASE BILL.

The Hon. Sir P. A. BUCKLEY, in moving, *That the Council go into Committee on this Bill*, said he would like to make an explanation in regard to it, because he had promised the Council that he would make inquiries concerning the Bill. He would place before the Council the facts which had come within his knowledge in relation to this matter, and what had transpired in connection with the department. He had a copy of the deed executed by all the alleged owners of this property with the exception of three Natives. One who signed the deed and who objected to receiving this money was the chief agitator in the matter, and was causing no little trouble in consequence of the action he had taken. He regretted to say that another agitator, who had negotiated the sale to the Government, was also an opponent of the measure. He would not refer to this person's name, because it was not desirable to do so. This Little Barrier Island was presumed to have been purchased with other lands about Auckland early in the forties by Mr. Commissioner Clarke, but by some accident or other the island was not proclaimed as a part of the general purchase. After a time the Natives set up a claim to the land, and it was the subject of investigation in the Native Land Court on five different occasions, each decision upsetting the previous one, so that there were five different decisions; and at last the matter reached its present position. This Native, Tenetahi, who was the principal opponent, although he had signed the deed, now objected to the purchase because the whole of the money was not paid to him in order that he might distribute it as he thought proper. He (Sir P. A. Buckley) had a letter which had been sent on behalf of the three principal Natives to Judge Fenton, who negotiated the matter on behalf of the Government in 1891, which was as follows:—

“Auckland, 1st July, 1891.

“To Mr. Fenton.

“FRIEND,—Your letter to me has arrived. You say Hauturu should be sold for £3,000. I have talked with Paratene. He has agreed to that payment; but let that money be given to the hands of Paratene, Rahui, and Tenetahi. It is for us to distribute the money to each man, that we may know that it goes to the great person and to the small person. We do not wish that a lawyer should distribute our money. Our money will be wanted for the lawyer. The reason of the delay about your letter was that I might see Paratene. Having seen him, I write you. Paratene is at Hauturu at present. When you get this letter, let

the money (£3,000) be paid this month. This is all.

"By PARATENE.

"RAHUI.

"TENETAHI.

"When you see this letter, speedily write to me, lest Paratene should hasten to return."

Tenetahi, however, now objected to this on the sole ground of having incurred some expenses which might, perhaps, be charged against him out of his own proportion; but the Government had no intention of doing anything of the sort, and he would be paid the amount assessed as his interest. That was the only difficulty about the matter, and with that exception the whole of the Natives who owned this property were willing that it should be sold for defence purposes, for which it was required, and also for the preservation of birds. The Government were prepared to give Tenetahi what was fair, in accordance with the terms of the agreement on behalf of the others, and were faithfully carrying out the agreement. He (Sir P. A. Buckley) had a lot of papers and other documents in connection with the sale, which would show that it was a fair and square bargain.

The Hon. Mr. PHARAZYN said the honourable gentleman had given the Council what one might call the departmental report of the transaction, which, no doubt, he had taken in good faith. It was the usual practice for the department to do what they could to protect the revenue. There were a lot of papers in connection with this case, and it was impossible that the honourable gentleman should have mastered the details, and he was influenced by the officers of the department, who wished to protect the Government and save them any trouble. The honourable gentleman had, no doubt, followed the advice tendered by the head of the department, and had made his statements of the case from a departmental point of view, but he had omitted to tell the Council that this man Tenetahi was the chief of the hapu to whom this island was granted after a great amount of litigation. It appeared that this man had exerted himself and had spent a considerable amount of money in retaining the island for the benefit of his hapu and himself. He understood that he had a much larger claim to the island in question through his own interest and that of his wife; but, at any rate, he had expended a great deal of time and money in prosecuting his original claim, and he naturally objected to the whole of this purchase-money, £3,000, being distributed amongst the persons to whom the authorities had granted it, without his having an opportunity of obtaining a refund of what he had spent in litigation for the benefit of his hapu. That being the case, Tenetahi had protested very properly against the payment being made in a manner which he did not contemplate when he executed the conveyance of the property to the Government. He (Mr. Pharazyn) had a letter in his hands from Messrs. Russell and Campbell, solicitors, of Auckland, addressed to Mr. J. B. Campbell, solicitor, in Wellington, requesting that gentleman to act for this Tenetahi and the other Natives mentioned in the Bill, who had not

received their money, and in this letter he stated the facts. He began by saying,—

"On Thursday last we wired you as follows: 'Tenetahi, Wi Taiawa, Rahui te Kiri, and Ngapeke wish to be heard by counsel at bar of House against Little Barrier Island Purchase Bill.' Endeavour to stop progress until opportunity given. Full particulars and instructions will reach Wellington Tuesday night. See May's 'Parliamentary Practice,' edition 1859, page 438."

The Bill having been brought down at this late period of the session, Tenetahi and his friends had been unable to obtain what they wished—that was, to be heard at the bar of the House—and therefore they looked to the Council, after a long discussion in another place, to protect their interests. The writer of this letter, the lawyer, said,—

"From the statement you will see that a conveyance was signed by Tenetahi under the circumstances therein mentioned. We understand that the signature by Tenetahi was for long in the Native Lands Office or in the Land Purchase Office considered worthless."

"The subdivision was made without Tenetahi or his family being represented, and he claims that his wife and himself were really entitled to the whole island, or at least the greater part of it. However that may be, it appears to be the fact that she, with Tenetahi and their family, are almost the only Natives who have lived on the island; here they have had their home for about forty years. They have a weatherboard house, and about two hundred acres sown with grass. He has sheep and cattle on the island, and he has made a good deal off it by sale of firewood. Tenetahi maintains that when he agreed to sell, and signed the conveyance, it was on the condition that the £3,000 was to be paid into his hands or, at least, in his presence. Swanson, interpreter, says that, unless all the owners signed within three months, Tenetahi's signature was to be void. Tenetahi says he has a memorandum in writing, which he has gone to the Barrier to get. Tole was acting for the Government in the matter."

"We do not know the date of his signing. It must have been long before the Native Land Court was held at which the interests were defined. The condition upon which Tenetahi signed the conveyance not having been accomplished, it is void."

"Although the interests of other grantees may apparently be the same as those of Tenetahi, and although £300 may be a very fair payment for a tenth to those Natives who never lived on the island, and had no interest in it but a paper one, it is a totally inadequate price for the interests of Tenetahi and his family."

"Neither Rahui te Kiri nor Ngapeke ever agreed to sell their interests; and to pass the proposed Bill would be a confiscation and an act of gross injustice to these persons, and also a breach of the Treaty of Waitangi."

"Insist strongly on this, and the condition made by Tenetahi; also the fact that the

family lived there, and that Tenetahi has no other land.

"We intend to prepare a petition to Parliament, to be signed by the Natives aggrieved, but Tenetahi will not be back from the Barrier in time for this mail."

There was a copy of a document which he would refer to as showing the condition under which Tenetahi executed the conveyance, as follows:—

"It is hereby understood that in signing the deed transferring Hauturu to the Queen no money consideration is to be paid to any of the owners until all of them sign the said transfer; and that if all the other said owners consent to Tenetahi receiving the whole of the said sum, £3,000, the same shall be paid to him for distribution amongst all the owners, according to their respective shares.

"H. F. EDGER.

"TENETAHI.

"Auckland, 2nd October, 1891."

With that view of the case it seemed to him (Mr. Pharazyn) exceedingly unfair, seeing that the essential conditions of this conveyance of the island to the Government had not been fulfilled, and that this man and his immediate relations were being dispossessed of their rights by the force of law, for that was really the meaning of the Bill. The recitals in it were either inaccurate or inadequate. Nothing was said of the circumstances under which this conveyance was executed. It was stated in the preamble that this property belonged to certain Natives, and it went on to recite that these people agreed to dispose of the said island to Her Majesty for a sum of £3,000, and that all of them were satisfied with this arrangement except the persons named in the subsection at the bottom of the page. It also said, "And whereas the said Tenetahi, Kino Rewiti, and Wi Taiawa have not received their proportionate shares of such sum, amounting to three hundred pounds, one hundred and fifty pounds, and one hundred pounds respectively." Practically it declared that the sum of £3,000 was to be paid in accordance with the original proposal of the Court between the persons who still objected to convey the property, but the conditions under which the conveyance was executed were not referred to in any way in this Bill. The matter was treated as if there had been no condition at all. This man who originally executed the conveyance thought it ought to be given effect to even if certain Natives interested refused to be parties to it. It might be necessary in such cases, where a conveyance was given by Natives, and one or two of the Natives claiming stood out, to ignore their rights, and either to separate them or compel them to be parties to the transfer. But this was a special case, where Tenetahi had made the conveyance under special circumstances, and under conditions which had not been carried out. If this Act were passed he would be deprived of that right under which he acted when he executed the deed, and those who had benefited by the ex-

ertions of this man would be entitled to receive their proportions of the purchase-money, just as if he had had nothing to do with the matter. He (Mr. Pharazyn) thought it was an extremely unfair and unjust proceeding to say that public force should be used to compel a man to do what he did not intend originally to do—to entirely ignore the conditions of the agreement, and simply to treat him as if he made the conveyance without any conditions whatever, and was merely trying to get out of a bad bargain. That was not the case at all. It had been stated that, if his case were not dealt with fairly, Tenetahi would burn down the trees on the island, and render it unfit for what was required. This statement, he believed, was entirely false. He (Mr. Pharazyn) sympathized with the Government in the object they sought, and he thought there would be no difficulty if the Government were a little more liberal, and agreed to pay the Native what he had expended.

The Hon. Sir P. A. BUCKLEY said he had received an assurance from the Minister that this would be done.

The Hon. Mr. PHARAZYN thought it ought to be included in the Bill.

The Hon. Sir P. A. BUCKLEY.—No.

The Hon. Mr. PHARAZYN confessed that he had not sufficient confidence that this would be done, and feared that, in passing this Bill, they were really doing an injustice. It was a Bill brought down within the last few days of the session, and they had not given the Natives an opportunity of being present. It was in the nature of a private Bill; but that had been ignored. They were asked to pass this Bill without any knowledge except that they were dealing with people who asserted that they were being treated unfairly. Even if the Bill were rejected, what harm could be done? Negotiations could be gone on with during the recess, and, if the proposal were made which had been stated by the Minister, the negotiations could be completed. If the Native refused to take what was offered no harm would result in rejecting the Bill, leaving it over until next session for the man to be heard; and then everything would be done that was proper under the circumstances. It would be unbecoming in the Council to assist any one in doing an act of injustice. He begged to move, *That the Bill be committed that day three months.*

The Hon. Sir G. S. WHITMORE could not profess to know much about the Little Barrier Island, and still less could he say that he knew anything about the claims of Tenetahi. He noticed, however, that this man's claim amounted to no less than a third of the total sum. He knew enough of the way in which Native business of this kind was carried out, where, unfortunately the Government was concerned: it was not thought at all beneath the honourable position of gentlemen connected with the law to endeavour to extort sums of money from the Government. He knew of a surveyor who some time ago sent forward claims for a survey in a useless part

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of the country, and charged a sum that was enough to make one's hair stand on end. He did not think this was a claim by Tenetahi or any of the chiefs on the Barrier. It was nothing else than a claim brought forward by Europeans. He therefore thought it much safer to leave the matter in the hands of the Government, and, if necessary, to put in a clause giving effect to what the Attorney-General intended to be done, if they could not trust the Government. He objected to passing an Act with unlimited application; because the colony would simply be giving a number of Natives over to the hands of Auckland lawyers, and affording the latter an opportunity of coercing the Government to give what was wanted by way of litigation. It appeared that Tenetahi and the other two Natives were to get a third of the whole amount, and they had agreed to allow these lawyers to keep a portion of the money—a practice with which they were all familiar. He (Sir G. S. Whitmore) was perfectly satisfied with the assurance that had been given that anything in the shape of legitimate litigation expenses would be paid by the Government. As regarded the trouble made over this Bill, and the attempt to set it aside, he might say that he had not been influenced by the document or the remarks of the honourable gentleman; but, knowing as he did how the Maoris were made perfect tools of in many instances for the purpose of getting money—and in this case he knew that they were being made tools of for the purpose of putting money in the way of the legal profession in Auckland—he would take no part in obstructing the Government, if the Government would agree to refund the legitimate expenses which had been incurred by the Native owners. He would therefore support the Bill.

The Hon. Mr. WILLIAMS desired to say a few words on this question. The Hon. Mr. McLean, on the last sitting-day, thought that the Native Affairs Committee had not done their duty in regard to this Bill, but had considered it in a perfunctory way, and not given themselves time even to read it through. He begged to assure the honourable gentleman that he had read the Bill through carefully, and was thoroughly acquainted with all the circumstances in connection with the Little Barrier, having heard the particulars of the case some eight years ago from Judge Williams, one of the Land Court Judges, who sat to hear the case with Chief Judge Macdonald, and who was exceedingly annoyed to find that their judgment was afterwards set aside by a younger man than himself—namely, Judge Puckey. But the case had been heard and reheard so often that it would be better to trace the history of it from the first. On the 16th July, 1880, Judge Rogan heard the case, and awarded the island to Paora Tuhaere and seventeen others of the Ngatiwhatua Tribe. They were the rightful owners of the island; and he (Mr. Williams) had no hesitation in saying that, as far as Tenetahi was concerned, the whole thing was a swindle from beginning to end. He was a half-caste,—his mother a Ngati-

porou,—and he never had any claim. He had done the Ngatiwhatua out of their property, and he was now trying to blackmail the Government. It was in 1880 that Judge Rogan awarded the island to Paora Tuhaere and seventeen others of the Ngatiwhatua Tribe; and in 1881 Tenetahi came on to the scene, and retained Mr. Tole as counsel on his behalf. An order was obtained under "The Special Powers and Contracts Act, 1881," for a rehearing of the case, and Judge Munro was appointed to rehear the case. The judgment showed on the face of it that the case must have been heard in a very perfunctory manner, to say the least, as judgment was given in favour of Tenetahi, his wife and daughter, and two of the Ngatiwai, whereas it appeared at the last rehearing that there were fifteen of the Ngatiwai who should have been grantees. After this judgment was given Paora Tuhaere and others applied for a rehearing, and Chief Judge Macdonald and Judge Williams heard the case. With regard to Judge Williams, he might say that he came to the country in 1823, and was thoroughly up in all the manners and customs of the Maoris, and was a thorough master of the Native language, not only speaking it correctly, but with a refinement peculiar to only a few. He was one who might be said to dot his "i's" and cross his "t's" when he spoke the Native tongue. He was a man of a judicial mind, and he had taken great pains in all cases that he had sat upon, and in no other instance had his judgment been set aside. It was therefore particularly mortifying to him to find that his judgment had been upset on the rehearing of this particular case. It was the third hearing of the case, and he was determined that no stone should be left unturned in order to arrive at as correct a judgment as possible, and he gave his judgment that the island was the property of Te Kawerau and others of the Ngatiwhatua Tribe, including Rahui, daughter of Te Kiri and wife of Tenetahi. Tenetahi had no claim whatever: his father was a European, and his mother a Ngatioporou of the East Cape. That was in the year 1884; and in the year 1886 Tenetahi retained as counsel ex-Judge Fenton, and Judge Puckey was appointed to rehear the case. Now, he was sorry to say anything against Judge Puckey, because he knew him to be a good, amiable man, but he had not a judicial mind, and, as a Judge, often made mistakes. The Council had heard of him in connection with the Ngarara case. That case, older members of the Council would remember, had cost the country a Royal Commission, and the result of the Commission was a reversal of Judge Puckey's decision. This was the third time that he (Mr. Williams) had had to deal with a case in which Judge Puckey had given his decision. The second case was in the Bay of Islands two years ago. There was a half-caste of a certain tribe—and it was a singular thing that in all these cases of which Judge Puckey had made such a mess half-castes were concerned. In this case the half-caste in question put in a document purporting to be a

transfer of property from Archdeacon Williams to the Maoris; but they had tampered with this document by altering one letter "i" into an "o," and the document read the reverse of what it was intended to be. This was pointed out to Judge Puckey, but he took no notice of it, and it did not alter his decision, which picked out the eyes of the block, and entirely destroyed the interests of the real owners. Had Mr. Hone Heke been there he would have called his attention to this case, because it was his tribe who had been done out of their interest by this half-caste. The Natives applied for a rehearing, and Chief Judge Smith went to inquire whether there were just grounds for a rehearing, and he expressed himself as satisfied that there were. Judges Barton and Von Stürmer heard the case and reversed the decision of Judge Puckey. And he had no doubt, if a Commission could be appointed to again rehear this case, the decision would be as Judge Williams and Chief Judge Macdonald had decided—namely, that the island was really the property of the Ngatiwhatua Tribe. As it was, he supposed no rehearing could be granted. Tenetahi had jumped the claim, and had got legal possession. His object now was to blackmail the Government. He wanted to raise money, and he had stated that he had expended the sum of £750 in obtaining his title. It would be interesting to know how that money was spent. It appeared that £180 was paid to Mr. Tole, and £100 to ex-Judge Fenton, but how the rest was spent was not stated. Failing to do his co-grantees out of their money, Tenetahi was now endeavouring to blackmail the Government, and he was told that for that purpose Tenetahi's wife and daughter had refrained from signing the deed. He had kept them back in order to corner the Government and to force its hand. He understood there were others behind, pulling the strings, and he gathered from a telegram from Mr. Hone Heke to Mr. Sheridan, before the former became a member of the House, that there were others behind. Mr. Hone Heke was employed by the department to try to negotiate with Tenetahi, and to obtain his signature; and he wired as follows: "*Re Little Barrier Island. Many obstacles placed in the way by some clique.*" Who were the clique he referred to they were left to surmise, but evidently there was some one behind pulling the strings, for the telegram went on to state, "*Tenetahi intends to apply survey. His interest out off. He asks £3,000 for his interest.*" This was after Tenetahi had agreed to sell the island for £3,000. He had signed the deed, and all the signatures had been obtained except Tenetahi's wife's and daughter's, whom he would not allow to sign, in order to corner the Government. He thought the Government were quite right in taking the steps they had done, and he hoped the Bill would be allowed to pass.

The Hon. Mr. McLEAN did not rise for the purpose of saying anything on the Bill, for he thought it was a very proper Bill, and after the Hon. Mr. Pharazyn had heard the explanation

Hon. Mr. Williams

given he hoped he would see his way to withdraw his amendment and allow the Bill to proceed. He wished to say, with regard to what had fallen from the Hon. Mr. Williams, that he had no desire whatever to hurt the honourable gentleman's feelings in the remarks he had made, because he had not intended to say that the honourable gentleman had neglected to inquire into the Bills mentioned. He had simply referred to the fact that four or five Bills had been brought down, and had been referred to the Native Affairs Committee, which had reported on them in so short a time that it had rather staggered him. They referred to subjects which required careful looking into. He hoped there would be no more trouble about this particular Bill, but that it would be allowed to pass into law. He was perfectly sure the Government had no wish to do anything unjust to the Natives, and he was quite sure they would behave very fairly to those whose interests were concerned. At the same time, the Government should take care to see that it was not being taken advantage of by unscrupulous persons.

The Hon. Mr. MANTELL said that, in taking possession of the island for the purposes which had been recommended, he held it was not only advisable but the duty of the Government to carry into effect the result of the many investigations that had taken place in connection with the claimancy since the award was first made to Tenetahi and others. The matter had been before the Native Land Court, and after so much litigation the Natives had no right to say that the sum to be secured to them by the Bill was not the proper amount to be paid to them. As to the amount Tenetahi had spent in previous transactions in connection with the island, it was quite right that amount should be refunded to him. He held in his hand an assurance from the Attorney-General that the amount would be paid. It was absolutely necessary the island should pass into the hands of the Government, but it was even more necessary that justice should be done in the case. The Government had assured the Council that all proper expenses incurred by Tenetahi would be paid to him, and he was quite sure the Government would do justice in the case. He would support the Bill.

The Hon. Mr. KELLY asked if, in the event of Tenetahi's costs being refunded by the Government, they could be taxed.

The Hon. Sir P. A. BUCKLEY said *Yes*. He might inform the Council he had received a letter signed by the Minister of Lands, stating that the compromise arrived at in another place on the Little Barrier Island Purchase Bill was to the effect that the Government would appoint the Stipendiary Magistrate to ascertain what Tenetahi had paid in costs, and this amount would be refunded to him. He wished to record this letter amongst the other papers, so that there could be no question about the matter.

Amendment negatived.

Bill committed, reported, and read the third time.

OTAGO HARBOUR BOARD FURTHER EMPOWERING BILL.

On the question, *That this Bill be committed*, The Hon. Mr. OLIVER said that this Bill was apparently about to be sent through without attracting much observation. By means of it the harbour dues in Otago Harbour might be increased from a maximum of 8s. a ton to 5s. a ton. He believed that the adoption of a maximum of 5s. a ton would place the Otago Harbour in a very unenviable position as compared with the other harbours of the colony. It had been pointed out by the representatives of the Harbour Board that this increase was necessary to enable them to pay their way and to do their duty; but the way in which the charges of the Otago Harbour Board would compare with the charges made in other places would be as follows: Dunedin would charge 5s. a ton, against Auckland, 2s.; New Plymouth, 2s.; Wellington, 2s.; Lyttelton, 1s. 6d.; Bluff, 1s. 10d. It was manifest that the effect which would be produced by the adoption of the large charge of 5s. might be the very reverse of what was required—that was to say, that, instead of improving the revenue of the Harbour Board by the adoption of this excessive charge, the revenue might become less than it was now. He thought it was a downward step, and regretted it very much indeed, and he regarded it as a step towards the ruin of the harbour. He believed at this late period of the session it was of no use to move the rejection of this measure, but he had made these few remarks in order to enter his protest against the adoption of the rates proposed.

The Hon. Sir G. S. WHITMORE asked if this was not a local Bill.

The Hon. the SPEAKER said it had been reported from the Local Bills Committee that day as a local Bill.

The Hon. Mr. PHARAZYN quite agreed with what had fallen from the Hon. Mr. Oliver to the effect that the adoption of this charge was very likely to produce exactly the contrary effect to what was hoped by its advocates for the Port of Dunedin. Of course the revenue might be raised by this means, but it was quite clear that the tendency would be to cause goods to be sent to other places, especially the Bluff, where the charge, so he understood, was lower than at Dunedin. It would, no doubt, increase the amount of goods delivered at the Bluff, and cause a very considerable increase in the trade of Invercargill: in fact, the trade that Dunedin lost would be gained by the latter place. Any locality, no doubt, had the right to decide on what was suitable to itself, but it did seem to him that the point he referred to had not been sufficiently considered, and it was, to say the least, unfortunate that this very considerable increase should be proposed.

The Hon. Mr. MACGREGOR said he would like to say one word before the question was put. It was necessary to explain that it was not proposed to increase the dues to the full amount allowed in the Bill. The object was to enable the Board to increase the dues, but it was

with the object of classifying the goods and of levying classified rates. Under the proposed new classification some goods which were now charged the maximum it was proposed to charge at less rates, and there were only a few classes of goods which were to be rated at the maximum. The matter, he regretted, was serious enough, but it was not quite so serious as the Hon. Mr. Oliver thought.

The Hon. Mr. MONTGOMERY said this Bill was a local Bill. It had been reported from the Local Bills Committee. When the Bill was first mentioned, it was stated in the House that the Dunedin people felt that it would injure their trade very much, and that they would rise against it and hold meetings, and send petitions to the House urging its rejection. However, there had been no meetings, and no petitions had been received; and, as regarded injuring the town, while the Hon. Mr. Pharazyn spoke of the Bluff, he forgot that in the case of goods landed at the Bluff there was a very heavy freight to pay by rail to Dunedin, which more than equalled the difference in the harbour charges between the two ports of Dunedin and the Bluff. The Hon. Mr. MacGregor had stated that it was not intended to charge the 5s. that was allowed under the Bill; but the people themselves were the best judges of how they should manage their own affairs, and they should be given the power to do so. They simply wished to obtain sufficient money to enable them to carry on the necessary work and business of the harbour. He asked that the Bill be read a second time.

The Hon. Mr. REYNOLDS fully agreed with what had fallen from the Hon. Mr. Oliver. In his opinion this would mean the ruin of the port, because it would prevent traffic from going there, and the Harbour Board would consequently receive a lower revenue than it did at present. There was another thing he wished to mention. He had not much confidence in the management of the Otago Harbour Board, and as long as they had plenty of money at their command and means of raising money they would spend it. If the motion for the second reading went to a division he would certainly vote against the Bill altogether, as it was a great mistake to place such a large power in the hands of the Harbour Board as to allow them to charge 5s. a ton upon goods landed at the port.

The Hon. Mr. BONAR said there could be no misconception regarding this Bill, as it had been before the Council from an early part of the session. There had been this peculiarity about the Bill: that it was a general Harbours Bill when introduced, and it contained one special clause which applied solely and entirely to the Otago Harbour Board. That clause had been struck out, to enable the local people to know what was going on. Previously they had asked the Government and that Council to put on a very much higher rate than was to be now imposed.

The Hon. Mr. OLIVER.—Unlimited.

The Hon. Mr. BONAR said, Yes, it was unlimited, and was in the shape of *ad valorem*

duty, which would have meant in some cases a charge of something like 1,600 per cent. more than the ordinary rate. In the case of drapery alone, it would have meant a charge of 350 per cent. more than the ordinary wharfage would have come to. The Council, however, had absolutely, and very properly, refused to do anything of the kind; but it had been shown, from repeated discussions that had taken place in connection with the Harbour Board—at the Chamber of Commerce and in the public papers—that the very lowest amount of money they could possibly do with would be such as would be raised by allowing the Harbour Board to impose a differential rate, ranging from 1s. to 5s. in the ton; and, very much against their inclination, the Harbours Committee had recommended that this 5s. a ton be allowed as the maximum rate. The Hon. Mr. Oliver had very properly pointed out that this would act most injuriously against the Port of Dunedin and Port Chalmers; but there was no alternative. It had been an important question whether the Council should not refuse altogether to give the Board assistance, and allow them to fall back upon their own resources in order to meet their own liabilities. However, they said No, but would allow the Board to go to the extent of a maximum of 5s., in the hope that they would be able to pull through. For his own part, he was not certain that they would pull through, because he agreed with the Hon. Mr. Oliver in saying that the higher they made their port-charges the less revenue in the end would they receive, as the trade would be diverted to other ports. As the matter affected only the Port of Dunedin, under the circumstances he thought it was only reasonable to allow them to have this concession, which was the very utmost that he felt disposed to grant.

Motion agreed to, and Bill committed, reported, and read the third time.

COUNTIES VEHICLE-LICENSING BILL.

The Hon. Mr. MONTGOMERY, in moving, *That this Bill be now read the second time*, said this was a Bill to amend the Act of 1893 that referred to the licensing of vehicles. That Act extended very largely the powers of certain counties beyond the powers given by the Act of 1886, which authorised counties to license vehicles plying for hire, whether for passengers or goods. Under the Police Offences Act of 1890 it had been held by a Judge that every traction-engine must have two people to look after it, in addition to the regular staff; then it would have one man to look out ahead and one behind. Section 8 of the present Bill repealed that provision in "The Police Offences Act Amendment Act, 1890." He did not expect this Bill to go through without a slight amendment: for instance, he understood that honourable gentlemen would not agree to every spring-cart or buggy having to take out a license, and he fully expected that the Bill would be amended in that direction.

The Hon. Mr. RICHARDSON said the honourable gentleman seemed to treat this

Hon. Mr. Bonar

Bill entirely as a joke, but he could assure him that in different parts of the colony they looked upon it in a different aspect. He had received telegrams from three different persons asking him to oppose the Bill, and certainly on seeing its provisions he could quite understand why they asked him to do so, and also why the Council should be asked not to pass it. The honourable gentleman said that section 8 seemed to have some little utility; but he (Mr. Richardson) could not see why the Council should pass it, because section 9 completely nullified the effect of section 8. He moved, *That the Bill be read the second time that day three months.*

The Hon. Mr. MONTGOMERY, while agreeing to some extent with what the Hon. Mr. Richardson had said, wished to see the Bill go into Committee.

The Hon. Mr. REYNOLDS seconded the amendment. He was in another place when the Bill was thrown out, and could not see why it should be introduced in the Council.

The Hon. Sir P. A. BUCKLEY said it had come up in another place again by message.

The Hon. Mr. JENKINSON hoped the amendment would not be carried, and that they would go as far as section 8. Something should be done towards amending the Police Offences Act so far as traction-engines were concerned. The Act now said that traction-engines had to be accompanied by four men, instead of two as had been the custom. He was under the impression that this was what was understood when the Act was passed.

The Hon. W. DOWNIE STEWART said it seemed to him a perfectly reasonable proposition. If the honourable gentleman looked at the interpretation clause he would see that it provided in subsection (1) that upon the application of any County Council the Governor might declare the Act to be in force in any county—not that governed by the particular County Council which applied for the enforcement of the Act, but any county whatever. It said,—

"The Governor in Council, on the application of the Council of any county, may from time to time declare that the provisions of section two of 'The Counties Vehicle-licensing Act, 1893,' may be exercised by the Council of any county in the colony."

He presumed that that should be the County Council which made the application.

The Hon. Mr. MONTGOMERY said Yes, but they could alter the clause in Committee.

The Hon. W. DOWNIE STEWART said then, under section 4, the Governor had to approve of the by-laws, but after he had signified approval of the by-laws there were sixty days given to ratepayers to apply in opposition to the by-laws. He thought that should precede, and not follow; and some slight amendment was required there. Then, in the Bill any vehicle was included, and a man who was the owner of a bicycle, or a buggy, or anything of that kind, would require to take out a license. The object, he presumed, was to prevent the roads from being cut up by heavy vehicles; but

the honourable gentleman did not explain the objects of the Bill. Some limit should be fixed as to the class or weight of the vehicles. The honourable member was treating the Bill in rather a jocular way, but he hoped the Council would take it more seriously, and that it would, in spite of these jocularities, amend the Bill.

The Hon. Mr. OLIVER thought the Bill had been badly conceived and badly drafted, and that the best thing the Council could do was to adopt the amendment proposed by the Hon. Mr. Richardson. The merit of the Bill, if he understood the honourable gentleman in charge of it, seemed to be that there was a possibility of amending it. It was full of absurdities and contradictions, and, unless the Council could spend a day or two over it and have time in Committee to examine it thoroughly, it should not be passed.

The Hon. Mr. KELLY thought the object of the Bill was a very good one, and that it was simply extending the present law to counties not named in the Act of 1893. If honourable members would refer to the Act of 1893 they would see that it was for the purpose of enabling the Councils of the counties named in the Act to levy rates on vehicles to maintain their roads, and the amendment was to give them further revenue. The ordinary revenue from the rates on land was not sufficient to keep the roads in repair, and the object of this Bill was to enable the whole of the counties to get power to levy a tax on all vehicles—not only those of over half a ton, but all vehicles—to assist them to maintain the roads and bridges. There was some slight error in this Bill, because it proposed to extend the Act of 1893—by which the Governor in Council had power to give authority to County Councils to license vehicles—to the whole of the County Councils. That might or might not be good. But then, in the succeeding clause, it took away that power. It said in the first part of the Bill, "You shall have this power," and then, in the latter part of the Bill, "You shall not have the power unless your rateable value is below £2 an acre." In the next proviso it said, "You shall have the power if the rate-payers agree to it." The whole conception of the Bill was very bad. He supposed it was mainly owing to the amendments made in another place; but he thought, if the Bill was sent to a Committee, as the Hon. Mr. Oliver suggested, it would be a very wise procedure, as these defects could then be properly remedied. This legislation affected the whole of the counties, but the requirements of many were entirely different, and it seemed to him desirable that a provision should be made to exempt those that did not require this power.

The Hon. Mr. MACGREGOR said the only redeeming feature of the Bill was the 8th clause, and that was so badly conceived that it could not be passed. The effect of section 8 would be to repeal the section of the Police Offences Act, and that would be very absurd. The rest of the Bill was not only bad in principle, but bad in execution, and the only pos-

sible way of dealing with the whole concern was to carry the amendment moved by the Hon. Mr. Richardson. The Bill was an object-lesson as showing the absurdities and incompleteness of the present system of local government. This was a matter it was impossible for the Legislature to deal with properly, and under any rational system of local government it would be left to the local bodies to deal with. The Bill would be a disgrace to the statute-book in its present shape.

The Hon. Mr. PHARAZYN quite agreed with the honourable gentleman who had just sat down in his opinion regarding the system of local government, which certainly wanted amendment. This Bill was fought out in another place, where there was great excitement, and it was quite clear the country was not in favour of the Bill. Under the circumstances the Council should reject the Bill and accept the amendment proposed. The Bill was absurd in its views and unintelligible in its character; and no one would expect to find such a clause as clause 8 in this Bill, for it belonged to another Bill altogether.

The Hon. Mr. MONTGOMERY thought the most valuable clause in the Bill was clause 8. The Counties Act of 1886 gave power to County Councils to license all vehicles plying for hire—that was, for passengers and goods. This Bill was to give power to charge all vehicles whether they plied for hire or not. He admitted that in settled districts the people would object very strongly to every buggy and cart needing to be licensed. Clause 8 was very important. As the law stood at present, traction-engines could not be run, because it was too expensive to run them with four men. A Judge had decided that there should be two men, in addition to the regular staff of a traction-engine, to assist when necessary to allow horses and vehicles to pass. These traction-engines were very necessary, and it would never do to stop them; and he submitted the Council might amend the Bill in Committee even at this late hour. It was a pity the Bill had been brought in in such a shape, but they might give effect to that clause, and also keep in force the power given to the Councils by the Act of 1886. With a little ingenuity his friends might assist in passing a Bill with only a few clauses to meet the difficulty with regard to traction-engines. He admitted that the 9th clause made nonsense of the remainder of the Bill. But it had come up in that shape from the other House. He hoped the Council would allow the Bill to go into Committee, and not throw it out.

The Council divided on the question, "That the word 'now,' proposed to be omitted, stand part of the question."

AXES, 11.

Buckley	Kelly	Rigg
Feldwick	Kerr	Stewart
Jenkinson	Montgomery	Whyte.
Jennings	Peacock	

NOSES, 17.

Acland	Barnicoat	Bonar
Baillie	Bolt	MacGregor

McLean	Reynolds	Walker, L.
Morris	Richardson	Whitmore
Oliver	Swanson	Williams.
Pharazyn	Taiaroa	

Majority against, 6.

Word struck out.

Bill ordered to be read the second time that day three months.

The Council rose at a quarter past nine o'clock p.m.

HOUSE OF REPRESENTATIVES.

Monday, 22nd October, 1894.

First Reading—Third Readings—Pomahaka Purchase—Land Drainage Bill—Shipping and Seamen's Bill—Income-tax Bill—Moore, Hepburn, and Robinson—Supply.

Mr. SPEAKER took the chair at half-past eleven o'clock a.m.

PRAYERS.

FIRST READING.

Local Bodies' Loans Conversion Bill.

THIRD READINGS.

Mining Bill, Mining Districts Land Occupation Bill, Kirikiri Native School Site Bill, Indictable Offences Summary Jurisdiction Bill.

POMAHAKA PURCHASE.

ADJOURNED DEBATE.

Mr. W. HUTCHISON.—Sir, I did not expect to have the opportunity at this late period of speaking on the motion now before the House, but as it has occurred I gladly avail myself of it to express in brief but strong terms my concurrence in the report of the Committee, although those who know the Minister of Lands needed no Committee and no inquiry to feel quite assured that he would come out of any such ordeal with his honour unstained. And he has done so. He, no doubt, makes mistakes and errors, like the rest of us, but the Hon. the Minister will never use his official position to do anything which could possibly reflect on his personal honesty or on the orderly administration of his department. The Minister of Lands began by quoting our Scottish motto, *Nemo me impune lacessit*; but as some of our friends probably do not quite understand the force of these words I will translate them into the good old Doric, which is, *Wha daur meddle wi' me?* and those who make a business of misrepresenting and maligning the Minister will find that, true to this motto, he and the friends who are prepared to stand by him can make it a tough job for them to tackle.

Mr. BUCHANAN.—I am very sorry indeed to stand in the way of the very natural desire of members to get through business; but there are other and greater considerations, too important to be overlooked. I promise, however, not to dwell at greater length on this important question than I can help. I need scarcely say the question of the Pomahaka purchase is one

of very great importance, in view of the fact that in 1892 we put legislation on the statute-book giving the Government power to expend £50,000 a year in the purchase of lands for settlement, and that this session we have still further extended their powers in this direction by empowering them to expend within two years something like half a million of money. The two important questions which at once arise in connection with Pomahaka are the honesty and competency of the Minister, and of the officers of the Land Purchase Board. First, let me say that nothing appears in the evidence, as far as I have been able to examine it, which is inconsistent with perfect honesty on the part of the Minister of Lands and the whole of the officers of the department. It is only fair that I should express that opinion at the outset. But the Minister himself would be the first to acknowledge that there are many circumstances in connection with this purchase which would have aroused his own suspicion and keenest criticism if he had been on this side of the House. We have, to begin with, the relationship of Mr. Ritchie, one of the officers of the Minister's department, with Mr. John Douglas. We have also the fact that Mr. Barron, the Under-Secretary to the department, at the instance of Mr. Ritchie was the first to move in this business, while the Minister and the Chairman of the Land Purchase Board, who should both have been conversant with every step taken, really knew nothing whatever about the matter. The Minister himself must admit that it was a most extraordinary thing that the Chairman of the Land Purchase Board and the responsible Minister should have been ignorant of the first steps taken to acquire this estate. And a still more extraordinary thing comes out in the evidence—that even when the petition was presented Mr. Barron did not think it worth his while to inform the Minister of the steps that he had taken without any authority whatever. Then, we have the fraudulent petition which was drafted by Mr. Douglas and his paid agents, and circulated throughout the district surrounding Pomahaka. The public there or elsewhere knew nothing whatever about the trap that was so skillfully laid for them by Mr. Douglas; and can we therefore wonder that Mr. Scobie Mackenzie, occupying the position which he once did here, and aspiring to again become a member of this House, felt it to be his duty to call attention to these suspicious circumstances? I feel therefore bound to say, looking at the matter now in the light of all the evidence which has been brought forward, that Mr. Scobie Mackenzie performed an important public service in calling public attention to this matter. He put it on record from the first that he did not attribute any corruption to the Minister of Lands, but that he felt himself bound to place broadly before the public what had come within his knowledge, so that all these suspicious circumstances should be thoroughly sifted. Then, we have the fact that the land was sold at £2 10s. an acre to the Government, although the land-tax value

tion had been fixed at only £2 2s. 6d. We have also the pregnant fact that, taking the average rental derived from the land for over twenty years, and reckoning interest at 5 per cent., we cannot reckon the capital value at more than 17s. 6d. an acre. Yet we have the Government buying this land at £2 10s. Can we, then, wonder at the great suspicion excited throughout the colony as well as in the part of the country more particularly interested—namely, the midland district of Otago? The Minister himself, as I have said, would have been the first to challenge all this had he been on the opposite side of the House, and would have been the first—and rightly so—to demand an investigation. I therefore repeat that this House and the country owe a debt of gratitude to Mr. Scobie Mackenzie for the action which he took. I have already said that, as far as I have been able to examine the evidence, I can see nothing in it to warrant me in saying for a moment that the Minister himself, or the officers of the department, have been guilty of any dishonesty; but I feel bound to express my regret that Mr. Ritchie did not at once see the extreme impropriety of touching a matter in which his relative was pecuniarily interested; nor can I also free the Under-Secretary, Mr. Barron, from blame. In the case of both these officers it should at once have occurred to them that all communications should have been made direct from Mr. Douglas to the Land Purchase Board, and then the whole business could have gone through its regular course. I do not wish to say for a moment that either Mr. Ritchie or Mr. Barron had any intention of dishonest action in the matter; but at the same time the course they took is much to be regretted. I now come to the second aspect of the question—namely, the business fitness displayed by the Minister and by the officers of the Land Purchase Board. I regret to say that I differ widely from the report of the Committee on this point. In the first place, it is utterly wrong that the Minister himself should have been in ignorance of the steps that had been taken to value the land until the petition came into his hands. The Lands Department should be conducted in a way which could not very well admit of this having taken place. It is not at all creditable to the business conduct of the department that the Minister should have been allowed to stand in complete ignorance of the negotiations that had been going on until the petition was actually presented to the Minister. The House and the country are entitled to expect substantial results from the special knowledge of the Minister of Lands on questions involving the value and occupation of land. In the case of the Pomahaka purchase, from first to last I have not been able to discover that he has endeavoured in any way to put his knowledge in this direction at the disposal of the colony. The colony has a right to say that he should have paid some personal attention to an important question with which he should have been much more competent to deal than any of the officers of his depart-

ment. First in order is the officer of the Lands Department who went upon the land and reported upon its value. I refer to the Chief Surveyor of Otago, Mr. Adams; and while referring to him I might include Mr. Hughan, the Crown Lands Ranger. We find that Mr. Adams, accompanied by Mr. Hughan, left Clinton at nine o'clock in the morning, and, having visited the Pomahaka Estate, were back again to lunch at two o'clock. I quote from Mr. Adams's evidence:—

"16. You all went over the estate?—Yes.

"17. For what purpose? How did you proceed?—I may say that the estate is about nine miles long, and on an average about two miles wide. We did not ride much further than to the middle of the estate, and took a bird's-eye view of the north portion of it.

"18. How long were you on the estate?—We left Clinton a little after nine o'clock in the morning, and got back to lunch about two o'clock."

"35. I think you said you did not pretend to make anything in the nature of a valuation on this visit?—That is borne out in the report, if you will permit me to read a paragraph as follows: 'As Mr. Hughan and I had only one day in which to make a hurried inspection of the block, our estimate of its value must only be taken as approximate, and I do not suppose the land will be bought on our valuation, as I see that clause 3 of the Act provides for a Land Purchase Board.'"

"90. Do you consider that all the surveyors who were engaged in the work on the Pomahaka Estate were qualified to value?—Yes.

"91. Do you think that a surveyor just back from Australia was qualified to value New Zealand land?—Surveyors are well qualified to give relative values, but the general values were arrived at by myself with the help of the Crown Lands Commissioner and the opinions of the settlers round about the Pomahaka Estate."

Further on we have an answer by Mr. Douglas to Question 276 by the Committee:—

"276. Did Mr. Adams express any opinion as to value?—He said, 'I do not see why they sent me to value; I am not a judge of land. I am a surveyor, but I am not a valuer of land. I will take good care, however, that they will not be able to do with me as they did with the Cheviot valuers, for I will put it down at the very lowest valuation for rating.'"

Now, here we have Mr. Adams, the 12.0. Chief Surveyor of Otago, sent to value and report upon the land, and considerable stress laid upon that valuation by the Surveyor-General; yet we have Mr. Adams himself admitting, as I have just quoted, that he is not a valuer of land—that he did not suppose any weight was to be placed on his valuation of land—and at the same time claiming that an ordinary surveyor is a properly-qualified valuer. And this is the manner in which we have been expending £50,000 a year for the last two years, and in which we now propose to expend half a million of money within the next three years.

Mr. MILLS.—If he erred at all, he erred on the right side.

Mr. BUCHANAN.—Then, I come to the evidence of Mr. Maitland, the Crown Lands Commissioner of Otago, and to his extraordinary ideas of how to value land. Questions 169, 170, and 171, put by Mr. Hogg to Mr. Maitland, are as follow:—

"169. Having had Mr. Adams's report before you that this land was in the occupation of the New Zealand and Australian Land Company, did you ascertain under what terms the company was occupying it?—No.

"170. Did you not consider it your duty to ascertain on what conditions it was leased to the company?—No.

"171. But did you not think it right to ascertain what rent the company paid for the land?—No."

Mr. Maitland, the Crown Lands Commissioner for Otago, occupied the most important position on the Land Purchase Board because of his local knowledge, and yet he did not think it necessary to put the questions above all others the most important—namely, as to the carrying capacity of the land and the previous rental paid for it. And this is the Land Purchase Board, whose competency to discharge the onerous duties thrown upon it by the colony is certified by the report of the Committee, which took all this voluminous evidence. Then, Sir, I come to the evidence of Mr. Smith, Surveyor-General. On page 6 occurs the following question:—

"28. Do you not think he should have a knowledge of it, seeing that you are to be guided by him in the purchase of this block? If that land had been let for a series of years at such a rental as would return 10s. to 15s. on the capital value, ought not that fact to have been submitted to you by the valuer? Was it not important in determining the value?—Well, I must go back to my former answer again—that it depends entirely on the circumstances of the lease.

"29. It is not my fault if you keep the Committee. I want a plain answer?—I trust I am giving one.

"30. You are evading the point. If this land was being let at 10s. to 15s. on the capital value for a series of years up to the date of the purchase, do you not think that that fact ought to have come within your knowledge before purchasing?—I will answer you directly. I think the Board should have had the necessary information if it could get it, and if it existed."

We have thus the specific testimony of the Crown Lands Commissioner and the Chairman of the Land Purchase Board that they did not think it worth while to inquire what stock the land carried, nor what rental had been paid for the Pomahaka Estate since it came into the possession of Mr. John Douglas over twenty years ago. Sir, no comment of mine is necessary upon such a lamentable state of affairs. How is it possible that any Land Purchase Board could come to any sound conclusion, conducting their business in such an extraordinary way as that? The only contention that can

be set up for £2 10s. as a fair value is that Mr. Dallas, the valuer employed by the Land Purchase Board, was of that opinion. Now, would the Hon. the Minister of Lands invest his own money on such a slender foundation? I am sure he would do nothing of the sort. And yet in this valuation of Pomahaka the colony has had to rely upon the judgment of this one man, Mr. Dallas. And, if I had the necessary time, I could show by the evidence that Mr. Dallas's answers to the question as to whether or not he had ascertained the stock-carrying capacity of Pomahaka are just the same as those I have quoted from the evidence of the other witnesses. Can it therefore be wondered at that, in the opinion of the most competent and impartial men who know the land, the colony has overpaid by something like from 60 to 65 per cent. for it? Sir, having happened to be down in Otago in February last, I made it my duty to make the most careful inquiries as to the opinion of competent men in regard to this purchase, and in no case was I able to obtain a valuation of more than £1 10s. an acre. That is as nearly as may be the same valuation as was given by Mr. Stevenson, the late manager of an adjoining property; and it is most significant indeed that the Union Bank, which held a mortgage for £8,000 over the property, determined not to continue the advance, and that Mr. Douglas, despite the most strenuous efforts, was never able to get the advance replaced from any other source. Equally significant is it that he utterly failed to sell the property, and that, although an energetic improving man, he steadily declined to spend a shilling in improving it. I can only therefore indorse the opinion which has been already expressed in the House and outside it, that these unfortunate settlers, who are now condemned to pay a rental upon the capital value of £3 7s. 6d. an acre, will not be able to remain upon their holdings. The Minister of Lands and his department have been made the victims of a fraudulent petition—of fraudulent misrepresentations—and it is a monstrous thing that public money should thus be thrown away, to the enormous loss of the taxpayers of the colony. I feel sure, however, that the Minister of Lands has received a valuable lesson from what has happened, and that in the future he will take every precaution to prevent the recurrence of similar scandals.

Mr. MACKINTOSH.—It is not my intention to detain the House for many minutes, but I must say a few words after the last speaker, because he has not put the matter in a fair light. As a member of the Committee I had every opportunity of observing the manner in which the inquiry was conducted, and I must say that it was conducted impartially. Every opportunity was given to Mr. Scobie Mackenzie to cross-examine the witnesses. All the evidence was taken on oath, as usual, with the utmost care—in fact, sometimes one might have supposed that it was a matter of life and death, so scrupulously was every particle of evidence elicited—and the inquiry was unduly prolonged. Then, the Opposition, although

not so fully represented on the Committee as the supporters of the Government, were represented in the exact proportion that they are to the supporters of the Government in this House, and, I am bound to say, as I believe the supporters of the Government are in the colony generally. Five to eleven, I think, is about the proportion of the Opposition members to the Government supporters in this House; and I do not think any one can show, therefore, because there was a majority of Government supporters on that Committee, that anything unfair was done. Mr. Scobie Mackenzie was invited to give a list of the witnesses that he wished to be called, and their expenses were to be paid. Witnesses were got here who were supposed to be of immense importance, or, at least, it was suggested by the *Otago Daily Times* that they would be so. And when officers of the firm of Messrs. Wright, Stephenson, and Co. were got here, at considerable expense and trouble, we found there was nothing startling to be revealed. They were capable business-men, and they gave their evidence in a straightforward manner, and we found it was a mare's nest. The fact is that, beyond the question of Mr. Douglas's conduct in the matter, there was nothing extraordinary at all. The officials gave their evidence before the Committee in a straightforward manner. Fault is found with Mr. Barron because he went out of his way and gave instructions to Mr. Adams, who was on his way to Conical Hills, to also call at Pomahaka, as he was in the immediate vicinity. It was thought that he should have consulted the Minister of Lands in an ordinary matter of that kind; but if he had neglected, when Mr. Douglas was desirous of selling his property, to give instructions to Mr. Adams he would not have been doing his duty. The matter of the value was gone into carefully, and an endeavour was made to show that, because Mr. Douglas had leased this land to the adjoining owners at a small rental, consequently the land was valueless; but we had evidence to show that Mr. Douglas held his land as a "spec." and that he was prepared at any time to sell it. Even if he had given a permanent lease of it it was shown by the evidence that it would fetch 8s. an acre.

Hon. MEMBERS.—No.

Mr. MACKINTOSH.—I say it was stated in the evidence distinctly.

Mr. ALLEN.—Can you point out in the evidence where that is stated?

Mr. MACKINTOSH.—I say it was stated in the evidence distinctly. The honourable gentleman can find it himself; and if it can be leased at 8s. an acre it stands to reason that it is not at all likely that the owner would have leased it at a small rental if it had not been held as a "spec." It was shown that the rental varied. Sometimes it was 1s. 6d. an acre, sometimes more, and sometimes less, and so on. And this is all because it was a short tenure. The weight of the evidence went clearly to show that the land was worth the money that was paid for it. Then, there is a valuer that has not been mentioned by previous speakers at all who

valued this property, a gentleman of considerable experience and standing. He valued the land some years before for State purposes—for the property-tax valuation—at £2 2s. 6d. per acre. He valued it later at £2 10s. He is an experienced gentleman, and he accounted for this in a very natural way. It is supposed in giving a valuation for the property-tax or for land-tax that the value shall not be given up to the utmost limit. This gentleman went on to explain that the reason for this was that he did not want his valuation to be challenged, as it was troublesome and expensive to have matters brought before the Reviewers. As to any corruption in connection with the Minister or any officer connected with the department, I could not see it; yet I am sorry to say, after the whole matter had been carefully gone into, Mr. Scobie Mackenzie did not withdraw and say that he had made a mistake, and that there was no evidence to show the corruption he asserted. I never was in favour of this inquiry, Sir, because, no matter whether the inquiry is made or not, the *Otago Daily Times*, which is a bitter opponent of the honourable gentleman, will have the last word. The Minister of Lands was assailed by the *Otago Daily Times*, and by Mr. Scobie Mackenzie and the party which he represents, in order to keep the Minister out of the House. A deliberate scheme was entered into under which Mr. Scobie Mackenzie was to stand for Waihemo to keep out the Minister of Lands, and I say that was an unwise proceeding both for himself and his party, and I also say that there was a feeling of indignation created throughout the country by the fact of Mr. Scobie Mackenzie standing against the Minister of Lands, who has conducted the Lands Department in a manner satisfactory to the colony and to the House. The simple shepherd from the hills enters this House and accepts a portfolio as Minister of Lands; and I ask, was there ever a Minister of Lands who has managed that department better? Inside this House he has the confidence of the House, and outside of it he has the confidence of the country, and charging him in Palmerston with corruption in connection with this Pomahaka purchase was simply a political move to keep him out of the House. Sir, the people of Waihemo and the people of the colony have vindicated the Minister of Lands, and therefore it was not necessary that a Committee should be appointed, although it was demanded by the *Otago Daily Times* and by the Minister's bitter enemies, who demanded a searching inquiry. Sir, that searching inquiry has been made, and nothing at all has been proved except the untruthfulness and the unscrupulousness of the attack made upon him. I have weighed the matter most carefully, and had anything been discovered I would not be one to overlook or palliate it in any way. But there was not. And now his enemies are not satisfied, but they make further charges against him, and, as far as they are concerned, they will never be satisfied. I regret that any inquiry has ever been held, because it was making too

much of it. Nine-tenths of the people of the colony knew there was nothing in it, and nine-tenths of this House knew there was nothing in it, and after the most searching inquiry it has been proved that there was nothing in it.

Mr. BELL.—Sir, I think—after what we have just heard from the honourable member for Riverton—

Hon. MEMBERS.—Wallace.

Mr. BELL.—I made a mistake, Sir; I mean the honourable member for Wallace—the House will quite understand that there is a desire on the Government side to keep the debate going. I propose, therefore, to conclude my speech with an amendment, in order to give honourable members an opportunity of replying to my honourable friend. I have naturally something to say on the subject, and naturally the House does not want to hear it. Sir, the majority do not want to hear what there is to be said on this question because the majority have made up their minds to do an ungenerous thing, and they want to do it now and get it over. I, however, want to have my say, in order that it may appear that the majority is doing an ungenerous thing, and knows it is doing an ungenerous thing, and to give it time to understand it and to think of it, so that its subsequent regret may be the more poignant. The Minister of Lands has chosen himself to give to this inquiry the character of an investigation into his own conduct. He has endeavoured from the first to throw a cloud over the real facts, which he knew must be damaging, by suggesting that which Mr. Scobie Mackenzie denied—namely, that there was a charge of personal corruption against himself. No one could honestly have regarded the statement which Mr. Scobie Mackenzie made, and was bound to make as a public man, as a charge of corruption. When Mr. Scobie Mackenzie says, “I did not make a charge of corruption,” he means it, though some honourable gentlemen who do not know Mr. Scobie Mackenzie do not understand that when he speaks he speaks the truth; but there are some who cannot appreciate a declaration of that kind. Well, the Minister chooses, in order to throw dust in the eyes of the people, and to disguise the real facts of the matter, to treat it as a matter affecting himself personally, and, so treating it, he takes every precaution to insure a verdict in his favour. He does not appoint a special Committee, but he refers the matter to a Committee comprising six of his own most loyal supporters. I am not quite sure whether he himself is a member of that Committee, but I believe he is. If he is a member of that Committee, of course his influence will have been felt there. He also employs a Crown Law Officer, newly appointed by his own Government, to defend his character. He employs a Crown Law Officer, one of “the right colour,” and instructs that Crown Law Officer to assail his opponent. Now, Sir, that gentleman, Dr. Fitchett, is not now a member of this House, and consequently is not present, and I shall refrain from any attack upon him. But I say this, and I can

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say it without attacking him: that it must have been exceedingly distasteful to him, unless he has forgotten all the traditions of the profession to which he belongs, to use such language as he did in the concluding part of his address in reference to Mr. Scobie Mackenzie. I know something about this—what a counsel may do, and what he may not properly do, when holding the position that Dr. Fitchett holds. On that point I am at least as competent to speak as him-

12.30. self. I know something of what the tradition of his profession requires, and I say the adjectives which he applied to Mr. Scobie Mackenzie would be objectionable were they not so grotesquely ludicrous. The Minister goes further. He employs his own advocate—the same Crown Law Officer—to draw up the report. I make that statement without any hesitation, partly for the reason suggested by the honourable member for Wellington City (Sir R. Stout), that there is no mistaking the language. I know his literary style, and I can compare the report with his speech. I say without hesitation that I have no doubt the Minister employed the Law Officer—his paid officer—to draw up the report to vindicate his character. There has been further evidence of this adduced since the senior member for Wellington City (Sir R. Stout) spoke. Firstly, Sir, the report presented for the consideration of the Committee was printed, and it could only be printed by order of the Government; and, secondly, the honourable member for Waimea-Sounds, who presented it, when challenged with that fact did not deny it, but suggested, as a convenient retort, that the speech of my honourable friend the member for Patea had been written for him by Mr. Scobie Mackenzie.

Mr. MILLS.—I made no such suggestion with reference to the honourable member for Patea.

Sir R. STOUT.—It was the honourable member for Masterton who suggested that.

Mr. BELL.—Yes; I beg pardon of my honourable friend the member for Waimea-Sounds. He would not go quite so far as the honourable member for Masterton went in that direction. It was very ungrateful of the honourable member for Masterton, after the delightful half-hour we spent in listening to the honourable member for Patea, and enjoying the perfect humour with which he pointed his unanswerable satire, to suggest that the speech was not genuine. However, the point to which I am addressing myself is the Minister's action in this matter. Sir, for the purpose of further proving the judicial character of this investigation, he himself moves in this House the adoption of the report, in order to secure for himself the right of reply. And then a strong effort is made by his supporters to choke the debate. On Saturday afternoon the Premier proposed that the local Bills should be taken, in order that the Minister might speak at half-past seven, and so that the debate on the report should not be taken in the afternoon; and now, to-day, a desperate effort is being made to choke the debate by the supporters of the honourable gentleman, so that

Mr. Scobie Mackenzie may not obtain a fair hearing. That is the effort of the Minister, backed up and nobly supported by a majority of the House. The Minister is to be tried by his own Committee. He has moved his own acquittal, and is himself to sum up, and he thinks by this method he can prevent the supporters of his opponent from having a fair chance of putting the contrary position. Well, this House will be able to tell the world how effectively a member of this Government can engineer a parliamentary investigation to its desired result. I congratulate the honourable gentleman upon the skill he has displayed. I was amused myself to hear the honourable member for Masterton on Saturday night, and the honourable member for Wallace to-day, protesting that this Committee was not biased and that its members were guided by the evidence. Why, Sir, the Committee divided on precise party lines. This House will itself divide on precise party lines: that in itself is a proof that neither the House nor the Committee is competent to come to a determination upon an inquiry of this kind. Not a single man on either side will be swayed by the merits of the case, so it is of no use protesting. I do not deny that if I were on the Committee, and if one of my own party were on trial, I should not be a competent judge. Party ties prevent us from being so; and the proof is in the divisions of the Committee and the division about to be taken here. What the honourable gentleman is now proposing is to record in the Journals of the House what is neither more nor less than a declaration that his Government have a majority in the House of something like twenty. That is all. The result of the inquiry means no more than the ascertainment of the actual Government majority, and is no more relevant to the facts of the inquiry or to the merits of the case than any other report which the Waste Lands Committee brings forward. The stuff in this report is going to be recorded in the Journals; and when another party comes into power it will be erased, and I will tell the House why. It will be erased because it is unjust to an absent man; it will be erased because Mr. Scobie Mackenzie is a gentleman who stands as high in the estimation of this country as any man who has served the colony in Parliament, because he has been an ornament to this House, and will again sit here; and, again, because, when the House does, as it is now about to do, an ungenerous thing, it is prone to regret and repentance. We have seen these censures upon the Journals of the House before, and we know that the Journals of the House are clear of them now. And finally, Sir, the record will be erased because Mr. Scobie Mackenzie has proved his case, and the people of the country will know it, and the House will ultimately say so; because, whatever may be the result of the party division to-day, that is a foregone conclusion. Sir, the facts are there—the facts that have been proved—the price and the value of the land are there, the circumstances are there, the action of

the Minister and his satellites is there, and they cannot be effaced. Mr. Scobie Mackenzie has proved his case, and that is the final reason why the erasure of this record from the Journals of the House will be made. The circumstances of this transaction, pregnant as they were with suspicion when first mentioned, glossed over as they are in the report of this Committee, are patent to the colony and to the House. And, Sir, when truth prevails, as it must prevail in the end, unprejudiced minds—and the unprejudiced minds are, after all, decidedly in the majority—will give the only judgment that is possible in the case. And, Sir, with what well-chosen words did the Minister introduce his motion! How graceful were his gestures, how elegant his diction, how judicial his utterance! It was worthy of the honourable gentleman; it was worthy of the man who, in his own elegant and refined language, designated his opponent at the hustings as “the biggest liar in New Zealand”—a compliment indeed when there are so many eminent competitors for the position. And how courteously he referred to Mr. J. M. Ritchie as a man who should be undergoing imprisonment with hard labour!—quite forgetting that, if that were so, he himself has been guilty of a grave dereliction of duty in not prosecuting him. And if his words were true, then he should himself be indicted for compounding a felony. And then, Sir, how generous were his words with regard to Mr. James Smith, and how convincing to every man who had read the evidence his declaration that a witness before the Committee had been guilty of perjury! I am compelled to discount his statements and his charges with regard to Mr. Ritchie and Mr. James Smith, as to which I am ignorant, by what my common-sense informs me was the injustice of his charge against Mr. Brittan. It seems that that witness made a mistake about a date, and corrected it the next morning. I ask the other members of the Committee, do they support the Minister of Lands in that statement with regard to that witness? I appeal to them. How did they like to hear the upright and honourable gentleman who gave that evidence attacked in his absence in this manner by the Minister? I ask the honourable member for Marsden, as the spokesman of the Committee, does he believe that charge to be correct? It is a public scandal that a man occupying the position of the honourable gentleman should so speak with regard to a witness who appeared before the Committee. Sir, all three men were absent, and that, no doubt, was the reason why the Minister of Lands so controlled himself, and refrained from abusing his privilege and license as a member of the House by the use of words which might appear to be offensive to them. I congratulate him upon the choice expressions which he used. Passion might have made an ordinary man even rude; but the honourable gentleman is not an ordinary man, and I admit that he succeeded in delivering himself of some extraordinarily choice expressions. That is his method of de-

fence. Not one word as to the merits, but a series of envenomed, malicious attacks, couched in language such as I will not venture to further describe, against absent persons. And this is the defence of the Government. Well, Sir, oddly enough, he seems to have missed the only point of importance—I will not say he avoided it, but he missed it—and the only point which is of interest to the colony, and which some day will be of interest to the House; and that point is that Mr. John Douglas sailed clean to windward of the honourable gentleman and his department, and foisted upon this colony at an outrageously high price a property which is, as compared with the price charged to the settlers, practically valueless; and, further, that the record of this voyage to windward, which would be of so much interest, the log which would have recorded so many interesting details, has been destroyed, and has therefore disappeared. These facts are of interest. That is the point which I should like the honourable gentleman to direct his attention to. Now, Sir, the value of this land was assessed for the purposes of the land-tax at £2 2s. 6d. an acre, and the Government paid £2 10s. an acre for it, or 7s. 6d. per acre more than its land-tax value, 18 per cent. more than its selling value. The land-tax valuer says that all land is valued for taxing purposes below its selling value. If this is a fact it is new to me. The honourable gentleman will remember that in the case of the Cheviot the land-tax value was £46,000 more than the selling value. Therefore the honourable gentleman should calculate his rental for the Cheviot on something like £350,000. The honourable gentleman cannot get over this fact: The land was valued for land-tax at £2 2s. 6d., and the Government paid £2 10s. Therefore either the Government paid too much, or this gentleman, who has been held up as such a model of integrity, was paying too little for land-tax. One thing or the other. Mr. Douglas, however, protests that he sacrificed his land at £2 10s. He protests that in the interest of the settlement of the country, and so forth, he sacrificed his land. Therefore the land, according to Mr. Douglas, was worth more than the £2 10s. paid—was worth more than £3. And, again, why was it valued for land-tax at £2 2s. 6d.? Mr. Douglas changed his colour, and at the election his new colour was reckoned to be right and warranted fast. This was his virtue; and all virtuous people of the kind in the colony are, according to the declaration of the Premier, and according to the instructions of my honourable friend the Minister of Lands, to have their deserts rewarded. I do not say that the question of Mr. Douglas's vote had anything to do with this matter. I know it had not. But I say that the honourable gentleman, because Mr. Douglas happened to be introduced to him by Mr. Ritchie, because his relations were of a friendly kind, because he thought these people were of "the right colour," abstained from an inquiry, which he would rightly have insisted upon in respect to other landowners. It will be so

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found in the future. It has been so found in the past. Will honourable gentlemen opposite kindly tell me this—

Mr. REEVES.—No.

Mr. BELL.—I was not addressing the honourable gentleman, because he never gives any information worth hearing, either from his seat in the House or outside; but I was asking honourable gentlemen opposite to tell me this: If a Conservative Minister of Lands had so dealt with a Conservative landowner, what would they have said, and in what language would the present Ministers have described the transaction and condemned the Minister? Let him remember what he said about my friend the Hon. Mr. Richardson, the late member for Mataura. Then, let him think what he would have said if Mr. Richardson had now been Minister of Lands, and had been an active participator in this transaction. The price charged to these settlers for the land is £3 7s. 6d. —for tussock lands—now that roads have been provided. I say that great injury is being done to these settlers, because the honourable gentleman thinks it necessary to lead his followers to indorse his ludicrous misstatement that this is a fair price that has been given for the land. The Minister insists that it should be declared not only that he has not been guilty of something which nobody charged him with, but that Mr. Douglas has not got to windward of him; and there is not a member of the Committee who does not know that Mr. Douglas did get to windward of him. The honourable members for Marsden and Masterton, who were on the Committee, who saw Mr. Douglas, and heard him give his evidence, know perfectly well, notwithstanding the report, that that gentleman was all the time well to windward of the Minister. Why was he to windward of the Minister? Because he had a friend at court. There is no disguising the matter. I am not apt to make accusations of a personal character, but it is proved that Mr. Ritchie, who was Mr. Douglas's nephew, first suggested this matter. He was behind every transaction carried on in the Lands Department in respect of this proceeding. He was the moving element in the whole affair, and I know that this was the reason why the matter was hurried on and the purchase completed. Does the honourable gentleman mean to tell us that it was not because Mr. Ritchie was Mr. Douglas's nephew that the matter was completed? Why, the correspondence—every scrap of paper that passed between Mr. Ritchie and Mr. Douglas—has been destroyed. Both men are men of business. But certain scraps have appeared, curiously enough, by reason of the publication by Mr. Douglas of a letter in the *Otago Daily Times*, and by reason of certain communications that appeared from Messrs. Wright and Stephenson. They show that Mr. Douglas wrote to Mr. Ritchie and asked him to get the Government "to bite"—a nice expression. Was not Mr. Ritchie Mr. Douglas's agent in Wellington? If not, why did Mr. Douglas write to Mr. Ritchie to get the Government "to bite"? He

did so, and the letter only appeared by mere accident. But it is part and parcel of a most interesting correspondence. If his memory had been better, and if he had been able to tell the contents of the correspondence, we should have had something most amusing and most interesting. We find Mr. Ritchie telegraphing to Mr. Douglas on the 30th of August—the day when the petition was presented to the Minister—that the matter cannot be settled for a few days. The Minister tells us that the first he heard of this matter was on the 30th of August, when the petition was presented, and it was on the 30th of August that Mr. Ritchie sent this telegram. The two were engaged foisting this property on the colony, and have succeeded in doing so, and the Minister of Lands has to be complimented by the House on the sagacity of one of the officials of his department. My limit of half an hour is approaching, and I am afraid I have not time to touch on many matters which I had desired to enter upon. I propose to move, as an amendment, That all the words after "That" be omitted, and the following words be inserted in lieu thereof: "this House does not concur in the report of the Waste Lands Committee on the subject of the Pomahaka purchase." I say this in conclusion: Mr. Scobie Mackenzie never accused the Minister of corruption. If he had meant to do so, he would have said it straight out. To those who attribute to Mr. Scobie Mackenzie that he is afraid to use the language necessary to express his meaning, I say this: Those who know that gentleman are saying what they know to be untrue; and those who do not know him had better meet him and know him, and then they will join me in characterizing, in language which you, Sir, would prohibit here, the tactics of those who pretend to impugn his courage.

Captain RUSSELL.—I second the amendment. It is a great misfortune for the country and for Parliament that this question has been brought forward before the House in the way it has been. If there has been anything approaching a libellous accusation against the Minister of Lands made outside the House, he has had every opportunity of vindicating his character and confounding his adversary in the law-courts. But, in a House where the Minister has an overwhelming majority—I will say nothing of the composition of the Committee—in a House where he has an overwhelming majority, to bring such a case as this on for discussion, and to make such a speech in the dying hours of the session as he made the other night, replete with the most venomous attacks on gentlemen whose names are quite unconnected with the transaction, seems to me to be bringing the forms and proceedings of Parliament into a position which can only induce contempt in those who read the debate. In the speech of the Minister he did not attempt to justify the report of the Committee, or to explain various points which must strike the most casual observer in considering the question of the purchase. The long document laid before us, consisting of one hundred and

twenty-three pages of printed matter, of course no honourable member except those on the Committee has been able to study in its entirety. But the impression conveyed to even the least observant must have been that there were various points alleged in the course of the inquiry which have not been properly dealt with in the report of the Committee, or by the Minister in speaking on the question, or by any honourable member who has addressed the House. Nobody has explained the patent fact that too much money was paid for the property. There has been a little vague declamation on the point, and it has been asserted that too much money was not paid, but there has been no attempt at logical argument put forward to meet the surrounding circumstances, or the statement that purchases, and of far better properties, have been made at infinitely lower prices than that paid by the Crown. Honourable members have endeavoured to approach the subject expressing the greatest interest in, and the greatest belief in, the honour of Mr. Scobie Mackenzie. I have endeavoured to look at the question from an impartial point of view, but I can arrive at no other conclusion than that the Crown has been induced to pay very considerably more for the property than it should have paid, and that the unfortunate people who took up the land have been induced to promise to pay much more than they will be able to pay when the day of reckoning comes and they have to make a living out

2.30. of the property. There are other points which have not been explained in this House. For instance, how is it that the nephew of the owner was the originator of the purchase? That is a point which has been steadily ignored. I make no imputation; I only ask for an explanation. How is it that a gentleman who is in the Stock Department, and who was in no way connected with the Lands Department, but is the nephew of the vendor, was the originator of the purchase? That is a matter which we have a right to have explained to us. It has not, however, been explained to us by the Minister or by anybody else what his connection with the case was. It would appear to one either that the Minister of Lands was a party to the whole transaction, which I understand was not the case, or, if he was not a party to the whole of the transaction, there can be no doubt about this: that he has been made use of by his department. Ministers are accustomed to boast in a rather inordinate manner that they have all their Under-secretaries and officials in complete submission to their wills. Well, in this case either the Minister did not know what was going on in his department,—which I believe to be the case,—or he himself was a consenting party to the transaction, about which, whatever we may think of its *bona fides*, we can have no doubt of its imprudence. It has not been explained to this House why documents which were material and of great importance in connection with the inquiry were put into the fire, and why no records of them were kept.

Mr. J. McKENZIE.—There were no such documents.

Captain RUSSELL.—It is admitted that there were such documents, and some of them have gone off the departmental file, while other documents relative to the purchase have been deliberately destroyed. I do not venture to make any imputation, but I ask for an explanation of these circumstances—if they are capable of explanation. Let nobody think that by vilifying absent men he is controverting alleged facts. The alleged facts ought to be controverted, or else it must be supposed that they are incontrovertible. Nor have we had any explanation why the purchase by the Minister was synchronous with the pressure by the bank. Surely these are circumstances which in ordinary affairs of life would cause suspicion, and, instead of having unmitigated abuse heaped upon all and sundry who demand inquiry, surely it would be better to deal in a temperate manner with these facts. With the object of being brief, I will ask this question: Why have the report and evidence relative to the purchase of Pomahaka been brought before the House, and why did the Minister move that the report be entered in the Journals of the House? That was not necessary.

Mr. J. McKENZIE.—You called for the discussion yourself.

Captain RUSSELL.—It is true I asked the Minister when he was going to bring on the discussion, but that was with a view of insuring the debate we knew the Minister insisted on before the end of the session, and not with the object of having the report of the Committee agreed to. The Minister must know that all these reports are entered in the Journals of the House, and therefore it was not necessary to make this motion unless it was to hang a bitter speech upon it. Until lately, I believe, the reports were entered in the Journals *in extenso*, but now they are referred to in this way: The name of the report is entered in the Journals, and then is added, "*Vide so-and-so*," giving reference to the number and page of the Appendix of the House; and so not only the report but the whole of the evidence taken before Select Committees is entered in full, and can be referred to by everybody. Therefore we may properly say that the report of the Committee would have been entered in the Journals without the motion of the Minister. It cannot have been with a desire to enter the report on the Journals that the motion has been made, but for some other reason. Before I go any further it would be as well to draw the attention of the House to what has not yet appeared in *Hansard*. I will just read to the House, so that it may appear in *Hansard*, what the actual charge was which was made by Mr. Scobie Mackenzie; and members will be able to ask themselves why the Minister, at an expense of probably £300 or £400, caused a parliamentary inquiry to be made, and why he has brought on a debate which will cost the country nearly another £200—why, in all, an expenditure of £500 has been incurred. In reality the whole object has been

to defame an absent parliamentary—I think I may call him—hero—a man of much distinction when in this House, and a man whom I am sure the great majority of us hope to see back amongst us. What is the whole charge about which so much has been made, and in regard to which 123 pages of evidence have been printed, and as to which an acrimonious debate has been raised which will be published in *Hansard*? The statement made by Mr. Scobie Mackenzie was made outside this House, and was not a privileged statement. Therefore, if there was anything libellous, scurrilous, or improper in it, Mr. Scobie Mackenzie might have been called upon to prove his assertions in the law-courts of the country. If not, what necessity for the long inquiry? This is what Mr. Scobie Mackenzie said:—

"Let it be clearly understood, I am far from suggesting corruption in connection with my opponent in this contest. I say again that I don't even include him (Hon. Mr. McKenzie) among the political spiliers. I think his intentions are excellent, and that he is doing the best he can for all classes of settlers. But a man with unlimited power is apt to be acted upon unconsciously in all sorts of ways. Take this last Pomahaka purchase, for instance. I believe it to be a downright bad purchase, a much worse one than Cheviot. I only know the land by repute, but it is a cold ungenerous soil. It is purchased on the eve of a general election. The owner of it is an influential man in this immediate neighbourhood. He employs a number of men, and may influence a number of votes. His nephew is head of one branch of the Minister's department. The land has been for sale for many years. I heard it myself offered for sale at the same price, I think, ten years ago. It has been rented for a long time at 6d. per acre rent, which is 5 per cent. on a capital value of 10s. per acre. I believe even at that rent the land was about to be thrown up. Now, all these things may be mere isolated facts; there may be no connection between them at all. But a Minister's mind may be influenced unconsciously by the pressure of his friends, by the fear of his enemies, by fifty circumstances which have no direct connection with corruption, but which lead in that direction."

Surely this is fair comment upon a purchase which was exercising public opinion in the South. Surely it was proper for a candidate who did not believe in the system of uncontrolled purchase by the Crown to use such a purchase as this as an illustration of what he believed to be an injurious way of acquiring property. Is there anything in such a charge as I have read which need have induced the Minister to follow the course which he has taken? Was there anything there which any honourable member in making a hostile speech against an adversary in an election would feel derogated from his own character? The whole of the evidence produced before the Committee, so far as I have been able to read it, points plainly in the direction of proving every assertion made by Mr. Scobie Mackenzie on the

public platform. If we take the report and go through it we shall find this fact: that Mr. Ritchie,—head of the Stock Department, but unconnected with Lands,—who is the nephew of Mr. Douglas, was the person who first initiated the purchase. I do not say that it is unnatural that a nephew should take an interest in the affairs of his uncle. I believe most thoroughly that Mr. Ritchie was not in a position to compel any action on the part of the Lands Department. Mr. Ritchie was head of the Stock Department, but, so far as I know, had nothing to do with the Lands Department. He acted as an outsider interested in the vendor. As an official, I cannot see that he is very much to blame; but it would have been far better for himself if he had abstained altogether from taking any part in the negotiations; but it is not altogether unnatural that he should have expressed the opinion to his brother officials that it was a desirable thing that the negotiation should be entered into. But the blame in reality passes from his shoulders to those of his superior officer. Any blame that attaches to this affair must attach to the department and the Minister himself, unless the Minister tells us frankly that he knew nothing about the circumstances whatsoever, and holds himself irresponsible for it, which I trust he will not do, because a Minister, it seems to me, has a duty to his department, and, whatever he may say to them in private, it is his duty to uphold the department in public if it is possible. But there is no doubt about it, the question of the purchase was first raised by the nephew of the vendor, and then, as one goes through the report, one sees with what haste—I might say with what indecent haste—this purchase was pressed on; and I ask the House to arrive at this conclusion: that it was done under pressure. The actual dates with reference to it are: On the 17th August Mr. Douglas got notice that unless he paid up a certain sum of money—£8,000—to the Union Bank within fourteen days they would take further proceedings; and on the 21st—that is, four days afterwards; and I say it cannot be a coincidence, you must connect the two matters together—on the 21st, four days subsequently, we find the Lands Department in Wellington taking steps to purchase this land, before even Mr. Douglas had made a formal offer of it to Mr. Maitland, the Chief Commissioner, on the 22nd, five days after pressure by the bank. On the 26th, four days after the offer is made, Mr. Adams and Mr. Douglas and his agent go on the land for the purpose of inspection and valuation. I should like to know whether all purchases are hurried in this extraordinary way.

Mr. J. McKENZIE.—Some of them are.

Captain RUSSELL.—On the 30th, four days subsequently, Mr. Barron wires to Mr. Adams for the report as to the value of Pomahaka; and on the 30th, the same day, Mr. Adams replies, practically to an order of the department, and sends the report. On the 31st Mr. Maitland wires to Mr. Barron, "Pomahaka valued at £2 10s.," and so on. From the 14th of Sep-

tember, when the Land Board sat, till the 3rd of October the whole business was completed. Now, the Minister, so far as I understand, on the occasion when the petition for the purchase of Pomahaka was presented by the honourable member for Clutha (Mr. T. Mackenzie), was in his office, having the chief adviser of the Lands Department—Mr. Barron—in the office with him, and yet Mr. Barron never hinted to the Minister that he had taken steps, antecedently to the presentation of that petition, to get the land valued for sale, nor did the Minister tell the honourable member for Clutha that he knew anything about it. Then, what must we assume? Either that the Minister did not choose to tell the honourable member for Clutha that he knew about it—that the petition was a mere form, that the department was already prepared to purchase the estate—or, on the other hand, that the principal officer of the Lands Department had humbugged the Minister throughout, so that he knew nothing about the transaction. There is no escape from that dilemma; and it is a most unfortunate position for the country to find, having lately agreed that £250,000 should be expended for the purchase of land, that the department has carried on this business in what may be called "a hole-and-corner way," without the knowledge of the Minister, or else that the Minister now endowed with such large powers of purchase is careless of how the money is spent. Do not think it is merely a question of pounds shillings and pence. Men like myself, who believe that the Government cannot carry on as satisfactorily as individuals the purchase of land, especially compulsorily, have here reason to believe that more than double the value of the land was given by the Minister. We shall have that extravagance going on in the colony in every direction with the £250,000 which the House has unwisely set aside for land-purchase, and so possibly that amount will only buy a hundred thousand pounds' worth of land. We must be precious careful what is done in such matters. Now we come to the question of value; and who was the valuer? The principal valuer was, I understand, a Mr. Dallas, who, if report speaks truly, is a great supporter of the Government. I have not the honour of his acquaintance, but he is placed in official positions, I am assured, whenever the Government has any position to give him; chiefly in small ones, but still showing that he is on the most intimate terms with Ministers. He was the person appointed to value the land. Well, before we go into the valuation of this particular piece, let me tell the House about Mr. Dallas, and the valuations of Mr. Dallas. Some little while ago Mr. Dallas valued a property at £1,780; that very property was subsequently bought by him at a lower rate than the value he had placed upon it; and in due course, after he became the owner, and came to know its value, I am assured on good authority he expressed the opinion that he had given too much for the land, and that he would not have given so much money for it had he known what he was about. There-

fore you have to start with the principal valuer—a gentleman who valued a piece of land at so high a rate for local bodies that he himself bought it at a lower rate, and subsequently to the purchase he has stated, though he himself presumably inspected it carefully before he purchased, that in reality he knew so little about it that when he came into occupation of it he found he had given more money for it than it was worth. So much for the capacity of the valuer that the Government placed so much reliance upon in purchasing the property. At any rate, £2 10s. an acre was given for this Pomahaka property, and we have the fact on record that the Union Bank, which had advanced £8,000 on the property, declined to continue the advance, and that the security was offered to the Dunedin Savings-bank, and that the Dunedin Savings-bank refused to take over the security. We have it here in evidence that the Union Bank was dissatisfied with the security, and put pressure on the gentleman to get rid of the estate, giving him only fourteen days to pay them off; and, combining these two facts, I think it is reasonable to suppose that the Dunedin Savings-bank and the Union Bank knew something more of the value of the property than the Minister and the department, which bought it for £18,656. And not only that, but there is the fact that this property was let at 6d. an acre. It is true it has been let at a higher rent at other times; but what does that prove? It only goes to prove that when persons gave 1s. 6d. an acre for it it was not worth 1s. 6d. an acre, or else they would not have given up their leases at that price. At any rate, we have evidence that it was let latterly at 6d. an acre; and that gives a capital value of 10s. an acre for the land. I will just ask members to pay attention once more, upon this question of value, to the fact that the property was purchased at £2 10s. an acre, whilst the Popotunoa and Waipahi Estates, which were adjacent, with a railway through them and roads to them, and, I am given to understand, with the land ploughed and laid down in grass and subdivided with fences, with good houses and buildings, were sold at an average of £2 15s. 3d. That includes the two properties of Popotunoa and Waipahi: £2 15s. 3d. an acre, as against £2 10s. for absolutely naked land in Pomahaka. I am told that this land is slightly better than the Pomahaka land; and yet the Government have valued the land while it is still naked, except for the roads upon it, at £3 7s. 6d. an acre. But mark my words, Sir, the £3 7s. 6d. does not cover by any means the price the settlers who will have to live upon it will pay. They have to fence it, to plough it, to erect houses, yards, and barns upon it, to stock it, and by the time the tenants are upon the estate they will have to expend at the very least £1 2s. 6d. in getting it into such a condition that it will be profitable to plough. That brings the price they will have to pay interest upon to £4 10s. per acre, as against £2 15s. 3d. for the Popotunoa and Waipahi which lie adjacent. If

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that is the case, there can be no question that it must be a most unfortunate position for the settlers to be in. We have had it in evidence that the adjacent property carried a sheep to the acre and a half, but Mr. Stevenson, I think it was, who rode over the property, reported to the person who employed him that the sheep were in such a poor and wretched condition that they could scarcely get out of his way. If that is the case, fancy the position of the tenant who will have to pay a rental of 5s. an acre for land that is so indifferent that it will only carry a sheep to the acre and a half: in fact, it will not do that, for the sheep were in so poor a condition that they were hardly able to get out of the way of the rider. The true value of the property may be ascertained pretty easily by computing the figures which I will just now mention, and they are these: Even assuming the value put upon the land for local taxation purposes by Mr. Dallas, £2 2s. 6d. an acre, to have been correct—the value put on three years ago—the fall in the value of grain and frozen mutton and wool, to say nothing of the conduct of the Government, has reduced the selling-value of all land by at least 33 per cent. during the last three years; and, if you deduct 33 per cent. from the value placed upon it when Mr. Dallas valued the land for the local bodies under no pressure whatsoever, you will find the value of the land will stand at £1 13s. per acre, or just about the price Mr. Stevenson valued it at—£1 10s. per acre, I think it was. Under the foregoing circumstances, no person can deny that the initiation of the purchase was extremely undesirable. There is no doubt about that. Either the Minister was a party to that initiation or he knew nothing about his department whatsoever. Then we come to the fact that the value placed upon the land was considerably higher than it ought to have been. Then, last of all, we have the fact that the documents which really were the key to the whole position—the correspondence which took place between Mr. Ritchie and his uncle, Mr. Douglas—have been destroyed, so that the country never can know what the facts in connection with the purchase really are. I have endeavoured to cut my remarks as short as I possibly can, but still there is a great deal I should have liked to say.

Mr. J. McKENZIE.—So have I.

Captain RUSSELL.—I have no doubt the Minister will say a great deal; that is, he will say a great deal in abuse of persons who take a different view from his own. I am bound to believe he will not explain any one circumstance that I ask him to explain. I was invited last night to write my name in a birthday-book, and by chance I opened the book at the birthday of the Hon. John McKenzie, and may he live to have many happy returns of that day; but here I may mention the motto I found opposite his name. It is one of Carlyle's: "Our grand business undoubtedly is not to see what lies dimly at a distance, but to do what lies clearly at hand." What did lie clearly at hand? An election; very close at hand. He

was very anxious to score a point in any possible way he could; and I believe, if the election had not been coming on, he would have had a full grasp of his department, and Pomahaka would still have been the property of the patrician, as my honourable friend the member for Patea said—and I should like to compliment him on the extremely splendid speech he made the other night: it would not have been the property of these unfortunate settlers, who cannot but go “bust” if they endeavour to pay their rent to this colony.

8.0. Mr. THOMPSON.—Sir, it was not my intention to say a word on this subject, and I should not have risen had it not been for the bitter and impassioned speech delivered a short time ago by the honourable member for Wellington City (Mr. Bell). Sir, seeing the relationship which exists between that honourable gentleman and Mr. Scobie Mackenzie, I think it would have been much better had he remained silent. I am not going to enter into the dispute in this debate which has taken place between Mr. Scobie Mackenzie and the Minister of Lands, but I would just point out this to the House: The position is that Mr. Scobie Mackenzie, at the late election contest, made charges against the Minister of Lands which were interpreted by the people of Otago, and by the Press of Otago, to mean corruption. There is no doubt whatever that the public and the Press of Otago interpreted his charges to mean that, and nothing else. Now, Mr. Scobie Mackenzie, although this controversy was going on in Otago for some time after the election, never took the trouble to do what I think it was his duty to do, as an honourable man—to disabuse the public mind in the colony of the idea that he had charged the Minister with corruption. He allowed the Press and the people of the colony to remain under that idea until the matter was brought up before a Committee, which was asked for by the Minister in order that Mr. Scobie Mackenzie might be invited to appear and make his charges. His expenses were guaranteed, and he was invited to bring any number of witnesses that he chose to bring up to prove those charges, and their expenses were to be paid, so that every facility was given to have the case thoroughly investigated. Mr. Scobie Mackenzie came up here, and remained here six weeks, during the whole of the inquiry, and he only called two witnesses, though he had the right to call as many as he wished, and after the fullest investigation he failed to prove a single charge against the Minister. I ask, was any man ever given greater latitude on a Committee than was given to Mr. Scobie Mackenzie? It was the desire of the Committee from the commencement to give him every opportunity to prove his case, and yet, after the fullest investigation, he failed to prove a single charge. The honourable member for Wellington City (Mr. Bell) informed the House that Mr. Scobie Mackenzie had spoken the truth, and that he was a gentleman. Well, I am not going to contradict that.

Mr. BELL.—I did not use those words. I stated that he was a gentleman who stood high in the esteem of every one who knew him. I used the word “gentleman” merely as I would in speaking of any gentleman.

Mr. THOMPSON.—Well, I have the greatest respect myself for Mr. Scobie Mackenzie, but I say that he failed in his duty to his opponent, the Minister of Lands, by not, immediately the election was over, contradicting the reports which appeared in the Press as to the charges of corruption. I am not going to say much more on that subject, for I do not feel myself called upon, as Chairman of the Committee, to get up and make a party speech. The object I had in view, and that the Committee had in view, was to have a perfectly impartial inquiry, and that Mr. Scobie Mackenzie should have the fullest opportunity of proving his case if he could. That, I maintain, he has failed to do. Neither am I going to express any opinion as to the action of the Land Purchase Board. Whether the Land Purchase Board did their duty is a matter of opinion. Whether they were justified in buying such an estate for small-settlement purposes is a question we may differ upon. Whether or not they paid too much for it is also a matter we may differ upon. But I wish to place on record this: that, so far as this Committee—which has been called a packed Committee—is concerned, the decision of that Committee was quite unanimous in acquitting the Minister of Lands of any blame whatever in this transaction. There was no difference of opinion on that one point, and that is all I wish to say on the matter. I do not wish to enter into this case further than that, and, so far as the Minister of Lands is concerned, he has no reason whatever to feel disappointed with the inquiry, as the Committee unanimously acquitted him of all blame. Beyond that I do not offer any opinion.

Mr. BELL.—I should like to point out that the Minister has charged Mr. Brittan with perjury. Would Mr. Thompson, as Chairman of the Committee, state what he thinks of that?

Mr. THOMPSON.—Well, I think that was a rather rash statement of the Minister's, and I think that in his cooler moments he would not have done so. Mr. Brittan gave evidence on a certain point before the Committee, and found afterwards that he was in error, and on the next day he came back to correct it. As Chairman of the Committee, I should not attribute anything like perjury to that gentleman, and I must say, in justice to him, that he gave his evidence in a perfectly straightforward way.

Mr. J. MCKENZIE.—I think, Sir, I am entitled to a personal explanation, after the personal explanations of the two last speakers. My explanation is this: that this officer of the bank came before the Committee and swore that Mr. Douglas was in Wellington at a date which would imply that he had seen me during the time the land was being purchased. That statement was false, and he did not come back to correct it until after he was told by people outside the House that he had made a mistake.

He then came back and altered his evidence before the Committee.

Mr. COLLINS.—I venture to say that, while there have been many matters of greater importance brought before this House during the session which is now drawing to a close, this House has not been called upon to consider any matter of a more serious character than this, for this matter involves the honour of one of the leaders of this side of the House, and of one who occupies a position as Minister of the Crown. It appears to me to be the duty of every member on this side of the House, if he is competent to do so, to rise and express his deep sense of regret that a matter of this kind should have to be considered at all. Now, what has been stated? It is not for me to cover the charges and statements, which have not been substantiated, but which have been laid at the door of the Minister of Lands. Over and over again honourable members have asserted that no charges were made: and perhaps it is true to say so; perhaps it is quite true that no charges are made. I think it is quite true that Mr. Scobie Mackenzie did not make any charges against the Minister of Lands; but what Mr. Scobie Mackenzie did do was much worse than to make a direct charge. By insinuation, by innuendo, and by statements, or misstatements, he allowed it to go forth that the Minister of Lands had been guilty of corrupt action.

A lie that is all a lie may be met and fought with outright,
But a lie that is half a truth is a harder matter to fight.

Had Mr. Scobie Mackenzie made a downright charge, as other honourable gentlemen have stated, he might have been drawn into the Courts of justice, and the matter settled there instead of on the floor of this House. Then, Sir, we could have understood him. But to make charges, half covert charges, by insinuation and innuendo, leaves no other way open than for the matter to be dealt with by the members of this House. I regard this as a most regrettable matter. As one amongst the new members of this House, I can only say that if there be one Minister in the House who is regarded as the soul of honour and integrity, and up and down straightforwardness, that gentleman is the Minister of Lands. I am perfectly certain that that is the conclusion those honourable gentlemen on the other side of the House must have come to; but while they themselves aver that the honourable gentleman cannot be justly accused of doing anything improper, while every speech made from the Opposition benches has demurred from any direct charges, and from even the colour of supporting the charges which have been made by Mr. Scobie Mackenzie, has not every one of their speeches been so framed as actually to support the covert charges made? Undoubtedly every speech made by those honourable gentlemen has been framed for the express purpose of giving strong colour to those charges. If there be one member on the other side of the House whom members could regard with a certain amount

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of sincere respect it is the honourable member for Hawke's Bay; yet what was the concluding sentence of the honourable gentleman? It was that this purchase took place immediately preceding an election, and that, if there had not been an election impending at the time, the purchase would not have taken place. Sir, what does this mean? It means that the Minister of Lands, for party purposes, and as a political bribe, purchased an estate at a price which was not its value. As one who was not a member of the Committee, and who has not had the advantages that members of the Committee have had of going into the whole of the details of this case, I have paid some little attention to this matter, and I must confess, after reading the report, I have experienced very painful feelings at the speeches delivered by the other side of the House. On Saturday evening the House was regaled by an amusing and edifying speech delivered by the honourable member for Patea. But, Sir, I think a serious matter of this kind is scarcely a subject for a jocular speech or an evening's entertainment. It is suggested that the speech with which the honourable member entertained us that evening was made amusing by quotations from the writings of Charles Dickens; but I say, considering the seriousness of the charges that are laid before us, those amusing passages are hardly in keeping. I hold in my hand the printed report which was actually brought down to that Committee by Sir Robert Stout, in the hope that the Committee would adopt it. Now, what does that honourable gentleman say at the conclusion of his report?—

"As for Mr. Ritchie's action, we think it our duty to say that, though an officer acting under the Minister of Lands, he had no duty or responsibility in connection with the purchase of estates, and all he did was simply what any outsider might have done.

"Your Committee are unanimously of opinion that no charge of corruption can be made against the Minister of Lands. Whether the system of land-purchase, as disclosed in the evidence, is sufficiently guarded is a wide subject, on which the Committee is not required by the order of reference to express an opinion."

That is the opinion of Sir Robert Stout, a member for Wellington City. But there are many members of this House who are not acquainted with the details of the report, or with the work of that Committee; and I think it is my duty to acquaint those honourable members with the details of the report presented to this House by the Committee. With your permission, Sir, I will read it. It runs as follows:—

"The Committee to whom was referred the inquiry into the whole transactions in connection with the purchase of the Pomahaka Block from Mr. John Douglas under 'The Land for Settlements Act, 1892,' beg to report as follows:—

"The inquiry commenced on the 4th September and closed on the 2nd October, 1894, and the evidence of thirteen witnesses was taken.

"It appears that, when addressing the Wai-hemo electors during the last election, Mr. M. J. Scobie Mackenzie spoke at Palmerston as follows:—

"Let it be clearly understood I am far from suggesting corruption in connection with my opponent in this contest. I say again that I don't even include him (Hon. J. McKenzie) among the political spiliers. I think his intentions are excellent, and that he is doing the best he can for all classes of settlers. But a man with unlimited power is apt to be acted upon unconsciously in all sorts of ways. Take this last Pomahaka purchase, for instance. I believe it to be a downright bad purchase, a much worse one than Cheviot. I only know the land by repute, but it is a cold ungenerous soil. It is purchased on the eve of a general election. The owner of it is an influential man in this immediate neighbourhood. He employs a number of men, and may influence a number of votes. His nephew is head of one branch of the Minister's department. The land has been for sale for many years. I heard it myself offered for sale at the same price, I think, ten years ago. It has been rented for a long time at 6d. per acre rent, which is 5 per cent. on a capital value of 10s. per acre. I believe even at that rent the land was about to be thrown up. Now, all these things may be mere isolated facts; there may be no connection between them at all. But a Minister's mind may be influenced unconsciously by the pressure of his friends, by the fear of his enemies, by fifty circumstances which have no direct connection with corruption, but which lead in that direction. I want you to remember this: It has never been the policy of the English law or custom to invest any individual with unchecked power over his neighbour."

"His opponent, the Hon. J. McKenzie, took these remarks to convey a charge of corruption against himself, and made a public reply at Palmerston. Considerable discussion followed in the Dunedin newspapers, and both Mr. Scobie Mackenzie and the editor of the *Otago Daily Times* demanded a searching inquiry, on the grounds that the purchase was an improper one and the price absurdly excessive.

"With a view of securing the fullest investigation, the Committee specially invited both these gentlemen to attend the proceedings, and also asked them to name what witnesses they thought should be called, the Committee offering to pay all expenses.

"The editor declined to attend, and said he had no witnesses to name. He had written merely as a public journalist.

"Subsequently, whilst the inquiry was in progress, this gentleman in his leading columns stated that the Committee was only taking such evidence as would suit the Minister and the department, but that the evidence of those who, 'if properly examined,' could tell 'the real story' was not being procured. Thereupon the Committee asked him to name the persons who, as he had said, could tell 'the real story.' In reply, he mentioned Messrs. Wright, Stephenson, and Co., of Dunedin, and the paid

agents of Mr. Douglas. The Committee then summoned a member of that firm, and also the paid agents of Mr. Douglas, as named by Mr. M. J. Scobie Mackenzie, and took their evidence.

"Mr. Scobie Mackenzie attended the proceedings, pursuant to the Committee's request. He was accorded the right of being represented by counsel, which he declined. The Committee also decided that he alone, of all the witnesses, should be constantly present, and that he should have the right to cross-examine. He exercised this right freely, and also called evidence himself and addressed the Committee.

"Dr. Fitchett attended the proceedings, examined witnesses, and addressed the Committee on behalf of the Department of Lands and Survey and the Board of Land Purchase Commissioners, who considered that their integrity was attacked.

"Mr. Scobie Mackenzie, whilst stating that he had made no charges, urged that the evidence showed—

- "(1.) That the estate was purchased at a price far in excess of its value;
- "(2.) That one main factor in effecting the purchase was a petition falsely purporting to come from settlers, but in reality got up by Mr. John Douglas himself, urging the Minister to acquire the land for purposes of settlement;
- "(3.) That, in Mr. Douglas's interest, undue haste was displayed throughout the whole transaction; and
- "(4.) That, in the same interest, the purchase was effected in the face of a recommendation of the Board that preference should be given to another property—the Conical Hills Estate.

"With reference to the first point, Was the price a fair one? the evidence consisted of—(1) Previous sales and subsequent sales of property in the Pomahaka and neighbouring districts; (2) opinion of witnesses; and (3) prices actually paid by settlers for the Pomahaka Estate when thrown open by the Government.

"In 1889, 1,140 acres of the same estate, and not the best part of it, were sold at £3 12s. 6d., and for several hundred acres £3 was refused. Moreover, between 1889 and 1893 there were negotiations for sale and lease of parts of the property at £3 or thereabouts. This would seem to show that the estate was worth more than the Government paid for it.

"On the other hand, within less than a year afterwards the Popotunoa Estate, of 10,147 acres, adjoining Pomahaka, and undoubtedly a very fine, well-subdivided, and well-cultivated property, was sold for an average of £2 2s.

"It was, however, urged on the Committee that there were special reasons for these low prices—admittedly much lower than the owners' value. The owner (Mr. J. Logan) had recently died, and his executors put all his property in the district—30,000 acres in all—into the market, thereby outrunning the demand for land and lowering the price.

"The opinion expressed before the Committee by all the witnesses who spoke to the point, except two, was that £2 10s. was a fair price. On the other hand, of these two witnesses, one, the Inspector of the Union Bank, spoke of value for lending rather than purchasing purposes, and, while stating that the bank called up an advance of between £8,000 and £9,000 on the security of the property, gave as his chief reason that it was not a banking security. The other witness, Mr. Stevenson, said the land was worth between £1 and £1 10s. per acre.

"Lastly, there is the practical test of value afforded by the rents paid by settlers who have taken up sections since the property was thrown open by the Government. Up to 24th July, 1894, 5,230 acres have been disposed of at an average rental of 8s. 4d., or a capital value of £3 6s. 6d. per acre; leaving about 1,800 acres still to be let. And it must be borne in mind that these rents were given in spite of much depreciation of the property in the Otago papers, and Mr. Scobie Mackenzie's public statements that the soil was cold and ungenerous, and that the rental for years had been 6d., representing a capital value of 10s. per acre.

"After giving careful consideration to all the evidence on the point, the Committee are of opinion that the price paid by the Government was a fair and reasonable one.

"With respect to the petition, it was admitted that it was got up by Mr. Douglas, but it was signed by 301 settlers and others in and about the district; it was presented in the ordinary way by the member for the district, who knew many of the signatures, and had no reason to doubt its genuineness; and it could have had no possible effect on the price, inasmuch as its existence was not known to the Board at its meeting in Dunedin, when the price was fixed. For these reasons, the Committee fail to see how it affects the matter.

"As regards the suggestions of undue haste, the Committee are of opinion that no impropriety is disclosed. Mr. Barron was justified in hastening the preliminary inspection of the property, as an adjoining estate, the Conical Hills, was also under offer, and it was expedient that both should be before the Board together. The telegrams about the Board meeting are sufficiently explained by the fact that the Surveyor-General had left Wellington to attend meetings in Canterbury, Otago, and Invercargill, and, to save his time, it was of importance that the Board business should be ready for him on his arrival in Dunedin. As to the suggestion that Mr. Ritchie improperly induced Mr. Barron (the Under-Secretary of Lands) to instruct the preliminary inspection without the knowledge or authority of his superior officer, the evidence was uncontradicted that Mr. Barron was not exceeding his authority. Mr. Ritchie, too, though a nephew of Mr. Douglas, and a Government officer, did not, in the opinion of the Committee, interfere otherwise than an outsider might have done, and there is nothing to show that he promoted the purchase or influenced the price.

Mr. Collins

"As bearing on the question of undue haste, it appeared that the offer to sell was made on the 21st August, the offer to buy on the 25th September, Mr. Douglas accepted on the 3rd October, and the purchase-money was not paid until after the 20th.

"With respect to Conical Hills, the evidence clearly shows that the purchase was impracticable at the time, and could not have been effected without beginning the whole negotiations *de novo*. The offer was to exchange, and there was no statutory power to exchange. The Board's recommendation was to exchange the whole or purchase a portion, whereas there was no specific offer to sell the whole, and no offer whatever to sell less than the whole. Moreover, there were not funds sufficient to purchase the portion recommended, still less to purchase the whole.

"Mr. Scobie Mackenzie dwelt strongly on the fact that the correspondence between Mr. Douglas and Mr. Ritchie was not produced. The explanation offered was that it consisted of letters and telegrams between uncle and nephew, and was therefore not preserved. With respect to a telegram from Mr. Ritchie to Mr. Barron which was not on the file, the Committee accept Mr. Barron's explanation, that unimportant papers are not always filed; and in this instance, as the telegram was sent long after the purchase was concluded, it cannot have much bearing on the matter.

"Throughout the whole inquiry nothing has at any time been adduced to show that the Minister in any way departed from the strict line of his official duty; and, indeed, he appears to have had very little to do with the purchase except signing the ordinary official papers.

"Finally, and as the result of as exhaustive an inquiry as they could make, the Committee find that there was no ground for the grave charges made by Mr. Scobie Mackenzie, and that neither the Minister nor any member of the Lands and Survey Department or of the Board of Land Purchase Commissioners is in any way affected either as to integrity or capacity.

"The Committee feel it their duty to refer to one other point:—

"In the course of his evidence, Mr. Scobie Mackenzie said that neither in his speech (quoted above) nor at any other time did he impute corruption to the Minister, and that, so far as he knew, no inference of corruption was ever drawn from his speech or his subsequent correspondence in the *Otago Daily Times*: further, that he was not responsible for the inquiry, and was merely there because the Committee had invited him.

"The Committee regret that they cannot agree with him. In their opinion, no reasonable man can read the speech without drawing the inference that the speaker is intending a charge of corruption. The effect of the preliminary disclaimer is merely to put the charges in the form of innuendo instead of direct statement, and to serve as a loophole to escape the responsibility of having to prove them. There

was ample evidence before the Committee that, as a matter of fact, the inference was drawn, and that Mr. Scobie Mackenzie knew it and countenanced it.

"They are further of opinion that charges of corruption, if made at all, should be made plainly and specifically instead of by innuendo and suggestion, and that the person who makes them should, when challenged, either prove them or withdraw them. Mr. Scobie Mackenzie has done neither.

"R. THOMPSON, Chairman."

Sir, I think I am perfectly justified in placing that report in detail before this House. I would not have done this had it not been for the nature of the remarks made by a number of the speakers in endeavouring to screen Mr. Scobie Mackenzie. Why, what was the speech of the honourable member for Wellington City (Mr. Bell)? When one listened to his judicial speech—a speech having the ring of the bar about it, and intoned just as one could imagine a speech to be intoned in the Supreme Court—one asks oneself, what was the nature of the honourable gentleman's mind for the time being, who, in endeavouring to screen a friend, could be so absolutely unjust, so unfair and I may say almost unscrupulous, towards an

opponent? Why, Sir, what fault could he find with the Minister? Did he attempt to substantiate one of the charges, or to justify any of the statements made? Not for a moment; but in a most sarcastic manner he referred to the grace of the gestures of the Minister of Lands, the elegance of his diction, and the courteous nature of his references. Sir, a man speaking under the painful feelings which had their rise in the knowledge that unjust charges had been hurled against him may speak with warmth, may speak with little elegance of diction, his gestures may not be all that is graceful; but when a man can calmly and deliberately, with a speech judicially intoned, in which he avoids discussing the charge against the Minister who spoke warmly in defence of his character and position—defending the honour and integrity of a Minister of the Crown, and the honour of the House—when he gets up and simply, in sarcastic tones, refers to want of grace and inelegance of diction in the Minister's address, I think the honourable gentleman must be very hard up for matter for attack and very hard up for matter for defence. I think I have said enough to show that this report in every sense, in every detail—I will not say screens the honourable gentleman—I will not say vindicates him, for he requires neither screen nor vindication, but—places the true facts of the case before the country; and every honourable member ought to feel grateful to the Committee for having done its work in so adequate a manner as to enable the country to see that the Minister has not been guilty of that corruptness of conduct which some would persuade this House and the country to believe.

Mr. FRASER.—My reason for desiring to speak just now is that there may be no mis-

apprehension of the reasons for the manner in which I shall exercise my vote. I intend to support the amendment. I am firmly convinced—and I am perfectly certain that any unprejudiced person who reads the evidence will also be convinced—that the report is not in accordance with the evidence. I have read both, and I think the honourable gentleman who has just sat down has grievously abused the privileges of the House in reading aloud the whole of the report solely for the purpose of *hansardising* it. Of this there can be little question. The very fact of his having taken this step induced me to rise, if for no other purpose than to enter my protest against it. I do not—I never did—suppose there was anything in what has been said about the Minister of Lands having been charged with corruption in regard to this matter. I take it that Mr. Scobie Mackenzie guarded himself from making such a charge, and I never considered such a charge had been made. I, with others, did not think that it was necessary for a Committee to be set up to exculpate the Minister. Speaking from my own knowledge of that gentleman, I would not believe him capable of doing anything wrong in the way alleged. I have a right to say that, as my knowledge of the honourable gentleman extends over many years. But it is quite a different matter with regard to the report of this Committee. It might have been written just as well before they took a single tittle of evidence. It has no connection with the evidence at all. It bears on the face of it the fact that it is intended not so much to exculpate the Minister from the charge alleged to have been made against him, as to place a stigma on his political opponent: that is the reason why I cannot vote for placing it in the Journals of the House. These are my reasons for voting for the amendment, and I desire to place them on record.

Mr. BUTTON.—Sir, I think it is most unfair that the report should be *hansardised* without the evidence, and I propose to begin to read some of the evidence that refers to it, unless a promise is given that the report shall not be *hansardised* without the evidence. If the House will consider my speech is made by reading the evidence I will sit down; otherwise I shall read it.

Mr. SPEAKER.—Nothing can go into *Hansard* except what is uttered in the House by members in the course of their speeches.

Mr. BUTTON.—Well, Sir, I shall content myself with reading the speech of Mr. Scobie Mackenzie. I think it is exceedingly unfair that just a part of the thing should be put into *Hansard* without the whole, and I think this is necessary as a set-off against the other. Mr. Scobie Mackenzie said,—

"I propose, Mr. Chairman, to sum up the evidence which has been adduced in this inquiry. In doing so I will endeavour to be as brief as possible. I may say, at the outset, that this inquiry is in no sense due to any action of mine, and I cannot be held responsible for the expense of it in any way. The past three weeks have been occupied in taking evi-

dence for the Crown, while two days have been devoted to taking such evidence as I had to give. The time was sufficient for my purpose, and I have no right to complain, since I have no status here, and it was by the Committee's invitation I took up the position I now occupy. Indeed, I may safely say that a large portion of the case on my own side could fairly rest on the evidence which has been extorted from the witnesses on the other side. Now, I hope to establish a complete—I might say a crushing—answer to the case set up for the Crown—a case showing that this Pomahaka purchase was, in the first place, a highly improper one, involving a great waste of public money in the purchase of land not at all of a desirable character for settlement; involving, also, payment by the settlers on it of crushing and unpayable rents; the sole effect of the purchase being to unduly fill the pocket of a private individual. In the second place, I shall show the Committee—to its satisfaction, I am sure—that the purchase by the Crown was itself founded on what, without any resort to language unusually strong, must be called a fraud. I do not think the Committee can possibly differ from me on this second head. I am here solely as an invited witness myself, in consequence, I understand, of certain criticisms of the purchase made by me as a public man. For these criticisms it is only right I should at once tell the Committee I am not responsible to any one; but I here affirm that all I said was true—every word of it—literally and absolutely. And the statements I made, so far as they were matters of opinion, were to the best of my belief thoroughly sound, and uttered in the true interests of the colony. Now, what were these statements—my criticisms? They form part of the evidence; but I will ask the Committee to allow me to read them again, for it must be remembered that, however familiar the Committee may be with them, a large portion of the public will read them for the first time. At the general election in November of last year I alluded to the Pomahaka purchase at Palmerston as follows:—

“Let it be clearly understood that I am far from suggesting corruption in connection with my opponent in this contest. I think his intentions are excellent, and that he is doing the best he can for all classes of settlers. But a man with unlimited power is apt to be acted upon unconsciously in all sorts of ways. Take this Pomahaka purchase, for instance. I believe it to be a downright bad purchase, a much worse one than Cheviot. I only know the land by repute, but it is a cold, ungenerous soil. It is purchased on the eve of a general election. The owner of it is an influential man in this immediate neighbourhood. He employs a number of men, and may influence a number of votes. His nephew (Mr. Ritchie) is head of one branch of the Minister's department. The land has been for sale for many years. I heard it myself offered for sale, for the same price, I think (£2 10s. per acre), ten years ago. It has been rented for a long time at 6d. per acre, which is 5 per cent. on a capital value of 10s. per acre. I believe, even at that rate, the land

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was about to be thrown up. Now, all these things may be mere isolated facts; there may be no connection between them at all. But a Minister's mind may be influenced, unconsciously, by the pressure of his friends, by the fear of his enemies, by fifty circumstances which have no connection with corruption, but which lead in that direction.’

“I maintain that all the statements made by me in that speech, though I am not answerable to the Committee for them, have been proved to be true throughout this inquiry. As to the statement of opinion in the last sentence which I have just read—namely, that the mind of a Minister might be unconsciously influenced by the pressure of friends, or the fear of enemies, &c.—as far as that statement is concerned—I can safely appeal to any member of this Committee whether it does not embody sound opinions. I would remind the Committee that the House has, during this session, thought fit to disallow a proposal that the member for each district should be also a member of a Land Purchase Board for that district, largely on account of the influence that might be brought to bear on a member of the House by the pressure of friends or the fear of enemies. Surely, what has been thought likely to affect the mind of a private member may reasonably be held to affect the mind of a Minister in similar circumstances. It is here necessary that I should read to the Committee the public reply made to my speech by the Hon. J. McKenzie. On the 15th November he spoke at Palmerston as follows:—

“Mr. John Ritchie had nothing to do with it (the purchase). The history of the transaction he would give, and would lay every document in connection with it on the table, and he challenged Mr. Scobie Mackenzie's friends to examine them. If on inspection anything was found to be wrong he was willing to bear the odium; but if everything proved to be straightforward and honest, as he claimed would be the case, then Mr. Scobie Mackenzie should be called upon to apologize for having misled the electors. . . . The first he had heard of the matter was from Mr. Thomas Mackenzie, a political partisan and bosom friend of his opponent's, who presented a petition from 400 people in the Clutha County, asking that this tract of land should be purchased. . . . They must not suppose that he was misleading. That was not his method of dealing with politics. . . . The petition which was addressed to himself was as follows: (Here the petition was read by Mr. J. McKenzie, after which he continued).

“That petition was signed by 301 settlers, who knew the land situated there. What did his opponent know of it? In the opinion of the settlers of the district it was land that should be purchased. Was it his duty under the circumstances to tie a piece of red tape round the petition, put it in a pigeon-hole, and never look at it again? That, no doubt, was what his opponent would have done if in office. But he considered he had a duty to perform to the people; that he ought not to treat their

petitions with derision, scorn, and contempt, but see what could be done.'

"That is the answer that was given to me—the ground of defence of the purchase. Now, I will ask the Committee whether, almost without exception, every sentence in that speech is not a scathing satire on the facts as we know them. Mr. Ritchie, who 'had nothing to do with the matter,' crops up at every turn in the transaction. Later on I will show the Committee where he does so. Then, it is said that 'if anything is found to be wrong' in the petition, &c., he will bear the odium. I ask the Committee, has not everything been found to be wrong? Again, if the petition is not proved to be 'straightforward and honest'! Was there ever a greater satire upon the facts as we now know them? I ask the Committee, was there anything straightforward or honest about the petition from first to last? Was it 'the opinion of the settlers of the district' that this land should be purchased, or was it only the opinion of Mr. Douglas, of Mr. Douglas's nephew, and Mr. Douglas's creditors? The Minister says that such a petition should not be treated with 'derision, scorn, and contempt,' but I say it was precisely the class of petition that ought to have been treated with scorn and contempt, for it proposed to saddle the colony, at a heavy price, with a piece of land that the owner had quite failed to sell to anybody else. Had the petition been signed only by Mr. Douglas and no one else, any Minister would have been on his guard, and would have inquired closely into the nature of the land offered for purchase, and would have taken care to ascertain the true value. He would also have inquired whether the people of the district really wanted the land for settlement. If the Minister in this case had done so he would have found that there was no desire whatever for this land. That is all I have to say on this point for the present.

"Let us now come to the history of this petition. It was hatched in the office of Wright, Stephenson, and Co., who were Mr. Douglas's general agents in other departments of his business. They held a second mortgage over the land as collateral security for advances they had themselves made on stock mortgages, with which we have no concern. This petition was written by Mr. Douglas, every word of it, at Mount Royal, his own home. The Committee knows that it was then sent by him to Wright, Stephenson, and Co., his agents, to be revised; then it was sent to Mr. Turnbull, his local agent at Clinton, to be further revised. By him the petition was sent back to Mount Royal, where a fair copy was written and transmitted to Wright, Stephenson, and Co., in order that they should have two copies type-written. This was done, and the copies forwarded on to the local agent, Mr. Turnbull, to get them signed. Mr. Douglas says he wrote the petition openly; that he made no secret of it in any way. In cross-examination, however, it appeared that what he called 'openly' was—within the knowledge of Wright, Stephenson, and Co., Mr. Turnbull, Mr. Begg, another

agent, and, of course, the young man who wrote the fair copy. Well, we have got the petition to Clinton, in the neighbourhood of Pomahaka; it is in the hands of Mr. Turnbull, who employs a young man to go hawking it about the district to get it signed, a task which occupied three weeks. When he got the signatures he also got £12 from Mr. Douglas for his trouble. Mr. Turnbull also undertook to get signatures, and he also got £12 for his work.

"*Dr. Fitchett:* Pardon me, the one £12 covers the expense.

"*Mr. Green:* I certainly understood that there were two separate amounts of £12.

"*Mr. Scobie Mackenzie:* Pardon me, they each got £12. I know it as a matter of fact, and it was clear in the evidence. I can say that I was aware each of them got £12 for hawking the petition through the district; the only difference is that 'the young man,' according to Mr. Douglas, took three weeks over it, whereas Mr. Turnbull said it took him over four or five weeks. Mr. Turnbull, later, got another £40 in consequence of the sale of this land to the Government. It is at the same time only fair to say—and I desire to be fair—that his own contention was that part of this money was payment for work he had done for Mr. Douglas over a series of years. At the same time he admitted that but for the purchase by the Government he would not have got the money. So that it may properly be said this petition cost Mr. Douglas altogether £64. Here let it be noticed that in no sense whatever can this petition be said to have originated in the district. The evidence is conclusive that such was not the case; there was no meeting of settlers at any time, or of any kind, to request that the land should be purchased for settlement. No such suggestion proceeded from the locality in any form that the purchase of this land was desired by the settlers. None of the residents of the district have been brought before us to say so; no movement of any sort was got up which would indicate that there was a desire to have the land for settlement. No communication was made to the member for the district on the subject. The Committee will allow that, as a general rule, when a petition of this kind is to be got up for the benefit of a district, and the settlers want help, the first person to whom they apply is the member for the district. In fact, it is his duty to assist them in every way he can. On this occasion the member for the district was not communicated with, although he was specially able to give assistance. Nobody seemed to know anything about the petition except that it was there. There was a local paper in the district, published at Clinton, but that paper never had a word about this land, or suggested that it should be purchased for settlement, or that it was required for settlement. On the 25th of August, however—that is, when the petition was signed—the local paper did publish an article puffing up the land and urging the Government to buy. Mr. Douglas wrote that article. He says the editor sought him out, and induced him to write the article.

I think, however, it will be admitted that the man who was prepared to take such trouble in getting up this petition, and to lay out so much money on it, would not be likely to stick at the trouble of seeing the editor himself and getting the article accepted by the editor. It is for the Committee to say which is the more likely story of the two. Then, we perceive that there is a good deal of indignation among the settlers who had signed the petition when they found how it was got up, from whom it originated, and all the facts connected with it. We have had the evidence on this head of Mr. Stevenson, the manager of the Wairuna Estate. He signed the petition under the general belief that it was the right thing to do. Mr. Turnbull showed him it was 'all right,' by first signing himself. He pointed out to Mr. Turnbull that there was no price mentioned. His evidence went to show that, in his belief, it would be a good thing to settle the land—that it would be better that industrious settlers should be upon it than that it should be in the hands of Mr. Douglas lying waste. He thought he was doing the right thing, or at least nothing wrong, in signing that petition. An attempt has been made to hold him—Mr. Stevenson—responsible for the contents of that petition, because he signed it, which is, of course, absurd; for it is well known that petitions are signed under the general belief that if there was anything wrong about them they would not be publicly offered for signature. When, however, Mr. Stevenson and others discovered the price given by the Government for the land—for the petition mentioned only a 'reasonable price'—they were indignant.

"Now, the question here arises: Did the Minister know the origin of this petition when he based his defence of the purchase on it? He has given it to us in his evidence that he did not. We are bound to accept his statement to that effect, and I accept it. But had that petition been read at an early stage of this inquiry by any member of this Committee I think they would not have finished their examination of it without the very strongest suspicion as to the quarter whence it came. I make bold to say there are very few people in Otago but who, when they first read the petition, knew its origin; and certainly every one who was at all acquainted with Mr. Douglas, or his language, knew perfectly well where it came from. All I can say on this point—and I have no desire to dwell upon it—is that it is greatly to be regretted that the interests of the colony should have been at this time in the hands of a man so unsuspicious and so credulous—one who could fall so very easy a prey to an astute landowner, who wanted to palm upon the Government land which he could not sell to any one else.

"Now, after hearing the public utterances of the Minister which I have read to you, I defy any one to come to any other conclusion than that this purchase by the Government was founded on that petition. The first the Minister heard of the matter, he says, was through Mr. Thomas Mackenzie, a member of the

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House, who, as member for the district, presented to him the petition. The Minister says that the reason he purchased the land was that he had received a petition signed by 301 persons, and he was not going to treat such a petition with scorn and contempt. There can, therefore, be no doubt that the purchase was founded on the petition; yet we have it in evidence that Mr. Barron, Under-Secretary for Lands, set the department in motion for the purchase by sending a telegram south directing Mr. Adams, Chief Surveyor for Otago, to inspect the land and report on it nine days before the petition came up. Mr. Barron, let it be noted, did this at the suggestion of Mr. Ritchie, a nephew of Mr. Douglas. Mr. Ritchie has been, as I shall show, clearly acting as the medium between Mr. Douglas and the Government, and was a former manager of Mr. Douglas's Mount Royal Estate. Mr. Ritchie was then and is still at the head of the Stock Department, appointed there by the Hon. Mr. McKenzie, and in an admirable position to act as medium between Mr. Douglas and the persons with whom he was negotiating. For all purposes of land-purchasing Mr. Ritchie was an outsider, but he was somehow in a position to start Mr. Barron at work and the department in motion nine days before the petition came up. He did so, we are asked to believe, on the ground of economy—from a desire to save expense to the Government by saving Mr. Adams a second journey south for the purpose of inspecting Pomahaka. Mr. Adams was on his way to inspect Conical Hills.

"An Hon. Member: Mr. Adams travelled on a free pass by railway.

"Mr. Scobie Mackenzie: Quite so; in order that he should not have two journeys to make on a free pass. Mr. Ritchie induced Mr. Barron to set the department in motion. Mr. Barron complied without consulting any one—without consulting Mr. Percy Smith, who is his superior officer, and not only his superior officer, but also a member of the Land Purchase Commission. He also did it, we are told, without consulting the Minister (Mr. McKenzie) himself. Now, there are only two hypotheses, under one of which we must account for Mr. Barron's action in this matter: first, that there is an extraordinary condition of laxity and demoralisation in the department that could permit such things to take place; or, secondly, that when Mr. Barron took that extraordinary action there must have been some one in authority behind him who, he felt, would support him in that action. It is for the Committee to say which of the two hypotheses is correct. If such laxity and demoralisation exist in the department it ought not to have been condoned as it has been condoned. If, on the other hand, there was any one behind Mr. Ritchie who made him feel that he was warranted in taking this extraordinary action, it is for the Committee to say who that person is. Here it is to be remarked—and it is very remarkable—that, when this petition was presented to the Minister by Mr. Thomas Mac-

kenzie, Mr. Barron, who had been at work for nine days previously, was standing in the room at the same time, and yet did not then tell the Minister that for nine days the department was in motion on this very matter—that he had had the land inspected and reported on. He did not tell the Minister that various telegrams had been going backwards and forwards about this land between the date of initiation on the 21st August and the date—the 30th August—when Mr. Barron was standing in the Minister's room and Mr. Thomas Mackenzie presented the petition. Yet a good deal had been done in that interval; a large number of telegrams had passed between the parties concerned, and all with the object of hurrying on the work. The Minister was apparently left under the impression that on receiving the petition he was initiating the business for the first time; yet Mr. Barron does not say one solitary word about all that had taken place before.

"It may here be asked, What would be a rational explanation of the evident haste displayed for the inspection of the land? Instructions were sent to Mr. Adams to inspect on the 21st August, but we find that four days previously the Union Bank had given Mr. Douglas fourteen days' notice to pay up the mortgage-money. Four days after that notice had been given Mr. Douglas, Mr. Ritchie induces Mr. Barron to set the department in motion towards the purchase of this land. There was clearly no time to lose. Mr. Douglas had been for years trying to sell this land, and had failed. Wright, Stephenson, and Co. had a second mortgage over it by way of collateral security for other advances. It has been given in evidence that, notwithstanding their second mortgage, they were unwilling to take over the land with a mortgage of £8,000 upon it. It is also in evidence that they tried to induce the Dunedin Savings-bank to take up the Union Bank's mortgage, but the Savings-bank refused. Therefore it is clear Mr. Douglas had no time to lose in getting a purchaser. In fact, he was in desperate straits. Action was required to be taken at once; and four days after he received the notice from the bank to pay up the department was set in motion, and it lost no time in proceeding to a conclusion.

"Let me here give the Committee a few dates in regular order to show the despatch that was used in pushing on the purchase of this land. They are very significant. On the 17th August, 1893, Mr. Douglas gets the fourteen days' notice from the bank to pay up the amount of the mortgage. On the 21st Mr. Barron, at Mr. Ritchie's suggestion, wires to Mr. Maitland and Mr. Adams to get the land inspected. On the 22nd an offer of land is made by Mr. Douglas to Mr. Maitland, Chief Commissioner of Lands for Otago; so that action was actually taken by the department before Mr. Douglas had offered, also at Mr. Ritchie's suggestion, the land to the Dunedin Waste Lands Board. On the 26th, Mr. Adams, with Mr. Douglas and his local agent, go on the land for the purpose of inspection and valuation. On the 30th Mr. Barron wires to

Mr. Adams to know if the latter is ready with his report—sufficient evidence of hurry. On the 30th Mr. Adams sends in his report of both Conical Hills and Pomahaka. On the 31st Mr. Maitland wires to Mr. Barron that Pomahaka is valued at £2 10s., and Conical Hills at £3. All this was done before presentation of the petition to the Minister, for the Hon. Mr. McKenzie was, apparently, unaware of it all when the petition was presented to him by Mr. Thomas Mackenzie. Mr. Barron allowed him to remain in total ignorance of any action being taken. On the 4th September Mr. Percy Smith wires from Cheviot recommending Mr. Dallas, a local farmer, as valuer. On the 14th September the Land Purchase Board sits in Dunedin, and on the 3rd October the purchase is completed. There are other telegrams indicating the haste with which these transactions were pushed on; indeed, there is every sign of haste through the whole business from beginning to end. Can there be any reasonable doubt that the hidden cause of it all was the difficulty in which Mr. Douglas found himself with the Union Bank, which had sent him the fourteen days' notice to pay up?

"I must here allude to the Conical Hills Estate, which appears to have dropped out of the notice of the department. It is a first-rate estate, in the same district, fenced, subdivided, and largely cultivated, and could have been bought at £3 or £3 5s. an acre. That estate was offered to the Government before Pomahaka; the evidence is that it was offered in exchange for Crown land, but it was really offered for sale as well. It, however, almost drops out of notice while the Pomahaka negotiations are going on. The Land Purchase Board recommend, as their resolution shows, Conical Hills in preference to Pomahaka; but their report only recommends that Conical Hills be purchased. There is on this report an indorsement by some one saying, 'Wait and see if Shennan (the owner) will sell.' But no step is taken to see if Shennan would sell, although a single telegram might have done it in one day. No such telegram, however, was sent. Mr. Percy Smith thought, though he was not sure, that the reason Conical Hills (while still preferred to Pomahaka) was dropped was that there was not enough money in hand to complete the purchase. It required £41,000 to purchase that property, while all the money in the hands of the Minister was £31,000. It is a striking fact that, after he saw that he had not money enough to buy, Mr. Smith should still write to Mr. Shennan and go through the form of asking him if he would sell, as well as exchange, knowing all the time that there was not the money to buy. It never occurred to either the Minister or Mr. Smith to ask Mr. Shennan whether he would sell a portion of the estate; and the letter asking Mr. Shennan if he would sell is not written until within a few days of the Pomahaka purchase.

"Now we come to the price paid by the Government for the Pomahaka land. It was £2 10s. per acre for 7,462 acres—in all, £18,656. Mr. Dallas, the local farmer already mentioned,

was really the sole valuator. Mr. Adams, it is true, after his inspection of the land (accompanied by Mr. Douglas, by the way, who carefully pointed out to him all the advantages and none of the disadvantages), mentions £2 10s. as the value. But, both in his report to the Government and in his evidence before the Committee, he said he made no pretence of being a valuator, knew nothing about it, and trusted to the Land Purchase Board (who have never seen the land to this day) to put a proper value on it. Mr. Dallas, therefore, is the sole valuator, and the curious fact comes to light that, while he valued it for selling to Mr. Douglas at £2 10s. per acre, he had previously valued it for taxing purposes at £2 2s. 6d. Here let it be noted that Mr. Douglas, in respect of both these valuations, was extremely fortunate. He gained by both. By the low taxation he gained a reduction of his county rates and general taxes; by the higher valuation he gained in purchase-money a sum of £2,798. He put that sum in his pocket. But the most unfortunate part of the business is the effect as regards the settlers now on the land under the Crown—namely, that this sum of £2,798 is being paid at this moment by them. Now, the explanation of Mr. Dallas is that the taxing-value is below the selling-value. But that contention has been refuted by the evidence taken before this Committee. It was actually refuted by Mr. Dallas in his evidence. It will be remembered that he said he had himself bought in the same district a parcel of land from Mr. James Allen, M.H.R., and paid for it £50 less than he himself had valued it for taxing purposes; at the same time declaring that he bought it at a fair value. This shows incontrovertibly that Mr. Dallas's taxing-valuations were occasionally higher than the selling-value. Then, we have the significant evidence of the bank inspector, who tells us that, as a general rule, the bank found the selling-value below the taxing-value. Mr. Percy Smith says that the taxing-value is from 10 to 25 per cent. too low. That was a very convenient statement to make in regard to this particular case. But it must be borne in mind that it only applies to those who keep their land for working purposes. That is a wholly different case from that of the man who keeps his land from year to year, only to sell when he can get an opportunity of doing so. It is to his interest to keep the land-value as high as possible, because the first question asked by the buyer is, What is the taxing-value of the land? That is invariably the very first question with the buyer. As a matter of fact, we have it in evidence that Mr. Douglas himself remonstrated with Mr. Begg, his attorney, because of his efforts to reduce the taxing-value. It must be, from that evidence, clear to the Committee that it was the aim and interest of Mr. Douglas to get the taxing-value as high as possible; and it was evidently high at £2 2s. 6d.

"Let us now consider what consequences flowed from the price—£2 10s.—paid by Mr. Douglas for the land. The first consequence is that the settlers are paying no less than £3 7s. 6d. an acre for uncultivated, inaccessible tussock-

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land: that is the price represented by their average rent of 3s. 4½d. per acre. This price being paid by the settlers is made up of two things—namely, the purchase-money for the land to Mr. Douglas, and the actual cost of the roads necessary to open it up. Mr. Adams, Chief Surveyor, says the roads have been made at the lowest possible cost. Mr. Percy Smith says the same thing. The Hon. Mr. McKenzie himself writes to the *Otago Daily Times* to prove that the loading was no more than was demanded by law, and the actual cost of the roads to give access to the property. If, therefore, it can be shown that the settlers are paying too much, it must be either from excessive loading for roads or an excess of purchase-money, or both. We have evidence that the loading is the lowest possible, so that the purchase-money must be far too high. This fact I will prove later on.

"Meanwhile the immediate consequence of the high price was that when the land was opened for sale by the Crown it was an undoubted failure. Just half of the land went off in the first instance, the other half remaining untouched. In the Crown Lands Report of the 3rd June, presented to Parliament, we find Mr. Maitland, the Chief Commissioner of Lands for Otago, making the following remarks: 'The Pomahaka Block, of 7,462 acres 3 roods 1 perch, which was opened for selection on the 20th February last, was purchased in a district in which the Crown had no land available for settlement, on which account, and being surrounded by settlement, it was considered that it would be readily disposed of to residents in the immediate and adjoining districts desirous of acquiring land for themselves and families. From the number of those who signed the petition in favour of the acquisition of this land it was only natural to suppose that this would be the case. It has not, however, been taken up so speedily as was anticipated, and there is no doubt that one of the chief causes of this was that the people of the district were led to believe that a large estate in that and the adjacent district would be brought into the market, and this, considering that the land referred to is of more convenient access, militated, and still militates, against the taking-up of the Pomahaka sections. I have no doubt, however, that the remaining sections will be gradually disposed of. As far as I have been able to ascertain, the price at which the land was opened was considered somewhat high.'

"Here we have three remarkable statements. First, that the sale was a failure—a fact which astonished Mr. Maitland when he recalled 'the number of persons who had signed the petition.' Mr. Maitland, of course, did not know what the Committee now knows—namely, how this famous petition had been manufactured. Secondly, the statement is made that the settlers were hanging back in prospect of the sale of a neighbouring estate. That estate was the Popotunoa property. It really was sold shortly afterwards, and I shall have something to say about the sale presently. The third

statement worthy of attention is that the settlers generally complained that the price put on the Pomahaka land by the Crown was too high. And here I will comment for a moment upon some curious evidence given by Mr. Percy Smith, Surveyor-General and head of the Lands Department. He declared in his evidence that he never heard of any complaint from the settlers that the land was too high in price. He admitted that he was the compiler of the Crown Lands Report, from which I have just quoted an extract, and he had to admit also that he overlooked the passage about the complaints of the high price. At a later date in this inquiry, after I had had an opportunity of looking over the file of papers connected with Pomahaka, he had to admit that he had also overlooked two other documents addressed to himself, both embodying the complaints of the settlers—that the price of the land was too high. One was from Mr. Maitland, Commissioner of Crown Lands, and the other from Mr. J. E. Marsh, Inspector of Settlements. I wish here to draw the attention of the Committee to the fact that the sale turned out an obvious failure, in spite of rather desperate efforts made to make the failure look as small as possible. We find, for instance, the Minister of Lands sending a confidential communication to Mr. Maitland, Chief Commissioner, to this effect: 'Try and induce the unsuccessful applicants to take up the remaining sections': in other words, a request is made to Mr. Maitland (and this was no part of his duty) to try and induce settlers to take up sections which they did not want. I do not suppose there can be any doubt in the minds of the members of this Committee that the object was to try and get rid of the appearances of failure which attached to this particular sale. And, although some of these sections have gone off since, there are still six or seven remaining, representing some 2,000 acres, which are still untouched.

"I have now a few words to say to the Committee as to the real value of this property. It was purchased in 1869 by Mr. Douglas at 10s. an acre, having previously failed to sell at 20s. It has remained unimproved ever since. Mr. Douglas is an enterprising man, and he has acquired two other properties since the Pomahaka purchase. Both of these he has improved to a very great extent, but never touched Pomahaka. One of these estates—namely, Mount Royal, which he purchased about the same time as Pomahaka—is made up, as he admitted, mostly of pastoral land; yet Mr. Douglas preferred to lay out his money on Mount Royal rather than touch Pomahaka.

"Then, the rents Mr. Douglas has been receiving for Pomahaka over a series of years are very significant as to the value of the land. From the 1st day of May, 1886, to the 16th of May, 1887, the rent was 6d. an acre, Mr. Douglas paying the property-tax. From that date to the 30th September, 1893, when he sold to the Government, the rent was 9d. per acre, he having to pay the land-tax and graduated tax out of that, leaving it really 6d. I would here

ask the Committee whether it is not the fact that the earning-power of a piece of land is a very strong indication of its value. No practical man will deny that. The inspector of the Union Bank states that this was one reason for regarding Pomahaka as a bad security and calling up the mortgage-money. We have the evidence of Wright, Stephenson, and Co. that they fought shy of this property, though they made Mr. Douglas large advances on other securities. The Dunedin Savings-bank refused to touch it at £8,000. Not only was the property one that possessed no earning-power, but it was actually losing at the rate of between £400 and £500 a year. The interest payable by Mr. Douglas on his mortgage was £680. Add to this sum the amount of land- and graduated tax payable by Mr. Douglas at the rate of 1½d. on £15,680 (Mr. Dallas's taxing-value)—namely, £90, after deducting his mortgage exemption—and we have a total of £720. Deduct from that his rental at 9d. on 7,462 acres—namely, £279—and the net loss per year will be £436. Here let me state the argument. We have a piece of land which, according to the evidence, would not sell, would return no income, but would persistently yield a heavy loss; yet we are asked to believe that none of these facts are significant in estimating the value of that land. I do not believe there is a practical man in New Zealand who will indorse such a statement. Now let us come to the direct testimony we have as to the real value of the land. The Union Bank had, at the time of the sale to the Government, a mortgage over the land for £9,000. But they had at the same time one thousand pounds' worth of other securities in their hands belonging to Mr. Douglas, so that their mortgage over Pomahaka was really £8,000. Now, they peremptorily call this amount up at fourteen days' notice. It is contended by Dr. Fitchett that they (the bank) were realising their securities—sound ones—in order to send the money to Australia. There is something of a political catch-penny character about this explanation, which cannot for a moment be accepted. The Committee must take it for what it is worth. The only proof offered is that for some time the deposits in the bank have been largely in excess of the advances. If that proves anything at all, it is that the bank had more money than it could safely or profitably invest, in which case there was all the more need for retaining good securities. Securities, too, were just as difficult to get in Australia at the time; and, as a matter of fact, the dividends of the Union Bank have come down from 18 per cent. to 6 per cent. On the other hand, Mr. Brittan, the assistant-inspector of the bank, has given a flat denial to the statement that the bank was sending capital to Australia. His instructions at the time from the general manager in Australia—instructions which Dr. Fitchett objected to his producing—were to lay out as much money as possible in New Zealand, wherever they could get good securities. And we have it in evidence that the bank was prepared to advance Mr. Douglas £80,000 or

£40,000 provided he could show good securities for the amount. The plain fact is that the Union Bank was trembling for the £8,000 secured on Pomahaka. I put the question to Mr. Brittan, and he admitted they were anxious about the money. The bank was afraid the land would be thrown on its hands. It knew the property would not sell in the market—that it was losing heavily every year. The Inspector told us plainly that the bank thought the time had arrived to shunt the mortgage on to Messrs. Wright, Stephenson, and Co.; but Messrs. Wright, Stephenson, and Co., though they transacted Mr. Douglas's other business, would not have it, and tried to shunt it on to the Dunedin Savings-bank, who also would not have it. The inspector further admitted that he would not have had the same anxiety about the £8,000 on Pomahaka had he known the Government was behind to give £18,655 for it. There was a curious kind of 'see-saw' about the evidence as to which institution should have a security of this kind. Messrs. Wright, Stephenson, and Co. deposed that they were unwilling to take up the security because, properly, it was one for a bank, not for an agent. The bank deposed that they wanted to get rid of it as it was a security for an agent rather than a bank, because, if the special security failed, the agent could make good the deficiency out of some other branch of Mr. Douglas's business. What is the inevitable conclusion? Simply that it was a bad security to any one for £8,000, and no one would touch it—except the Government, of course, which with much promptitude gave £18,655 for the property. We are told, however, that Wright, Stephenson, and Co. showed their confidence in the property by giving their guarantee to the bank for the money. I wish to call the attention of the Committee to the time when that firm gave this guarantee, for it is very significant. We find by the evidence of the bank that the guarantee was given on the 2nd of September—the last day of the fourteen days' notice. It was given after Messrs. Wright, Stephenson, and Co. could not but be aware—in fact, they were made aware—that the Government was pretty certain to buy this land. The dates will make that clear. On the 30th of August, three days before the guarantee was given, Mr. T. Mackenzie wired to Mr. Turnbull to say that the Minister was favourable to the purchase. We must, of course, conclude that Mr. Ritchie had informed Mr. Douglas of that fact. We find, too, that Messrs. Wright, Stephenson, and Co. sent a telegram, which we cannot but conclude was sent at this date to Mr. Ritchie, asking him, as he says, 'whether the matter was settled, or likely to be settled.' Mr. Ritchie said he replied to that telegram in one word, but he could not tell the Committee what that word was. There is little doubt the word was 'Yes'; and then Messrs. Wright, Stephenson, and Co., finding that the Government were prepared to buy the land at £18,655, naturally went to the bank and gave their guarantee for £8,000. The fact did not show any con-

fidence in the land, but rather in what Mr. Ritchie could get the Minister to do. What Mr. Ritchie's methods were we cannot well know, owing to a curious phase in the business with which I must now deal—namely, the alleged destruction of the Douglas-Ritchie correspondence. Mr. Douglas comes before the Committee and says, 'I sent a number of communications to Mr. Ritchie, and I received a number from him. All that I received from him I destroyed, and I kept no copies of what I sent.' And Mr. Ritchie comes before this Committee and says, 'All the letters that I received from Mr. Douglas about this matter I destroyed, and I kept no copies of any that I sent.' Now, it is to be borne in mind that both of them are business-men. One is at the head of a large Government department, and the other was once the head of a large business firm in Dunedin. But it is to be noted that Mr. Douglas, who destroyed all the letters he received from Mr. Ritchie which deal with this purchase, nevertheless produces a variety of other letters which it suited him to produce—all docketed and kept in proper business fashion. Letters that are useful to him he is able to produce, but he has not kept those received from Mr. Ritchie, nor has Mr. Ritchie kept those received from Mr. Douglas. Now, I think that circumstance must be taken as extraordinarily suspicious, and that the only conclusion the Committee can come to is that these letters would have revealed something which the persons concerned did not wish to have revealed. And the Committee must come to the conclusion all the more readily from the fact that I have been able to give them a glimpse into at least one letter he wrote to Mr. Ritchie; for, writing to the *Otago Daily Times* on the 14th December, 1893, Mr. Douglas makes the following remarkable admission: 'In writing Mr. Ritchie, I mentioned that the petition had been sent to Mr. T. Mackenzie, and expressed a hope that legislators would be able to spare as much time from worrying each other as to consider the petition; that I was anxious to learn their decision respecting this, because I find I had plenty of buyers were I to sell in largish-sized blocks; that I believed I could make a better price in this way, and would try this mode if the Government did not "bite" at once; my object in desiring a speedy answer being that I might make financial arrangements for selling privately, and on terms sufficiently long to suit buyers.' Here, then, we have the fact revealed that in one at least of the destroyed letters Mr. Douglas employs Mr. Ritchie as the medium between himself and the Government—that is, of course, the Minister;—that Mr. Ritchie is to induce the Minister to 'bite'—that is, to buy—and, as a means of making him 'bite,' he was to use the argument that Mr. Douglas could get plenty of buyers at a higher price, to whom he would sell if the Government did not come up to the scratch. Here, also, it may be remarked that Mr. Douglas explained his acceptance of a 'merely nominal' rent for his land over a series of years by saying that he wanted

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to be ready to sell at any moment, though he could not. But when he wants the Government to 'bite' he has 'plenty of buyers' who would give a higher price than the Government. The main point, however, is to notice that one letter reveals the fact that Mr. Ritchie was Mr. Douglas's medium with the Minister. What might not the other letters reveal if we had them? And, while on the subject of the destruction of correspondence, I have also to allude to the curious fact that one document is missing from the departmental file of Pomahaka papers. That document was a telegram sent by Mr. Ritchie to 'the department'—that is, he explained, to Mr. Barron, urging him to get the purchase-money paid at once. Mr. Barron said it should be on the file; but when we got the whole file and examined it the telegram was missing, although every other document, even the most trifling, was there. Ultimately Mr. Barron wrote to the Committee that he was unable to find it. It is certainly odd the one document missing should be a communication from Mr. Ritchie. Another telegram of Mr. Ritchie's of a significant kind has been recovered in a curious way—namely, in a letter from Mr. Douglas to the bank. Writing to the bank on the 30th August, Mr. Douglas says, 'I have just received the following telegram from Wellington: "Matter cannot be settled for a few days. Have you arranged time bank?"—J. D. RITCHIE.' The matter to be 'settled' was admitted to be the purchase of Pomahaka; but Mr. Ritchie, curiously enough, could not tell us who told him it was to be settled in a few days. He thought it 'might be Percy Smith, Surveyor-General'; but, unfortunately for that view, Mr. Smith had previously said he had had no communication with Mr. Ritchie. Anyhow, on the very day the petition was presented—30th August—Mr. Ritchie was in a position to tell Mr. Douglas that the matter would be 'settled' in a few days. It is for the Committee to form their own opinion as to who told Mr. Ritchie it would be so settled. Now, as the Minister of Lands publicly declared in Palmerston that Mr. Ritchie 'had nothing to do with the purchase,' it may be well for me here to summarise the various occasions on which he, as it were, accidentally crops up. (1.) He initiates the whole business by getting Mr. Barron to set the department in motion nine days before the petition comes up. (2.) He is employed by Mr. Douglas to 'make the Minister "bite."' (3.) On the day the petition was presented he is able to wire Mr. Douglas the matter will be 'settled in a few days.' (4.) He wires a forgotten answer to Wright, Stephenson, and Co., who had asked whether the 'matter was settled, or likely to be settled.' (5.) He wires a message (which has disappeared from the file) urging the department to pay the purchase-money at once. In this Mr. Ritchie says Mr. Douglas relied upon his (Ritchie's) 'influence' after the purchase. Can it be doubted that if we had the destroyed letters they would reveal Mr. Ritchie's influence before the purchase? Here

let me remind the Committee that before I began commenting upon all these suspicious circumstances I had begun to adduce the direct testimony we have had during this inquiry as to the real value of the Pomahaka land. The first item was the weighty testimony of the bank inspector, who was compelled to admit that the land (7,500 acres) was a bad and risky security for £8,000, and that no other institution asked would touch it at that. At that sum the bank was in great anxiety lest the land should fall into their hands. Let us now come to evidence of value of another but equally weighty sort—namely, the prices realised for the Popotunoa Estate, which adjoins Pomahaka, but lies between it and the railway. Mr. Maitland, in his report, which I have already quoted to the Committee, says that the settlers were hanging back for the Popotunoa property. He describes them as hanging back from the Pomahaka property in favour of Popotunoa, believing it would soon be in the market. In his evidence he also says that the settlers described Popotunoa as a 'grand property.' They were waiting for it. Well, evidence has been given here by a number of different witnesses on both sides that it was a choice property; that it was splendidly fenced and subdivided; that it was laid down in English grass where it was not otherwise cultivated; and that it was splendidly subdivided for small farms; that there was a magnificent homestead on it—of which the house alone cost £1,800—with gardens, plantations, and so forth; and that the main south railway-line and road ran past it, and that there were good roads on the rest; that the estate ran up as far as the Township of Clinton, and that a quantity of the land was sold even for suburban sections. Now, this is the estate that the settlers were hanging back for, and which has been sold since the Crown settled Pomahaka—a month or two afterwards. Well, the average price realised for this fine estate, sold with all improvements to small farmers, was £2 15s. 3d., as against £3 7s. 6d. which the unfortunate settlers at the back are paying for the wild, tussocky, and inaccessible land of Pomahaka. One set of settlers have a highly-cultivated and fenced property for £2 15s. 3d.; and another set—the Crown settlers—are paying £3 7s. 6d. for the naked land!

"Dr. Fitchett: What is the price of the properties?"

"Mr. Scobie Mackenzie: £2 15s. 3d. There were your own witnesses on that point."

"Dr. Fitchett: You are adding on Waipahi property."

"Mr. Scobie Mackenzie: It is the same estate, owned and managed by the same person, but one-half of it happened to be in the Waipahi and the other in the Popotunoa Riding. Waipahi sold for £2 2s., and Popotunoa proper for £3 8s.: average, £2 15s. 3d. The Waipahi section was fenced, subdivided, in part cultivated, and within a mile of the railway-station. And, as Dr. Fitchett has reminded me of Waipahi, I may here allude to Mr. Stevenson's evidence as to the portion sold

to a Mr. Taylor. It was a block of 3,100 acres, with a north aspect—for aspect has been much talked of in connection with Mr. Douglas's land—close to the railway. It was sold with 1,000 acres of growing turnips for £1 10s. per acre. Surely, that is a curious commentary upon what the Pomahaka settlers are paying! A rate of £1 10s. for fenced and partly-cultivated land close to the railway, and £3 7s. 6d. for the naked land away from it in the same district; or a rent of 1s. 6d. per acre as against 3s. 4½d.

“Well, now we come to some more direct evidence as to value—that of Mr. William Stevenson, who was manager of the Wairuna Estate at the time of the Government purchase of Pomahaka. Here I may remark that the Wairuna Estate, which adjoins Pomahaka, but was an earlier selection, and is closer to the railway, was bought by its present owners, Messrs. Brown and Rattray, in 1881 for £2 2s. It was then fenced and subdivided. Mr. Stevenson managed this property for three years. He was thoroughly acquainted with Pomahaka, and had been over every foot of it. He has described the land as poor, cold, and sour. The carrying-capacity was one acre and a half to the sheep, or 5,000 sheep for the block. The sheep were usually in very poor condition. Stevenson was in the habit of reporting to his employer, Mr. Brown, the condition of neighbouring stock as a basis of comparison with his own. He happened to be over the Pomahaka land in August, 1893, about the time the Government were buying, and he reported the sheep grazing on it to be wretchedly poor, a heavy loss among them, and many then scarcely able to get out of his way. A copy of that report was in his letter-book before the Committee, but it was objected to as evidence. Mr. Stevenson says Pomahaka might possibly be worth £1 10s. per acre, but he himself would not give that for it. He says it would take the land all it would do to return 5 per cent. on £1. That is the evidence of the only expert who has come before us. There was a farmer named Hugh Cameron on the other side, but he rode twenty-five miles, from Waitahuna, to see the land, and returned the same day, so that his evidence goes for nothing.

“Now, I want to draw the attention of the Committee to the remarkable concurrence of testimony as to the real value of the land from persons necessarily of the greatest weight. First, we have the Union Bank, who had a mortgage of £8,000 over 7,500 acres. They considered this amount too much to be safe on the property. That would be about £1 per acre. Secondly, we have the independent testimony of Mr. Stevenson that the land was worth about £1. Then we have the significant but unspoken testimony of the lessees, who for seven years had been giving 9d. per acre rent for the land. That rent, at 5 per cent., meant a capital value of 15s. per acre. Add to all this the fact that Mr. Douglas originally bought the land at 10s.; that he had never touched it since; that it had been for many years for sale; that cultivated land in the neighbourhood has since sold for

much less than is being paid for Pomahaka: and we cannot fail to come to the conclusion that the latter is worth nothing like what was paid for it by the Government.

“Now, as against all this, what have we on the other side? We have only some cock-and-bull stories by Mr. Douglas as to offers he had made to him for the land a long time ago. One was alleged to come from Mr. A. Brown, of Wairuna—an offer of £4 10s. per acre, between 1870 and 1880. Now, even if any such offer had been made it would only have proved the poverty of the land, for at that time there was a land-boom on in Otago, when the poorest land was selling at high rates. I have known land that then sold to settlers at £15 per acre since reduced by official valuation to £1 10s. per acre. But, as a matter of fact, Mr. Brown wires both to myself and to the Committee that he never made Douglas any such offer. Mr. Douglas had to admit he could show no direct offer from anybody at any time. Mr. Begg, his attorney, could only say he had heard Mr. Douglas say that he had had offers. The only evidence of value on which the other side seem to me to rely is the fact that in 1889 Mr. Douglas sold a few sections of this land for £3 12s. 6d. But it has been given in evidence, what is known to us all, that land has gone steadily down in value since 1889. In order to get over the difficulty of the Popotunoa sale, the witnesses on the other side have had to tell the Committee that land has fallen much since the Government bought Pomahaka, but not before—a rather odd circumstance. One witness on the other side, however, admitted that land had been falling in value for years, and Mr. Stevenson thinks it has fallen nearly 50 per cent. since 1889. Then, we have it in evidence that two good roads were then formed to the sections Mr. Douglas sold in 1889. So that, between the fall in value and the fact that the land was then accessible, the sale of 1889 goes for nothing at all. Mr. Douglas, at the very first inspection by Mr. Adams, appears to have carefully dwelt on this sale of 1889.

“I think I have now touched upon all the points of importance in this case. I think I can, with confidence, say that, from all the facts that have been laid before them, the Committee can come to no other conclusion than that the petition for the purchase of Pomahaka was conceived and carried out in something very much of the nature of fraud; that a gross injustice is now being done to the existing settlers in the price they have to pay for the land; and that the price they have to pay for the land is due to a gross overpayment made to Mr. Douglas. So far as concerns Mr. Douglas, the error cannot be rectified, for he has got the money, and it cannot be taken from him. But the settlers should not be called on to suffer for the blunders of the Government or the department, and I appeal to the Committee to at least report in such terms as will compel the reduction of the rents these men are paying to such a sum as represent the real value of this land. From 3s. 4½d. per acre, average, they should be reduced to 1s. 6d.

Mr. Burton

"I have only to thank the Committee for the patience with which they have listened to me. I dare say I have taxed their patience somewhat through this inquiry. It would be wrong of me to pretend that this Committee was a proper tribunal to inquire into a matter of this sort, for I do not think it is: not from the character of the men who compose it, but from its inherent character. But I hope some good may come from the inquiry. I may say that I made no charge of any sort against the Minister, and I have nothing to do with the inquiry. It was not of my seeking. The Committee first invited me as a witness, and afterwards invited me to ask questions, and I complied in both instances. That is all my connection with the matter."

Mr. HALL.—Sir, although I was a member of this Committee, it was not my intention to address the House in regard to the evidence which has been before the Committee, as I considered the printed evidence was quite sufficient for all honourable members to base a fair opinion on as to what were the circumstances which led to the purchase of this estate. I also consider that the Committee has taken a fair and reasonable course in bringing before the House the report which has been brought up. I will give briefly my reasons for what I am now stating. A report was presented to the Committee by the honourable member for Wellington City (Sir R. Stout), without any suggestion whatever from the Committee that he should do so. Now, I moved that the honourable gentleman's report should form the basis of the report of the Committee which should be brought before the House. I had not a seconder to that resolution. It appeared to me that Sir Robert Stout was not prepared to consider any other report than the one which he had made, and wished to be presented to the House without any comment and without any amendment whatever. Consequently I consider the Committee was quite justified in bringing forward the report which was subsequently presented to this House, and which has been read by the honourable member for Christchurch City (Mr. Collins). Now, I do not want to go into the *pros* and *cons* of this case. I consider, regarding the report read by the honourable member for Christchurch City, that it was only fair to the community that they should know the decision the Committee had arrived at: but the honourable member for Auckland City (Mr. Button) has read the address of the man who is admittedly prejudiced, who was working in the interests of one side, so that I consider it only fair that they should have also, through *Hansard*, the report of the other side of the case as presented by counsel—Dr. Fitchett. After this has been read I think it will be unnecessary for myself or any other member of the House to say anything further, and therefore I propose to read the speech of Dr. Fitchett. Dr. Fitchett says,—

"Mr. Scobie Mackenzie tells us that this inquiry is in no sense desired by him. If it had not been for him, it is needless for me to say

that no inquiry would have been held. He demanded it; so did the *Otago Daily Times*. The inquiry is due to his speech and the newspaper correspondence, in which he took the principal part. And let me say at the outset that the business of the Committee is to determine not whether the price paid for the land was a reasonable one, but whether the persons acting for the Government have been guilty of any moral wrong. Has there been corruption on the part of the Minister or on the part of the department? The price is only remotely relevant, as showing a motive for fraud if an excessive sum were paid. Sir, if a Parliamentary Committee is to be set up to ascertain, as to every Crown bargain, whether it is a good or a bad one, Parliamentary Committees would have their hands full. The question is, whether the persons who acted for the Government exercised their judgment honestly. I certainly fail to gather what Mr. Scobie Mackenzie's position really is. Does he make a charge or does he not? He says, on the one hand, 'I make no charge against any one.'

"Mr. Scobie Mackenzie: I made no charge.

"Dr. Fitchett: Do you make charges now?

"Mr. Scobie Mackenzie: No.

"Dr. Fitchett: He says 'No'; and yet the whole trend of his cross-examination and his speech has been directed to suggest fraud. As the Minister said in his evidence, he has not the moral courage to charge him openly, but he insinuates it. All Otago rang with these indefinite charges, and he still suggests them, though he does not formulate them: and herein lies the difficulty in meeting them. With specific charges the prosecutor would be called upon to prove them. But here the Minister and his department have to meet they do not know what. All they can do is to tell the Committee everything that occurred, whilst Mr. Scobie Mackenzie stands by to pick up anything he can give a colour to. Hence the length of the inquiry; and the responsibility rests with him and not with me. Now, he tells us that the statements contained in the speech are true—every word of them. Sir, he has confined himself almost wholly to half-truths. He first says, 'I make no charges.' That is the usual way when a man means to hint what he is afraid to speak out. He says, 'I make no charges; but, but, but'—and the charges lie in the 'buts.' Then, as to the half-truths. He says Douglas is a large landowner, but he omits to say, not in the electorate.

"A Member: It is in his constituency.

"Dr. Fitchett: My instructions are that Mount Royal is not in the Waihemo constituency. Then, he says the land was let at 6d. an acre; but he omits to add, on three months' tenancy. He says the rent represents a capital value of 10s.; as if a quarterly tenancy could have any reference to capital value. And so of the rest—half-truths, every one of them. The real facts are concealed, and false inferences suggested. And yet he tells us that he neither conveyed any insinuations of jobbery, nor could anybody draw that inference from his statements. He declared that.

he never heard that imputations on the Minister were drawn from his words, and yet I showed conclusively from the paper that when one correspondent stated specifically that he and others inferred that the Minister bought this land wickedly and corruptly, in order to buy Mr. Douglas's vote, Mr. Scobie Mackenzie, so far from contradicting it, treated it as correct.

"*Mr. Scobie Mackenzie*: You must give the man's name; it was an anonymous letter.

"*Dr. Fitchett*: He says it was an anonymous letter, but he replied to it. He wrote four letters to this anonymous writer's five, and he protested against his anonymity only when he found himself in a corner, and could not escape. The whole burden of that correspondence on the part of the writer, 'Watch,' was that the Minister was accused of corruption, and that Mr. Scobie Mackenzie had failed to prove the charge. He told us that he never mentioned the Minister's name in the correspondence. That is quite true. He had put Mr. Douglas and the Minister on the same footing as conspirators in the first instance. That done, he attacked Mr. Douglas by name, knowing that the public would construe every thrust at Mr. Douglas as a thrust at the Minister. Once establish the conspiracy, and evidence against one conspirator is evidence against the other.

"*Mr. Scobie Mackenzie*: I invited them to meet me, and they would not.

"*Dr. Fitchett*: Well, I will leave this point now. The Minister, as a public man, is open to the keenest criticism; but his complaint, and mine, is that Mr. Scobie Mackenzie lacked the courage to attack him openly, and sought to injure him by insinuation. He now comes to the Committee and coolly says he never intended the Minister to be blamed at all. Why that long cross-examination of Mr. Ritchie and Mr. Barron, if not to suggest corruption? His position is to me inexplicable. If he had a charge to make, one could understand it; if he said he had not a charge, I could understand that; but, by innuendoes of all sorts, he repeats the charge whilst he disclaims it. He makes a great deal of capital out of this petition. He says it was hatched in Wright, Stephenson, and Company's, and drawn by Mr. Douglas, and for this reason is a swindle, and does not express the opinion of the settlers. You, gentlemen, are members of Parliament. Did you ever know a petition that got itself up spontaneously? Pomahaka had been lying idle for thirty years, and, in the nature of things, there was nothing to suddenly rouse the settlers until the owner stirred. Why should he not start the petition? How else was he to get their opinion? There was no concealment on his part. He sent the petition to Turnbull, his own well-known agent for years, who openly went around with it; and there is not the slightest suggestion that he made any misrepresentation: on the contrary, people refused to sign it until they knew that Douglas was getting it up. Then, Mr. Mackenzie says that the member for the district was not communicated with, and this is the stamp of fraud. He

Mr. Hall

is wrong: the member was communicated with. Mr. Douglas himself wrote to him.

"*Mr. Scobie Mackenzie*: After it was got up.

"*Dr. Fitchett*: No; it was not sent till the 30th August, and Mr. Douglas wrote to him about it on the 17th August. Everybody knew that Mr. Douglas was the owner of the land. Mr. Thomas Mackenzie, the member, admits that he knew. What did Mr. Douglas do that he should not have done? Mr. Thomas Mackenzie says that the signatures are genuine; he knows many of them as constituents of his own. That petition, Sir, is as honest as a petition could be, and yet Mr. Scobie Mackenzie practically bases his charges upon the fact that it was started by Mr. Douglas. There is not a scrap of evidence to show that there is anything untrue in it. I omit Mr. Stevenson, who read it and signed it. There is abundant evidence that the statements are true. Where is the wrong, I say? The fact is, Mr. Scobie Mackenzie simply seeks to divert attention from the real issue. For, even if the petition were soaked in fraud, what on earth had that to do with the Minister? He did not get it up. Then, as to Mr. Ritchie. Mr. Scobie Mackenzie seeks to make capital out of the fact that, whilst the Minister said Mr. Ritchie had nothing to do with one matter, the evidence shows that Mr. Ritchie did have something to do with another. He saw Mr. Barron, did Mr. Ritchie, and sent several letters and telegrams to his uncle, Mr. Douglas. Here, again, we have the half-truth. The Minister, of course, spoke merely of what was in his own knowledge. So far as he was concerned, Mr. Ritchie had nothing to do with the matter; and that is abundantly proved. Moreover, in no sense and in no way had Mr. Ritchie anything to do with the purchase; and it was to the purchase that the Minister was referring. You are asked to infer a plot, because Mr. Ritchie communicated with Mr. Douglas, and is in the Public Buildings—uncle and nephew—and about a property that the nephew had managed. What more natural than that the one should consult the other—spite of the Public Buildings? With regard to the petition I will say no more.

"*Mr. Scobie Mackenzie*: That is very convenient.

"*Dr. Fitchett*: Mr. Scobie Mackenzie cannot say anything bad enough about it. It is peculiar, however, that he steadily ignores the fact that it could have had absolutely nothing whatever to do with the purchase. It was not presented till the 30th; Mr. Percy Smith left for the South the next day without having seen or heard of it; and it was not before the Board in Dunedin when the recommendation was made on which the purchase was founded. Mr. Scobie Mackenzie has been barking up the wrong tree. I refer to the petition now to show how it corroborates the Minister's statement at Palmerston. He said then that the first he heard of the matter was when the petition was presented to him.

"*Mr. Green*: That is not his evidence.

"*Dr. Fitchett*: What the Minister said,

both at Palmerston and before the Committee, was that the first he knew of the Pomahaka purchase was when Mr. Thomas Mackenzie presented the petition. And Mr. Thomas Mackenzie unconsciously supports him in this, for he wired to Mr. Turnbull that the Minister was favourably disposed, and would instruct that an inspection should be made; whereas, in point of fact, instruction had been given eight days before, plainly showing that the Minister up to then had no knowledge whatever about it. Then, as to Mr. Barron. Mr. Barron set the department in motion, says Mr. Scobie Mackenzie, at the instance of Mr. Ritchie, and he did so without the authority of his superior officer: whence fraud and corruption. Sir, the whole evidence shows that he had full authority to do what he did, and that it was the proper thing to do. It was done in the ordinary departmental way. Moreover, it was not the initiation of the purchase, as Mr. Scobie Mackenzie would have you believe. The initiation of the purchase is the warrant from the Governor to the Board to inspect and value. What Mr. Barron did was antecedent to that, and altogether apart from it. It is the practice of the department to have a preliminary report made, in order to see whether the land is worth the serious attention of the Board; and in very many cases this decides the whole matter—the offer is declined, and no valuation-fees are paid. The evidence is conclusive on the point. After inquiry has thus been made, if the report says that the land is not fit for settlement the Board proceeds no further. That is what Mr. Barron did, and he had full authority for it. The telegram, too, was amply justified. He knew the property was to be offered. Mr. Adams was just about to start to visit Conical Hills, and it would be a saving of time if he could visit the two places together. It is justified, too, on higher grounds than economy. It was a wise and prudent thing to arrange for both properties being before the Board together, so that they might be compared the one against the other. I say that Mr. Scobie Mackenzie is absolutely unwarranted in speaking as he does of Mr. Barron's action as an instance of the laxity of the department. On the contrary, it shows that the department discharges its duties vigorously and well.

Mr. Scobie Mackenzie: After Mr. Ritchie had looked after it.

Dr. Fitchett: And then the reckless insinuation that Mr. Barron did what he did because he knew that some one in high position or power was behind him, and would condone the breach of all the rules of his office.

Mr. Scobie Mackenzie: As an alternative.

Dr. Fitchett: Sir, it is scandalous to suggest such a thing with not a scrap of evidence to sustain it. Again, he hints that, as Mr. Barron was in the room with the Minister when the petition was presented, and knew that a preliminary examination had been made, and said nothing to the Minister about it, there must have been a motive. Here Mr. Barron is the plotter, and the Minister the victim. The

evidence, of course, is that, if Mr. Barron were in the room (of which the Minister is not absolutely certain), he would not speak while any one else was present; and there is nothing to show that he heard what was said, or that he remained in the room after Mr. Thomas Mackenzie left; or, in fact, that he knew anything about it. Then, there is another unworthy and unwarranted insinuation about what he calls indecent haste on the part of Mr. Percy Smith, and the telegrams between him and Mr. Maitland as to the Board meeting. The Surveyor-General and the Commissioner of Crown Lands are now in the plot, and all because they telegraph to one another. What are the facts? Mr. Smith starts from Wellington on his journey, having Board business to do in Canterbury, Otago, and Invercargill, and naturally wished to have the different Board meetings arranged at the different towns so as to prevent delay. Hence the telegrams—which, by the way, refer to Conical Hills as well as Pomahaka. That there was no indecent haste in the purchase is abundantly clear. Mr. Douglas was furious at the delay—and well he might be. The offer was made on the 21st August, and was not accepted till the 3rd of October. The purchase-money was not paid until about the 20th of October. Is there any indecent haste there? Mr. Scobie Mackenzie also sees some element of iniquity in the fact that Conical Hills 'drops out of sight altogether.' What are the facts again? An offer had been made to exchange, and there was no power to exchange. Moreover, the recommendation of the Board was that part of Conical Hills should be bought, and not the whole; and there was no definite offer to sell the whole, and no offer at all to sell a part. Again, there was not enough money to buy either the whole or the part. Were these not sufficient reasons why Conical Hills should drop out of sight? Was the Government to hang up the Pomahaka offer until Mr. Shennan had been induced to make an offer to sell as much as the Government had money to buy? Correspondence, inspection, Board meeting, and what not would take months, and the Pomahaka was to be hung up all that time, with the risk of losing both it and Conical Hills.

Mr. Scobie Mackenzie: The settlers never asked for Pomahaka.

Dr. Fitchett: Nor for Conical Hills. As to the question of the value of the land, the Committee will go by the evidence before it. The evidence is incontrovertible that not more than a fair price was paid. We have Mr. Adams, who, though not a professional valuer, is the Chief Surveyor of land in Otago, and has of necessity a wide knowledge of values. We have the Commissioner of Crown Lands in Otago, a man with perhaps wider experience of land-values than any man in the district. We have Mr. Turton, who, as District Land Registrar, knows more of land-prices than anybody in Otago, for all dealings pass through his hands. We have Mr. Dallas, a professional valuer, who for many years has valued for the Government, the county, and for private per-

sons. We have Mr. Hughan, the Ranger, a man whose business it is to inspect and value land. We have Mr. Percy Smith, the Surveyor-General. We have Mr. Cameron, of Waitahuna, who specially examined the property, and also Mr. C. Begg, whose word and judgment carry weight wherever he is known. Are all these gentlemen dishonest or incompetent?

"*Mr. Scobie Mackenzie*: Hughan said nothing of the kind.

"*Dr. Fitchett*: His evidence was taken by the Board, and he agreed with Mr. Adams and Mr. Dallas. Are all these gentlemen, I repeat, dishonest or incompetent? Last, but not least, we have the fact that, in spite of the abuse showered on the land by Mr. Scobie Mackenzie and his friends—cold and ungenerous soil; worth no more than a capital sum of 10s. an acre, and so forth—people come forward and voluntarily take up 5,230 acres at an average rental of 3s. 4d. They have paid their rent punctually to date, and the yearly return represents over 4 per cent. on the whole capital sum—purchase—money, roads, &c.—whilst about 2,200 acres are still to be disposed of. What have you on the other side? With the offer of the Committee to pay the expenses of all the witnesses Mr. Scobie Mackenzie liked to name, he can only produce one, and that is Mr. Stevenson, who qualifies himself by blandly admitting that he read and signed the petition. Mr. Scobie Mackenzie talks of the taxation value as being lower than the purchase price; and so it should be. Valuers do not like objections and reviews. Mr. Percy Smith says his experience is that the land-tax value is 20 to 25 per cent. lower than the selling-value. That Mr. Dallas bought his land from Mr. Allen at the land-tax value shows simply that he made a very good bargain. Mr. Scobie Mackenzie says the offer was made by Mr. Dallas, and accepted by Mr. Allen. Precisely. If Mr. Allen had declined Mr. Dallas would have sprung. The evidence shows that the land-tax valuation of Pomahaka was uniform and fair. The price realised for Popotunoa at the sale bears the same proportion to its land-tax value as in the case of Pomahaka. This shows that the valuations were uniform. Mr. Scobie Mackenzie urges the evidence of the bank; but we all know the difference between a mortgage and a purchase. The manager of a bank wants all the security he can get, quite irrespective of his advance. Mr. Scobie Mackenzie tried hard to make the inspector say the property was not worth the advance, but he did not quite succeed, anxious though the witness was to help him. He could not get more from him than that it was not a banking security—nor was it. Banks, we know, have been taught bitter lessons of late as to the folly of lending on non-liquid securities, and the Union Bank has profited by the lessons. It is indisputable that at the time all the banks were calling in their moneys all round. It was suggested that this particular advance was called in for the purpose of sending money to Victoria. I cannot say as to that; but unquestionably the crisis in Australia had to do with it. Mr.

Mr. Hall

Scobie Mackenzie did not gain much from the bank's evidence; but it shows the influence he can exert, and has exerted, for the purposes of this inquiry, for the bank has given him access to everything relating to Mr. Douglas's affairs.

"*Mr. Scobie Mackenzie*: I wish I could get any information.

"*Dr. Fitchett*: Otherwise the bank would never have placed in his possession the papers and figures of its customer.

"*A Member*: Has it been done?

"*Dr. Fitchett*: Yes, undoubtedly. Mr. Scobie Mackenzie gathered from the bank's letters and papers—

"*Mr. Scobie Mackenzie*: That is distinctly not true.

"*Dr. Fitchett*: I am not prepared to say that he actually saw the papers, but he assuredly got their contents more than a week before the bank gave evidence. He cross-questioned Mr. Johnstone and Mr. Ritchie about a telegram the existence of which he could only have learned from the bank, because it was mentioned only in the letter from the Union Bank at Dunedin to the Union Bank here. There is no possible question but that the information was placed at his disposal by the bank.

"*Mr. Scobie Mackenzie*: It was not so.

"*Dr. Fitchett*: Where else could you have learned of it? Returning to the question of value, I submit that subsequent sales can have little bearing upon the matter. When valuing a property for a purchase to be made—and that is the point—what was a fair value at the time? One cannot avail oneself of what is going to happen some time in the future. Now, all previous prices show that Pomahaka was worth more than £2 10s. Eleven hundred acres were sold in 1889 at £3 12s. an acre—and not the best of the estate. Some sections were bought in for £3. The evidence shows that Mr. Douglas had been always asking £3 10s. per acre for the whole, and £4 for parts. He refused £3 for large blocks, because he did not want the eyes to be picked out of his property. He wanted to dispose of the whole or none. He refused offers to lease for a term at 3s. an acre. As to the Popotunoa properties, admitting as I do that their price was low, I submit that there is ample reason for it. The demand for land is limited, and if thirty thousand acres are thrown on the market at once you ruin the market price. Then, the sale of Popotunoa was, in effect, a forced sale; the owner was dead, and the trustees were winding up the estate, so they put it all in the market—thirty thousand acres, to bring what it could.

"*Mr. Scobie Mackenzie*: There was a reserve.

"*Dr. Fitchett*: I understand there was not. The whole 80,000 acres were sold, and it is absurd to contend that the price realised is any indication of the value of Pomahaka twelve months before. Mr. Johnstone's evidence is that Mr. Logan would not look at anything like £3 5s. for the Waipahi portion (which sold for £2 2s.), whilst as for Popotunoa proper he never

would entertain the idea of selling at all. Moreover, the homestead was 'a white elephant,' and the grass was worked out.

"*Mr. Scobie Mackenzie*: That was Green Hills that had been run out.

"*Dr. Fitchett*: It was the same owner, and sold at the same time; all the properties were on the market at once. I submit that these are ample reasons for the low prices they realised, and they can have no bearing on the price paid for Pomahaka. Then, it is suggested that, when the bank wanted its money, Wright, Stephenson, and Co. and everybody else refused the security—a half-truth again. The evidence is that Wright, Stephenson, and Co. were not bankers, and Douglas did not want a fixed mortgage at all. What he wanted was a temporary advance from the savings-bank pending a sale, and the application was not entertained by the bank because it deals only in mortgages for a fixed term. At this particular crisis sound men might well find it hard to lay their hands on £9,000 on demand. It is notorious that the banks were calling up advances on all sides, and no person or firm, however wealthy, could conveniently find nine thousand sovereigns. That was why Wright, Stephenson, and Co. did not want to advance the amount, and that was why Mr. Douglas found himself in straits. It was not a question of security. No bank would look at a security, however gilt-edged. Can the Committee have any doubt that Mr. Douglas valued this land at more than £2 10s.? He refuses to accept 8s. an acre rent for it for a fixed term, and at one time he had refused £4 10s. for it. It is indisputable that Mr. Douglas firmly believed that he was not getting a full price from the Government at £2 10s., and, if so, that disposes of all questions of fraud on his part. If he knew he was foisting his property on the Government at a price above its value, would he not have promptly taken the offer when it was made? And yet what does he do? On the 25th September he gets the offer of £2 10s. Does he jump at it? On the 27th he wires asking to split the difference between £2 10s. and £3 10s. On the 2nd October he is told the Government cannot increase its offer. Does he snatch at it? No; he wires, 'Am writing you,' and writes on the 3rd reluctantly accepting. He allows eight days to elapse before he accepts the offer. Is that the conduct of a man who thinks he is getting an excessive price? He goes to Dunedin to consult Wright, Stephenson, and Co., and they tell you that they had great difficulty in inducing him to accept. I say that the evidence of his good faith is not to be got over in any way. All the evidence at your disposal goes to show the same thing—namely, that he was selling the land at what he firmly believed to be a great deal less than its value. Mr. Scobie Mackenzie asks you to believe that because the correspondence between Mr. Douglas and Mr. Ritchie is not produced it must have been desperately compromising. Now, I ask you to draw precisely the opposite conclusion. His theory is that Mr. Douglas and Mr. Ritchie

are in a wicked plot, and burn the correspondence to conceal the plot. But if they were in a plot, if they were so dishonest as to conspire to defraud the Government, it is eminently unlikely that they would stick at such a trifle as the fabricating of letters to suit their purpose. What easier for unscrupulous conspirators such as he makes them out to be than to sit down and write a few harmless letters to one another, and then produce them? Self-serving evidence is always easy to get, and that is why the Courts exclude it. The fact, then, that they do not produce letters is evidence that there was nothing wrong in them. Depend upon it, if they had produced them, Mr. Scobie Mackenzie would have had nothing to say about them. As regards the letter to Mr. Ritchie, to which Mr. Douglas referred in the newspaper, it merely shows that Mr. Douglas did not know of anything to conceal. Otherwise he would never have disclosed it himself. As to the telegram from Mr. Ritchie to Mr. Barron, about which Mr. Scobie Mackenzie makes mountains of fraud because it was not on the file, the same considerations apply. How does the existence of that telegram become known to the Committee? Through Mr. Ritchie himself. He volunteered it.

"*Mr. Scobie Mackenzie*: No. I found it out first, and drew it from him. It would never have been known at all if I had not had an inkling of it.

"*Dr. Fitchett*: That is not correct. He stated it quite voluntarily.

"*Mr. Scobie Mackenzie*: Yes; after I discovered it.

"*Dr. Fitchett*: There is nothing to show that you discovered it. Indeed, how could you? Mr. Barron had himself forgotten it, and it was not on the file. It is manifest that if there had been anything to conceal about it Mr. Ritchie need not have disclosed it. Why should not Mr. Douglas wire to his nephew asking him to try and hurry up the money? And why should not Mr. Ritchie send the message on to Mr. Barron? What more natural, and what more innocent? And that the telegram was merely that, and nothing more, is shown by the fact that Mr. Barron does wire to Mr. Douglas in reply. That reply is on the file. The fact is that whenever, in the course of this inquiry, Mr. Scobie Mackenzie discovers that a document does not exist, or is mislaid, it straightway becomes of gigantic importance to him—not that there would be anything in it if produced, but simply because he knows it cannot be produced. I will now summarise the position of the Minister and the department. The evidence shows that the Minister had singularly little to do with this transaction. He first comes into connection with it when the petition is presented, and he sends the petition to the department in the ordinary way. Next he sends the Governor's warrant to inspect. The next thing is when Mr. Percy Smith waits on him with the recommendation of the Board at Dunedin. The Minister sends this to Cabinet, and from Cabinet to the Governor.

Then comes the authority to make an offer to Mr. Douglas, and Mr. Douglas's reply asking that the difference be split. This request the Minister declines. Not much conspiracy about that, I suppose. That is absolutely all the Minister has had to do with this matter. As for the department, the evidence clearly shows that it has done nothing save what is usual and proper. Mr. Barron was acting within his authority in instructing the preliminary inspection, and, with the exception of the telegram to Mr. Douglas about the purchase-money, he did nothing else in the matter—absolutely nothing. I have no concern with Mr. Douglas, but it is equally clear that he did nothing save what he was justified in doing. He was anxious to sell—accepted a lower price by reason of the bank pressure than he otherwise would have done,—and worried about the delay in payment, as well he might; that is all. My purpose has been to lay before the Committee every fact and every paper connected with the matter. That I have done; and I submit that not a breath rests on the integrity of either the Minister or the department, and that Mr. Scobie Mackenzie's hints and innuendoes have been proved absolutely reckless and baseless. One word more and I have done. It is to show his utter recklessness. He declared in Palmerston, and he repeated it here, that the Minister's power in the matter of these purchases is unlimited—he can override the Board and do anything. Sir, if he knows the Act, this is dishonest; if he does not, it is disgraceful. The Minister has less to do with a purchase than any single member of the Board. The Minister himself can do nothing. The Governor in Council—that is, the Cabinet—purchases 'on the recommendation of the Board.' That means that the Board determines both the land to be bought and the price to be paid, and the Cabinet cannot vary it. The most it can do is to decline to buy at all. As for the Minister, he is merely a member of the Cabinet, having an equal voice with every other member. In suggesting, therefore, to the people of Palmerston the facilities for corruption that existed by reason of the unlimited power of the Minister to buy what he liked and at what price he liked, Mr. Scobie Mackenzie either shamefully distorted the law or was shamefully ignorant of it."

4.30. Mr. CARNCROSS.—It is not my intention to keep the House more than a few minutes. I do not intend to make a speech; but it seems to me that so small a value is placed on time in this House that if I did occupy some considerable amount of time, judging from the action of honourable members to-day, there would be no objection to it. I only rise for the purpose of entering my emphatic protest against the exhibition, as I consider it, which we have had this afternoon. I think it has been a most pitiable spectacle, and utterly unworthy of men who are sent here to represent the constituencies, and to do what they can for the good of the country. Here we are in the dying hours of the session. We have two most important Bills yet to put through—

Mr. Hall

I refer to the two Mining Bills. On the passing of one of these Bills very large and important interests depend. I am not exaggerating when I state that at the present moment there are men, women, and children on our Otago goldfields who are actually living on the very verge of starvation pending the passing of this measure. We know that; and yet, instead of setting ourselves in real earnest to carry out the business of the session, we have had an exhibition of the description that we have had this afternoon—that is, of men taking up the time allotted to them in reading from printed reports, and "gabbling"—I can call it nothing else, because they were running against time, and trying how much they could possibly squeeze into *Hansard*. We saw this done; and when one man had finished another taking up time in doing the same thing. I say such conduct is quite unworthy of Parliament. I do not know when it will come to an end; but I hope it will be very shortly. As I have said, I only rose to enter as emphatic a protest as I possibly could, and to say that if the result of the waste of time which we have had right through this afternoon shall be that the Bill which I refer to cannot reach the statute-book this session it will be an everlasting disgrace to this Parliament. I hope I have not taken up too much time. I have simply contented myself with entering what I consider to be an emphatic protest against such waste of time.

Mr. DUNCAN.—Before you put the question, Sir, I wish to speak to a point of order. Will anything of this matter be printed in *Hansard* with the exception of what was read?

Mr. SPEAKER.—Only what was read by members in the House will appear in their speeches in *Hansard*.

Mr. DUNCAN.—Then, I merely say that I wish one-third of the stuff had not been read.

The House divided on the question, "That the words proposed to be omitted stand part of the question."

AYES, 41.

Buddo	Joyce	Pere
Buick	Kelly, W.	Pinkerton
Cadman	Lawry	Reeves
Carncross	Mackintosh	Seddon
Carnell	McGowan	Smith, E. M.
Crowther	McKenzie, J.	Smith, G. J.
Duncan	McLauchlan	Stevens
Flatman	McNab	Tanner
Guinness	Meredith	Thompson
Hall-Jones	Miller	Ward
Harris	Mills	Willis.
Hogg	Montgomery	<i>Tellers.</i>
Houston	Morrison	Collins
Hutchison, W.	Parata	Hall.

NOES, 15.

Buchanan	Mackenzie, T.	Te Ao
Button	Massey	Wilson.
Earnshaw	McGuire	<i>Tellers.</i>
Fraser	Mitchelson	Bell
Green	Newman	Russell, W. R.
Lang		

PAIRS.

For.	Against.
Carroll	Stout
Kelly, J. W.	Hutchison, G.
McKenzie, R.	Duthie
Steward.	Allen.

Majority for, 26.

Amendment negatived.

Mr. SEDDON.—Mr. Speaker, I would recall to the minds of honourable members, if it is necessary, the fact that it is desirable our business should be concluded, at all events, by to-morrow evening. Many honourable members have made arrangements for going to their homes. The subject-matter now under discussion must be submitted by every member of the House to be important, and more particularly in so far as the Minister of Lands and the officers of his department are concerned. It has always been held that where a Minister's honour has been impugned or his integrity impeached he was in duty bound to prove his innocence and protect himself against such attacks. I feel sure—in fact, what I have heard during the debate has led me to the conclusion—that there is scarcely a single member of this House but will entirely indorse the report of the Committee, upholding as it does the integrity and honour of my colleague the Minister of Lands and that of his officers. Then, I think it will also be admitted that when the honour of a department, or of any officers holding high positions, is concerned—where their honour is impugned—where it is the fact, as in this case, that the country has to some extent been led to believe that some of the officers—one in particular has allowed personal feeling to sway his judgment—in fact, that owing to the pressure of a relative he has not done his duty honestly to the country—I think it is clear that, when a stigma like this has been cast on an officer holding a high position, unless that stigma was removed there would be a feeling that the matter had not been cleared up. It was necessary, therefore, that this should be done, and in doing what my colleague has done, as he told the House, he did it more on behalf of his department than of himself, believing that after many years of honourable service no officer in the department would be a party to any transaction that would be dishonourable. I think, under these circumstances, the House will agree with me he was quite justified in having the matter referred to a Select Committee. At the time the debate commenced very few members, I think, thought that it would last during all Saturday's sitting, and also have taken the better part of to-day. I may say it has been said by one holding a very high position in this colony that it was absolutely necessary this should be done. I myself have refused, as honourable members know, during the session to permit matters where there had been indefinite charges made to go to a Select Committee, and if ever I had anything to prove to me that the course I was taking was a wise one it is what has happened here in relation to this

matter. I shall probably recall, by-and-by, to honourable members who have been twitting my colleague with what has taken place in regard to referring this matter to a Committee, when they ask for Committees of investigation, what has taken place in relation to this Committee,—more particularly to the senior member for Wellington City, for there is no doubt that, on the Minister of Lands moving that the matter be referred to the Waste Lands Committee, he complimented my colleague on his so doing. He said it was necessary to do so, and that my honourable colleague took a proper course in doing it. I find now that honourable members say we are not to take notice of what a Committee says or what its report may be. I do not think that odium should be thrown on any Committee. This Committee seems to have performed its duties efficiently, and it is quite clear that the Committee has unanimously acquitted my colleague, and unanimously acquitted the department. The only question upon which some members of the Committee differed was as to the admission of evidence, which there is evidently some diversity of opinion about. This being the case, would it not be better for all concerned that we should bring the matter to a close? I may say the responsibility for the long debate that has taken place cannot be said to rest upon myself or upon the Government. The honourable member for Wellington City (Mr. Bell) appears to resent the finding of the Committee, and also what has been said. Well, I make every allowance for the honourable gentleman, and am bound to do so, because he is personally interested, and there is no member in the House, I suppose, would feel this matter so keenly as that honourable gentleman. That being so, I do not think it is necessary to say anything further. I think the proper course to adopt is to allow the Minister to reply. There are one or two Bills left that we can put through in half an hour. Then, let us get through the public works and supplementary estimates and go home with kindly feelings towards each other. We should never part bad friends, nor let animosities rankle in our breasts, because we never know what may happen. As an example of the uncertainty of life and of what may happen, our dear old friend, the late Hon. Mr. Dignan, who was on his way home from his parliamentary duties, has suddenly been called away. I say to all members of the House, whatever may happen during the session, when we come to its close let us part good friends. I should not consider it consistent with what is due to my colleague, whose public character has been impugned, did I permit Parliament to be prorogued without first having this matter dealt with. Therefore the course he has taken in this matter has my indorsement, and the Cabinet are unanimous in supporting him in the course he has taken. I do say this: When charges are made by public men against each other we may differ in opinion, but when it comes to the integrity and honesty of a member of the Government,

and when charges such as were involved in this instance are made,—for though not made definitely and distinctly, still a serious reflection was cast,—it does not matter what may be the opinion of the person making the statement, but what the outside world may gather is what we are bound to consider, and we know that the outside world is only too keen to put an extreme interpretation on matters of this kind. That is the world. It has been so since the world commenced, and will be to the finish. I trust I have not said anything that will prolong this debate. I have explained the position of the Government, and I ask that the Minister shall be allowed to reply, and that we shall go on and complete the business of the session without acrimony or unpleasantness.

Mr. PIRANI.—Before the Minister replies I wish to spend five minutes over this debate. The Government themselves have wasted almost two days over it, and I do not think they ought to be the parties in the House to begrudge any member another five minutes. I merely rise for the purpose of adding my protest to that of the honourable member for the Taieri at the scandalous waste of time that has taken place in the House during two days over this debate, because nothing is proved by the debate except the fact that members can slang each other on both sides and end by adopting the report, because, no doubt, it was a foregone conclusion from the first that the report would be adopted. I think—and I believe the House thinks—the Minister ought to have been well satisfied with formally moving the adoption of the report, and saying a few words in defence of the Government, instead of the debate being prolonged and business of fifty times more importance to Ministers and to the country at large being shelved because Ministers themselves have personal grievances.

Mr. J. MCKENZIE.—I do not think the House will accuse me of having wasted its time in this matter. Honourable members who were present here when the report was laid on the table will remember that two members on the Opposition side immediately got up and asked if an opportunity would be given to discuss the report—I allude to the leader of the Opposition and the honourable member for Patea; and my colleague the Premier said, "Yes; an opportunity will be given." If this promise had not been carried out, and a motion put on the Order Paper to discuss the matter, we should have been immediately told that we were afraid to have it discussed openly in view of the country and of the House. So far as I am concerned, I am quite willing for the people of the country to judge of this subject when they read the evidence taken before the Committee. Some honourable members have made a great deal of it. Well, there it is for the country to see, and any impartial person can come to no other conclusion than that the Committee's report is correct and in accordance with the evidence. One or two words with reference to what has fallen from the honourable member for Hawke's

Mr. Seddon

Bay. He said there was no necessity for the inquiry because no charge was ever made. But the honourable gentleman lives in a part of the colony where they did not see or know the feeling that existed in the Waihemo district and in Otago on the subject. I venture to say that those who come from the South know that the charges were believed by a great number of people, notably in Dunedin and Waihemo. In that district during the election Mr. Scobie Mackenzie's political supporters paraded this matter up and down the country. They declared that it was a charge, and was meant as a charge. Nobody knew this better than Mr. Scobie Mackenzie himself, who allowed it to go abroad without taking the opportunity to contradict it either on the platform or in the public Press. On the contrary, he and his friends repeated it over and over again in the Press long after the election was over. The honourable member for Hawke's Bay tried to make out that the Government appointed Mr. Dallas valuer. That is not correct. The Government did not appoint Mr. Dallas; the Land Purchase Board appointed him. Mr. Crombie, of the Land-tax Department, who was a member of the Board, recommended him to be appointed, and selected him as an old land-tax valuer who had given great satisfaction. That was the reason he was appointed. It was only after Mr. Percy Smith came back that I knew Mr. Dallas was valuer for the Board; so that the Government had nothing to do with the appointment. Much has been said about the fact that Mr. Ritchie set the department in motion. He did nothing of the kind. Mr. Barron set the department in motion, and was quite right in doing so. Permit me to tell the House that during last year 177 offers were made to the Board to purchase land, and, out of those 177, there were 108 that were dropped, because the department made a preliminary inquiry and found that the land was not suitable. That was all that was done in connection with the Pomahaka. Mr. Barron sent a telegram to Mr. Adams, who was going to Conical Hills, to save time and expense by looking at Pomahaka to see if it was worth purchasing. It was simply a preliminary inquiry made in the same way as in the 108 other cases, and I venture to say if the Government had not made such preliminary inquiries the Minister would have been accused of wasting the public money in getting the Board to go to the expense of paid valuers, Board meetings, and so forth, for land not suitable for settlement. Now I will come to the undue haste in connection with the matter. The purchasing of the estate extended over a period of seven weeks. And what occurred lately in the other House? The Hon. Mr. Bowen charged the Government with delay in regard to another estate in Canterbury, when the owner got the answer within a month. The whole thing was done in a month in Canterbury, and then we were accused of delay. Seven weeks were spent in this matter of the Pomahaka Estate, and we are accused of undue haste. There was no undue haste.

Mr. Douglas was anxious to sell his property—no doubt about that; and any man who wants to sell naturally does not want the thing to hang over indefinitely. He thought us too slow, and worried the department with telegrams. Now let me come to the honourable member for Wairarapa. He said I ought to have given my services to the country in giving my own knowledge of the land. Do honourable gentlemen expect me to go myself and inspect every estate in New Zealand that is offered to the Government? How could they expect it? It would be impossible for me to do so, and I must necessarily rely on the reports of the officers of the department and the Board. Why is a Board set up? For the purpose of making inquiry and reporting to the Minister; and it is the duty of the Minister to be guided by the Board, as I was in this matter; and everything done in this matter was done in the ordinary way by the Board. And honourable gentlemen who know the members of that Board know quite well that they are all honest, upright servants of the colony, and would not be swayed by the Minister or anybody else.

50. Now I come to one or two remarks made by the honourable member for Wellington City (Mr. Bell). He no doubt was advocating the case of his brother-in-law and the Union Bank, for I understand he is solicitor for that bank in Wellington. When we have an honourable gentleman appearing in those capacities we have to take his statements with a considerable grain of salt. I have no objection to the honourable member taking the part of his relative, and I think he did perfectly right so far as that is concerned, but in doing that he should not have accused me of being unfair to people outside the House. If I spoke warmly—and I did, no doubt about it—I spoke because I felt warmly. The people of whom I spoke have never lost an opportunity of stabbing me behind my back. As for the inspector of the Union Bank, I say again that he came and gave evidence before the Committee which was not correct, and it was only when he was told that his statement would be disproved that he again came to the Committee and put his evidence straight. The insinuation which he made was that Mr. Douglas was in Wellington on the very day the purchase was put in motion. He came before the Committee and swore that Mr. Douglas was in his office in Wellington on that day; and it was only when Mr. Douglas offered to prove that he was not there, and had not been there for months before, that he came back and withdrew his statement. He withdrew it under compulsion. When I charge that gentleman with doing that, Mr. Bell accuses me of being unfair. What did the honourable gentleman do? He referred to the whole of my department, and to the Land Purchase Commissioners, and accused them of all the things he could lay his tongue upon.

Mr. BELL.—I said not one word about the officers of the department or about the Land Purchase Commissioners.

Mr. J. McKENZIE.—I will leave the public

to judge of the honourable member's speech when it appears in *Hansard*. Did he not make a charge against Mr. Ritchie? Now, what is the position? Mr. Ritchie managed Mr. Douglas's property for a number of years before he became the head of the Stock Department. I am sure honourable members will admit that it would not be out of place for Mr. Douglas to consult his nephew, who managed his property for so many years, on a private matter connected with the property he had managed. That was all that was done in the matter, and the honourable gentleman knows it perfectly well. Then as to the report. He says it was drawn by my instructions. He is entirely incorrect again. I had nothing to do with it; and, indeed, throughout the whole inquiry I refrained from even attending the proceedings, or doing anything except give my own evidence. But I cannot waste further time over the honourable gentleman. I might say this with regard to the valuation, of which so much has been made in connection with this property: Honourable gentlemen opposite, in referring to the valuation, gave instances of the sale of properties miles away from Pomahaka. They never have referred to the fact that a large portion of Pomahaka was sold by Mr. Douglas at £3 12s. an acre. Farmers paid for that land, and are doing well on it; and not only that, but they have signed this petition in order to get more of the land. The evidence of Mr. Stevenson has been quoted, as the only unbiassed witness; but what about the evidence of Mr. Begg and Mr. Johnstone. Neither of these witnesses is of the same colour as the Government, and both said the land was good value for the money. Now I come to a few remarks made by the honourable member for Wellington City (Sir R. Stout) in connection with this report. As usual, he has found fault with the report. He says it has not been properly drafted, of course. He says it is not judicial, and so forth. Then, he found fault with the inquiry being held at all.

Sir R. STOUT.—I said that I found fault with the bringing-up of the battle of the election at the inquiry.

Mr. J. McKENZIE.—I understood the honourable gentleman to find fault with the inquiry being made at all. Let me quote the opinion of an honourable member of high legal authority on the subject. This is what he said:—

"He thought the Minister of Lands was to be commended for taking this course, and for sending this matter to a Committee. When a grave charge had been made against a Minister, he should have an opportunity of explaining the matter before an impartial tribunal. He presumed the honourable gentleman would send for the people who made the allegations, in order that they might be examined before the Committee and give evidence on oath. The House ought to agree to the motion."

Who made that statement? Why, the honourable gentleman himself.

Sir R. STOUT.—When?

Mr. J. MCKENZIE.—When the motion was before the House for appointing this Committee.

Sir R. STOUT.—The honourable gentleman has no right to refer to a past debate when I have no opportunity of explaining.

Mr. J. MCKENZIE.—What are the facts in connection with the report? The Committee were unanimous except on two points. One thing they differed upon was, whether there should be any censure put upon my opponent; the other thing was, that they had a doubt about the valuation. Those are the only two points of difference between the report that was adopted and the report that he himself prepared. I ask honourable members to consider this matter from a fair point of view—as to the value of this property. Is it likely that twenty-one settlers would take up this land at the price put upon it by the Government if they thought the price was too high? Everything bad about the land that could be said had been said over and over again by Mr. Scobie Mackenzie and his friends. And yet these twenty-one settlers persisted in trusting to their own judgment. They examined the land, and took up 5,230 acres, to the vast disgust, no doubt, of Mr. Scobie Mackenzie. And how have they done on the land? Instead of being ruined—as was predicted and hoped—they have paid their rent to date. The last return from Pomahaka shows that 1,250 acres have been broken up ready for cropping, and will be in crop this year. Houses and a school are being built, and settlement is going on there. The value of fences and buildings is £905, and the total value of all improvements is £1,517. Now, is it likely that these farmers would go on improving their properties if they did not see their way at all clear to pay their rent? With regard to the remarks of the honourable member for Bruce, the honourable gentleman was very unjust to myself. I am very sorry he was so, because I have known him ever since he was a boy, and I never thought he would stand up in this House and do the injustice to me which he did the other night. He insinuated that, because I stated before the Committee that Mr. Douglas some ten months before this purchase was entered into mentioned the matter to me during a conversation at Palmerston, correspondence had been going on between us during that time, and had been destroyed. I never spoke to Mr. Douglas on the subject, nor have I had any communication with him; yet the honourable member for Bruce insinuated that there was correspondence which had been destroyed.

Mr. GREEN.—Not with you.

Mr. J. MCKENZIE.—There was no correspondence in any shape or form. A portion of my evidence before the Committee was distorted in such a way by the honourable member for Bruce as to insinuate that correspondence had been carried on between myself and Mr. Douglas relating to this property. I again say that there never was any correspondence. Is it surprising that Mr. Douglas should speak

to me about his property, seeing that I was advertising in the public Press inviting offers of lands for settlement? Mr. Douglas spoke to me in the street in Palmerston; he said he noticed I was advertising for properties, and he added that Pomahaka was for sale. I said, "If you have an application to make, make it to Mr. Maitland"; and that was the first and last heard of it by me till I saw the petition when it came to Wellington. With regard to Mr. Barron, he is an officer high in the service of the country, and he puts many things in motion of his own accord in the first place without the Minister knowing it. It is impossible for the Minister always to know the position of any matter unless there is some preliminary inquiry. Mr. Barron knows that before the Minister can decide on anything he will require to have some knowledge of the facts. Therefore Mr. Barron makes himself acquainted with the facts. That is exactly what he did in this case, in the same way as he has done in many other cases. Knowing that Mr. Adams was going to Conical Hills, he telegraphed to him to look at Pomahaka. In doing that in this and other cases, a large sum of money has been saved to the Government. A hundred and seventy-seven properties were offered to the Government last year, and if we had sent every one of these cases to the Board without any preliminary inquiry as to their suitability for settlement or otherwise it would mean great expense to the country. We knew we could only take up land of a certain class—we could not take up pastoral land. It is nothing new or extraordinary that these preliminary inquiries should be made, and evidence was given before the Committee to that effect. That point was magnified to an extraordinary degree by certain honourable gentlemen, because it suited them to do so; and the same with regard to the missing telegram. The contents of that telegram were made clear by the papers. It was a request by Mr. Douglas through Mr. Ritchie for the payment of the overdue purchase-money. That has also been magnified into an enormous thing. Now I come to the honourable member for Patea. He held a brief for Mr. Scobie Mackenzie. He told me so himself—that he intended to make a speech.

Mr. G. HUTCHISON.—Not a brief.

Mr. J. MCKENZIE.—I always look upon a lawyer who defends any one else as holding a brief for him. I venture to say he made an excellent speech—an amusing speech. I am quite prepared to give him a certificate to Mr. Scobie Mackenzie that he has earned his fee. But I say the honourable gentleman never touched the report at all. He never touched the evidence. He danced all round it, and made a beautiful dramatic effect, but I venture to say that when his speech is read in *Hansard* it will be found to contain a great deal of chaff and very few grains of wheat. Now I come to the honourable member for Waikouaiti. If any good thing has come out of this inquiry, it is that we have got a speech from the honourable member for Waikouaiti. During the whole session the honourable gentleman

has been quite dumb. He has never been able to raise his voice in the interests of the constituency which he came here to represent. The honourable gentleman made a speech on this matter; but in respect to important policy measures he has been silent. The only occasion on which he could summon up courage to make a speech was when he wanted to support Mr. Scobie Mackenzie against myself. Of course the honourable gentleman knows a number of the people I referred to the other night, and I have no doubt he looks upon them as men of such high standing that no one should dare to refer to them in this House. He referred to my remarks in connection with the gentleman in Dunedin known as John McFarlane Ritchie, of Benohau fame. He said that the statements made would not be borne out; but I could prove a great deal more than I stated if I chose and had the time at my disposal. I could show what the Judge of the Supreme Court said in summing up that case of the Benohau runs in connection with Scott's imprisonment, and I think I could prove that the Judge of the Supreme Court was very much more severe upon Mr. John McFarlane Ritchie than I was. And what did the honourable gentleman ask the House to believe? That these were the only honest men in Otago—that the only honest men in the country were Mr. Scobie Mackenzie, John McFarlane Ritchie, and the editor of the *Otago Daily Times*—that they were to be taken in preference to everybody else in the colony, so far as honesty and straightforwardness were concerned. Now, respecting the Silverpeak-Cottesbrook dummy cases and the Waikouaiti dummy cases, the honourable gentleman said that I did not make correct statements; but when I brought the matter up in the House the other night I had not the documents before me; and he said it was the Otago Land Board that brought that matter to light. Well, I have since looked the matter up, and I have the facts here, and I must refresh the honourable gentleman's memory on the subject. I find that on the 28th of June, 1883, I moved a motion in this House, "That a Select Committee be appointed for the purpose of making a complete inquiry into the alleged evasions of the provisions of the Waste Lands Act in the Provincial District of Otago: the Committee to consist of" so-and-so.

Mr. GREEN.—That is long after the Cottesbrook cases.

Mr. J. McKENZIE.—No, it was not. If honourable gentlemen will turn to Volume III. of the Appendices to the Journals of the House of Representatives, 1883, they will find the whole of the evidence given before the Committee of this House. That was the evidence that was laid before the Waste Lands Board of Otago, and that was what the Board acted upon.

Mr. GREEN.—No; it was evidence taken by the Board.

Mr. J. McKENZIE.—The Otago Land Board made an inquiry, but was unable to proceed or hold a proper inquiry until the Act was

amended by myself and Mr. Rolleston: that amendment gave the opportunity for the inquiry. The honourable gentleman need not try to correct me.

Sir R. STOUT.—The only point on which the honourable member is incorrect is that the Waste Lands Committee got the evidence. They did not act on the evidence taken in the House; they took evidence.

Mr. J. McKENZIE.—They did not act on the evidence taken in the House, but they called the same people, who gave the same evidence that had been dragged out of the witnesses by myself. Will the honourable gentleman deny that? And who searched out the evidence? It was done before a Committee of this House. Of course, you had the same witnesses before you in Dunedin, and got the same evidence, and came to a conclusion on it. I know the case too well. The honourable gentleman was very unfortunate in referring to it. He has a history in connection with that dummy case, and the honourable gentleman knows what was said about him at the time, both in the public Press and by the public. Did he not lose his seat in the House through his action on the Waste Lands Board at that time in connection with that inquiry? I think the honourable gentleman was very unfortunate in referring to that, because I have a very good memory, and I remember the unfortunate position he was in in Otago on the subject. Well, Sir, the honourable gentleman, the member for Waikouaiti, stated that he had known the Minister for a long time. I have known the honourable gentleman for a long time. We have both been in the Provincial Council of Otago, and I would bring to his remembrance a scene that took place there twenty years ago, when I did not act the part of Judas Iscariot to the Government of which he was a member. Does the honourable gentleman remember the scene that took place in the Provincial Council of Otago when he occupied a seat upon the Ministerial benches, when the Ministry was met with a vote of want of confidence, and when he was told to get up and defend the Government of which he was a member, and declined to do so, and then appeared next day upon the Government benches with the very men who had put him and his colleagues out of office on the previous night? Does he remember that? I venture to say that he does. And from that day to the present time he has had a certain amount of animosity against the present Minister of Lands. And why? Because John McKenzie on that occasion told him what he thought of him.

Mr. GREEN.—That is quite as correct as your other statements.

Mr. J. McKENZIE.—Does the honourable gentleman want to go back to history? I can give him any amount of it. The honourable gentleman and myself were elected about the same time to the Provincial Council, and for a number of years we pulled together. I voted for him on the night I have referred to, but to

my astonishment next day I saw him on the same benches in the same position with the crowd that had turned him out. Can he refer to any page in my history of that nature? Can he get up in this House and say that the Minister of Lands has ever been guilty of deserting his colleagues or his political supporters in a case like that? I venture to say he cannot. Well, I am just about done now. I say the Committee that tried this case was a fair Committee. We are told that it was a packed Committee. It was not packed. It was set up for another purpose. It was set up as the Waste Lands Committee, and a large number of members on that Committee were not supporters of the present Ministry or the Minister of Lands. There was Sir Robert Stout. I do not put him down as a personal opponent, but I think it cannot be said that he has been very much in love with the Government this session. Then, there was Mr. Lang, who is not a supporter of the Government; Mr. Thomas Mackenzie, who is not a supporter of Government; and Mr. Green himself, and I am sure none will accuse him of being a Government supporter. All those gentlemen had an opportunity of putting questions to the witnesses who came before them, and Mr. Green, at any rate, exercised that right to the fullest extent. He was, all the time that he was on the Committee, on a fishing expedition, trying to see what he could discover against the Minister of Lands or the department. In that fishing excursion he had a full opportunity of bringing out anything he could, and I say that, upon the evidence that was elicited, I am quite willing that the settlers of New Zealand should judge of the whole matter in connection with the Pomahaka business. Now, let me say further that nothing has been brought out against the department or against myself that we need in any way be ashamed of. We did our duty—nothing more and nothing less—as the Committee unanimously found. In connection with the question of value, I ask honourable gentlemen to wait. I ask the honourable member for Wairarapa to wait till we see how the property will turn out. If these settlers remain on the land, if they pay their rents and settle the country, if they make good homes for themselves, and a good living, will it not be shown that the Government did not pay too much?

An Hon. MEMBER.—No. They have been made to pay a higher rental than they need have paid.

Mr. J. McKENZIE.—Sir, the honourable gentleman can be satisfied with nothing. The settlers would not have paid what they did if land in that part of the country had been obtainable at a lower price, or on better terms. Well, time will show; and I am willing to allow time to prove whether the Pomahaka has been purchased at too high a price or not. If the settlers do not grow discontented it will not be for want of the honourable gentleman's efforts to make them so. Now one word more. When it is said that that Board had nothing before them but the evidence of Mr. Dallas as to

Mr. J. McKenzie

value, that is all moonshine. Mr. Maitland knew the property; Mr. Adams knew the property; Mr. Hughan knew the property, and no one will say he is not a good judge of land, and he reported on it. Then, there was Mr. Turton, the Registrar of the Lands Department, who went to the trouble to pick out the value of the properties alongside—the prices given for the lands, and the mortgages on the lands—and he took everything before the Board. Then, we had Mr. Crombie there, the Land-tax Commissioner, who had the values of all the properties alongside. That Board, after deliberately going into the whole of the evidence, and considering it carefully, came to the conclusion that the land was worth £2 10s. an acre. I offered the price the Board recommended, and if honourable members will look the matter up they will see that I had nothing more to do with it than to offer the price recommended by the Board. Every member of the Board swore before the Committee that I had never interfered in any shape or form in the matter. Mr. Turton I never saw. I should not know him if he came into this chamber. Mr. Crombie I never spoke to on the subject. Mr. Percy Smith I never saw respecting it till he came with the report that the Board had decided on the value of the land. Everything was done fairly and aboveboard. The only unfortunate thing was that Mr. Scobie Mackenzie at the time of the election was hard up for something to throw at the Minister of Lands, and he got Mr. John Macfarlane Ritchie, who, I believe, conceived the whole thing and gave it to him, and found, as I said before, in Mr. Scobie Mackenzie a willing tool. But I venture to say I had a duty to perform, not only to myself as a Minister of the Crown and a member of this House, but a duty to perform to my family, that it should not at any future date be cast up to any of them that their father had been charged with corruption when Minister of the Crown, and that he had taken no action to defend himself. Sir, I would not stand in that position. I took action to defend myself, and I am thankful to honourable members that they have given me the opportunity of doing that.

Sir R. STOUT.—Sir, I wish to make a personal explanation. A remark was made by the honourable member for Waimea-Sounds—I believe it was made in joke, and it was so understood in the House, but it will appear in *Haw-sard* not as a joke but as a fact—that in the report I drew up I was assisted by some one. The suggestion was that it was by Mr. Scobie Mackenzie. I have to state that no one saw that report; that I wrote it myself without any assistance or suggestion from any one. The other point is with regard to what the Minister has stated with reference to the Waste Lands Board. If he will turn to the Appendix to the Journals, Volume III., 1893, he will see that before he moved in the House the Waste Lands Board of Otago had taken voluminous evidence, extending over several days, in regard to alleged dummyism.

Motion agreed to.

LAND DRAINAGE BILL.

IN COMMITTEE.

Mr. MEREDITH moved the following new clause:—

"6A. Every Road Board and Town Board within any county wherein 'The Counties Act, 1886,' is suspended, and not within a drainage district constituted under 'The Land Drainage Act, 1893,' nor within a river district constituted under 'The River Boards Act, 1884,' shall have and may exercise the powers following in respect to watercourses and drains, that is to say:—

"Where there is any watercourse or drain within the road district or town district, or beyond the limits of such district, and its obstruction is likely to cause damage to any property in such district, the Road Board or Town Board respectively—

"(1.) May order the occupier, or, when there is no occupier, the owner, of any land on the banks of any watercourse, or through which any drain runs within the district of its jurisdiction, or

"(2.) May order the occupier, or, when there is no occupier, the owner, of any land on the banks of such watercourse or drain for the space of one mile beyond the up-stream boundary of such district—

to remove from such watercourse or drain all weeds and other growth, or refuse and obstructions of any kind, calculated to impede the free flow of water in the said watercourse or drain; and, in case of the occupier or owner failing to comply with such order within fourteen days from the receipt thereof, he shall be liable to a penalty not exceeding five pounds for every day during which such order is not obeyed, and a further sum equal to the cost incurred by the Board in removing any such obstruction; and the said cost shall be a charge on the land, and may be recovered as rates are recovered under any Act for the time being in force in the district.

"The Board, for the purpose of removing any obstruction from a watercourse or drain, either within or beyond the limits of the district of its jurisdiction, shall by its servants have the free right of ingress, egress, and regress on any land on the banks of any such watercourse, or through which runs any such drain."

Mr. McNAB moved to strike out all the words after "powers," with the view of inserting "exercised by Boards under the principal Act."

The Committee divided on the question, "That the first two lines proposed to be omitted stand part of the clause."

AYES, 22.

Bell	McGowan	Smith, G. J.
Crowther	McLachlan	Stout
Earnshaw	Millar	Tanner
Harris	Montgomery	Thompson.
Hake	Newman	
Houston	Pirani	<i>Tellers.</i>
Kelly, J. W.	Saunders	Buddo
Mackintosh	Seddon	Meredith.

NOES, 37.

Allen	Hogg	Morrison
Buick	Hutchison, G.	O'Regan
Button	Hutchison, W.	Parata
Cadman	Joyce	Pinkerton
Carncross	Lang	Reeves
Collins	Lawry	Smith, E. M.
Duncan	Mackenzie, T.	Ward
Duthie	Maslin	Willis
Flatman	Massey	Wilson.
Fraser	McGuire	
Graham	McKenzie, J.	<i>Tellers.</i>
Hall	Mills	Buchanan
Hall-Jones	Mitchelson	McNab.

Majority against, 15.

Words struck out, and Mr. McNab's amendment inserted.

The Committee divided on the question, "That the remainder of the clause be retained."

AYES, 35.

Cadman	Larnach	Reeves
Collins	Lawry	Saunders
Crowther	Mackintosh	Seddon
Duncan	McGowan	Smith, E. M.
Earnshaw	McKenzie, J.	Smith, G. J.
Hall	McKenzie, R.	Stout
Harris	McLachlan	Tanner
Hogg	Meredith	Thompson
Houston	Millar	Wilson.
Hutchison, W.	Morrison	<i>Tellers.</i>
Joyce	O'Regan	Buddo
Kelly, W.	Parata	Montgomery.

NOES, 19.

Buick	Hall-Jones	Mitchelson
Button	Hutchison, G.	Newman
Carncross	Lang	Willis.
Duthie	Mackenzie, T.	
Flatman	Massey	<i>Tellers.</i>
Fraser	McGuire	Allen
Graham	Mills	McNab.

Majority for, 16.

Words retained.

Mr. WILSON moved the addition of the following proviso:—

"Provided that any such occupier may appeal to a Stipendiary Magistrate against such order within ten days after the service thereof, and such Stipendiary Magistrate shall have jurisdiction to determine whether such order shall have effect, having regard to all the circumstances of the case; and pending the determination of such appeal the order shall be suspended."

Proviso added.

Clause agreed to.

Bill reported, and read a third time.

SHIPPING AND SEAMEN'S BILL.

10.30. Mr. REEVES moved, That the name of Mr. McNab be substituted for that of Mr. McGowan as a member of the Committee to draw up reasons for disagreeing with the Council's amendments in this Bill.

Sir R. STOUT asked, Why?

Mr. REEVES said that Mr. McGowan would not assent to the reasons agreed to by the other members of the Committee.

Mr. SPEAKER said that three of the Committee appointed to draw up the reasons for disagreeing had signed the document, and one dissented.

Mr. THOMPSON wished to call the attention of the House to the fact that the principle in dispute in each of these amendments referred to vessels engaged in the coastal trade of Auckland. The honourable member for the Thames was specially selected to represent that part of the colony. The Minister, however, ignored his existence as one of the Committee, and drew up the reasons without consulting the honourable member at all; and when his attention was called to this, and the reasons were then submitted to the honourable member for the Thames, he, naturally, would not agree to them. Now the Minister proposed to appoint another member from the other end of the colony, who could not possibly know anything about the district which was affected; and he thought the position taken up by the Minister was an unfair one. He did not know why the Minister should act as he did towards the City of Auckland, and try to injure the coastal trade of Auckland. He did not know what the people there had done that the honourable gentleman should try to injure them in this way; but, at any rate, he hoped the House would not permit this injustice to be done to the Auckland members. He moved, That the honourable member for the Bay of Islands (Mr. Houston) be appointed to take Mr. McGowan's place.

Mr. REEVES did not intend to reply to this characteristic tirade, beyond saying that it was eminently worthy of the honourable gentleman. The point was this: He had already apologized for forgetting to submit the reasons to the honourable member for the Thames before half-past five o'clock. He was added to the original three Managers, and asked to act on the Conference last week. He (Mr. Reeves) forgot that his name was added, and when reminded of the matter he postponed asking the assent of the House in order to enable the honourable gentleman to go into the reasons and assent to them. The honourable member could not assent, and he (Mr. Reeves) knew it was perfectly absurd to go on appointing member after member from the Auckland District when they were all against him on one point of the Bill. They must have Managers who supported the Bill. It was of no use having those who would not support the Bill; and therefore he asked that the honourable member for Maitland should be added in the place of the honourable member for the Thames. If the honourable member for the Bay of Islands (Mr. Houston), or any other Auckland member, were in favour of the Bill, and against the principle of the honourable member for Marsden's amendment, he (Mr. Reeves) would be delighted to see him on the Committee; but to appoint Managers who were against the Bill was simply to postpone the thing time after time and prevent any decision being come to in the other Chamber.

Mr. SPEAKER said it was absolutely neces-

sary that the Committee should consist of members holding the same views. It could not be composed of members holding different views. The members who drew up the reasons would in all probability become members to represent the views of the majority of this House at a Conference between the two Houses, and it would not do that those acting on behalf of this House should be a disunited body.

Mr. MCGOWAN was sorry the honourable member for Marsden had shown the heat he appeared to feel in the matter. He really thought there was no necessity for it. He sympathized with the position the Minister was placed in, and he at once accepted his explanation. At the same time he must say, seeing that the reasons were already written, and that he could not agree to them, he was only within his rights in refusing to sign them. If the Conference had been properly called together, and each man had been allowed to produce the reasons he could give, it was quite possible that in that case the Minister might have come to terms; but when reasons were drawn up and placed before a member, who was asked to sign reasons not agreeable to himself, and he had no means of altering them, there was nothing left but to refuse, as he had done.

Mr. CROWTHER quite agreed that it was necessary those representing the House should be agreed: at the same time, there was no use in suggesting a Conference if it was a foregone conclusion before it took place that every one on that Conference must approve of the Minister of Labour's Bill or that it must be thrown out. The Minister said, in effect, "You must take this Bill whether you approve of it or not." He understood the matter had been simplified to this extent: that there could be no difference. They wanted somebody on the Conference who had an opinion of his own, and some backbone. They were not all there to follow the dictates of the Minister of Labour, but to use their own judgment and experience, and to obtain those necessities and requirements that they could not do without. That was the position they were in, and they knew these requirements were absolutely necessary. The Minister of Labour did not know—he was not going to say the Minister of Labour did not care; but he would be much better satisfied if the Minister of Labour would consult their requirements a little more than he had done in matters of this sort.

Mr. BUTTON said that all the Auckland and northern members were unanimous on this point, and the reason they were unanimous was that they realised what an immense amount of mischief would ensue if these restrictions were put in by the Minister of Labour, or were to prevail in that district. They were constantly hearing about the unemployed, and that a large number of them were seeking employment in all parts of the colony. If these restrictions were to be put in, so that the men owning little boats and steamers could not pursue their vocations,

they would have an immense number of unemployed. These restrictions were throwing men out of work. They were adding to the multitude of unemployed. At the same time they were always hearing about the unemployed, and what the Minister was going to do for them. There was a large number of small vessels trading out of Auckland, because the harbour was differently situated from those in other parts of New Zealand. There the Great Barrier Island and the Little Barrier Island afforded a large amount of protection to a considerable extent of coast, and boats could trade within these extended harbour limits with safety. If the owners of these vessels were not to be permitted to carry on their trade a great deal of mischief would be done, a large number of men would be thrown out of work, and a considerable number ruined. This was the reason that the honourable members for the northern districts felt so strongly on the matter. There would be a great deal of dissatisfaction created by these restrictions throughout the northern part of the colony.

Mr. REEVES said that already every care had been taken that there should be no restriction placed on the little boats trading in the Hauraki Gulf, and it was stated in the reasons that they were prepared for further concessions on that point. The only reason they wished to go to the Conference on this clause for was to see that in exempting these small mosquito boats they did not also exempt the large trading steamers on the ocean. The amendments made in the Council would, in his opinion, have that wide effect. He wished to narrow it so as to exempt only those boats which honourable gentlemen mentioned. He was quite willing that these boats should be exempted.

Mr. T. MACKENZIE asked, what about the small steamers coasting between Dunedin and Invercargill? They had a mosquito fleet there which was of very great importance to small settlers along the coast, at Port Molyneux, Owaka, and Walkawa; and they would soon be used at Tautuku. He thought the Minister should not legislate so as to render it impossible for these steamers to trade. He thought, with the honourable member for Auckland City, that the matter should receive more consideration.

The House divided on the question, "That Mr. McNab's name be substituted for that of Mr. McGowan."

AYES, 23.

Buddo	McKenzie, J.	Saunders
Buick	Meredith	Seddon
Carncross	Mills	Smith, G. J.
Carnell	Montgomery	Tanner
Earnshaw	O'Regan	Willis.
Flatman	Parata	<i>Tellers.</i>
Joyce	Pinkerton	Millar
Mackintosh	Pirani	Morrison.

NOES, 33.

Allen	Button	Duncan
Bell	Cadman	Duthie
Buchanan	Collins	Fraser

Graham	Mackenzie, T.	Newman
Hall	Maslin	Smith, E. M.
Harris	Massey	Stout
Heke	McGowan	Te Ao
Hogg	McKenzie, R.	Wilson.
Hutchison, G.	McLachlan	<i>Tellers.</i>
Kelly, W.	McNab	Crowther
Lang	Mitchelson	Thompson.
Lawry		

Majority against, 10.

Motion negatived, amendment agreed to, and Mr. Houston's name substituted.

INCOME-TAX BILL.

This Bill was read a first time.

On the question, That the Bill be read a second time,

Mr. T. MACKENZIE wished to ask the Minister if he intended to collect this tax twelve months from the date of the last collection. He did not wish in any way to hinder the business, but he must really say, in all earnestness, that the Government should not collect this tax in the manner in which they collected the last land-tax. It was a very serious inconvenience and hardship to a number of people, who had made preparation in the ordinary way to meet the land-tax in twelve months from the last collection. In connection with the income-tax, he would like very much to have the assurance of the Minister that he intended to let the tax be collected once a year, and not within a shorter period than twelve months from the date of the last collection.

Mr. WARD might say that of course any Treasurer would be only too glad to do what the honourable gentleman suggested, but circumstances might arise from time to time in connection with the finance which might make a change desirable; but he could assure the honourable gentleman that if possible he would not collect the tax within twelve months. The income-tax was paid last February, and this income-tax would not be collected till next year. As far as the land-tax was concerned, it was possible that would not be collected for twelve months, but he would not make any definite promise now. If he made that promise now, and if he had to change the date, he would be charged with breaking his word. Therefore he did not think it was desirable to give such a promise.

Dr. NEWMAN said the last time the land- and income-tax was collected was a short time before Christmas. That had a very depressing effect upon business, and was a great inconvenience. He thought the tax should not be collected just before the holidays.

Mr. WARD said he would be very glad to try to meet the honourable gentleman's suggestion.

Bill read a second time.

IN COMMITTEE.

Clause 5.—Reference to "The Land and Income Assessment Act, 1891," to include amending Acts.

Mr. BELL moved to strike out the words "whether heretofore passed or hereafter to be passed."

The Committee divided on the question, "That the words proposed to be omitted stand part of the clause."

AYES, 48.

Budde	Kelly, W.	Pirani
Buick	Larnach	Reeves
Cadman	Lawry	Saunders
Carncross	Mackintosh	Seddon
Carnell	Maslin	Smith, E. M.
Crowther	McGowan	Smith, G. J.
Duncan	McKenzie, J.	Steward
Earnshaw	McKenzie, R.	Tanner
Flatman	McLachlan	Thompson
Graham	Meredith	Ward
Hall	Millar	Willis.
Harris	Mills	
Hogg	Morrison	<i>Tellers.</i>
Houston	Parata	Collins
Hutchison, W.	Pinkerton	Montgomery.

NOES, 15.

Allen	Massey	Stout
Buchanan	McGuire	Wilson.
Duthie	McNab	<i>Tellers.</i>
Fraser	Mitchelson	Bell
Heke	Newman	Button.
Mackenzie, T.		

Majority for, 28.

Words retained.

Bill reported, and read a third time.

MOORE, HEPBURN, AND ROBINSON.

On the question, That the House resolve itself into Committee of Supply,

Sir R. STOUT moved, That all the words after the word "That" be omitted, with a view to insert the following words: "in the opinion of this House it is desirable that due provision should be made for giving effect to the recommendations of the A to L and M to Z Public Petitions Committees respectively on the petitions of W. Hepburn, R. Robinson, and W. J. Moore." He was sorry he should have to take up the time of the House in speaking to this matter, but it was a very important matter to the three petitioners. He would explain, very shortly, the position. These three men had all been in the Defence Department. They had been in the Armed Constabulary, and were removed out of it to what was termed the Stores Department: that was, practically they were in the same branch of the service, but were called upon to do different work. Now, they were entitled to compensation if they remained in the Defence Department; and that was the view the A to L Committee had taken of the petition of William Hepburn, and they had recommended that he should be allowed £147 as the compensation due to him when he was removed from office. He found, however, that there was only a sum of £40 put down for him on the supplementary estimates, to meet this claim of £147. This simply meant that this poor man was practically defrauded of what he was entitled to as

a right. It was not a question of a gratuity at all. There were gratuities spread all around these estimates, but this was a case where the man was actually entitled to the money. If, however, there was any doubt about that, if the Minister of Defence would allow the matter to be submitted to a Judge of the Supreme Court he ventured to say that the award would be that these men were entitled to this money. Then, in the next cases, of Moore and Robinson, what happened before the M to Z Committee was this: The M to Z Committee found that they were entitled to compensation for the time they belonged to the Armed Constabulary Force; but, as they were changed into the Stores Department, they should only be entitled to count the compensation money, for the time they were in the Stores Department, under the new regulations issued in 1886 by the late Mr. Ballance, who was then Defence Minister: and it was proved by the Under-Secretary for Defence that these regulations were read to the men, and consequently bound the men and the Government. Even if that regulation were given effect to, the amount put on the estimates for Robinson and Moore was not equivalent to what the Committee recommended. The result was that the men, so far as he could make out the figures, had been only allowed compensation from the time they were in the Armed Constabulary Force, and were not allowed any compensation for loss of office in the Stores Department. So far as the M to Z Committee was concerned, they construed it that the transference of these men from the Constabulary to the Stores Department meant that this was a new branch of the service they were entering, and that, consequently, the new rule applied to them and that they would be entitled to their compensation, and the result would be that they were entitled to claim at that rate all the time. He thought the M to Z Committee was wrong, and that the A to L Committee took the proper view of the matter. He was not asking that the M to Z Committee's report should be disagreed with; he was simply asking that the A to L Committee's report in Hepburn's case should be given effect to, and that the M to Z Committee's report on Moore and Robinson's cases should be given effect to. There was nothing more unfair than this treatment of the men. Those men were dismissed from the Government service. No charge was made against them; and they ought to have had their compensation at once, instead of being kept four or five months hanging about without getting compensation. One of them, they knew, was anxious to go on his bit of land and utilise it, but all the men had been kept waiting four or five months without being able to work while waiting for this to be given them. One man was to get, by the estimates, £40, another £50, and the other £100 odd for the whole of the compensation. The fact was that these men were entitled to about four times the compensation allowed them. Supposing a private employer had done what the Government had done they would have all

sorts of statements about how the capitalist was doing this to his labouring-men, and injuring his labouring-men, and so on. Were not the Government, who were the employers in the first instance, doing an ungracious thing to their employes, and doing what was practically a dishonest thing?—because they were violating the contract that had been made with the employes, and there could be no contract more specific than was the contract under the new regulations that were issued, and which were read to the men. He was surprised at the Government not accepting the decision of the Committee. He could only say that both Committees seemed to have taken endless trouble in doing what was fair in the matter, and they came to their conclusion. He did not agree with it, but still the men were apparently willing to accept it. He might explain to the House that it ought not to take five months to simply pass this recommendation of the Petitions Committee. He could say no more at that late period of the session, but he exceedingly regretted he had to make the motion. He had been asking about it for many months, and now that day the Premier was courteous enough to inform him that he had not been able to put on the estimates anything but the sum which appeared there, upon which he (Sir R. Stout) stated he would take that opportunity of placing the matter before the House. He thought the men had been most unjustly treated, and that the contract made had been violated, and he thought no private employer would have done such a thing.

Mr. SEDDON thought that when the House heard the other side of this question it would come to the conclusion that the Government had gone much further than any private employer of labour would have gone in what they had done: in fact, they had gone further than had been done in other cases. The facts were these: These three men were in the Armed Constabulary up to a certain time; they left voluntarily to enter the Defence Stores Department; and in leaving the Constabulary they bettered their condition.

Sir R. STOUT.—No.

Mr. SEDDON said it appeared so on the papers.

Sir R. STOUT said they were retired from the Constabulary.

Mr. SEDDON said, No; they left voluntarily, and the papers were there to prove it. It was optional to each of them whether he would leave or not. Had they been arbitrarily retired by the Government the papers would show it. They then entered the other service, the Defence Stores. In that service they had received higher salaries, and had bettered their position. That, of course, must be admitted, because if they took a computation that was made—that was, what they would receive as compensation if they had remained in the Armed Constabulary and what they would receive in the Defence Stores as Civil servants—the House would see the difference. As he had said, when they left the Armed Constabulary, that was the time for them to have made their claim; and

the Government ought then to have paid them compensation if they were entitled to it. If the Government, at the time when they retired from the Armed Constabulary, had paid them compensation it would be the same amount as was now on the supplementary estimates. He had, as a matter of equity, taken the retirement as being compulsory, and he said no one could have gone further than that. The Auditor-General stated that they were not entitled to compensation. The officers whose duty it was to watch the public chest stated that they were not entitled at all to compensation. That was the position. He would read this memorandum:—

“Defence Office, Wellington, N.Z.,

“29th June, 1894.

“SIR,—In reply to your letter of 28th instant, forwarding Petitions Nos. 1 and 49, from Messrs. Robinson and Moore respectively, recently employed in the Defence Stores Department, I have the honour to report, for the information of your Committee, that these men, while belonging to the Militia or Armed Constabulary Force, were not entitled to compensation, for the following reasons: The members of the A.C. Force had no legal claim to compensation; *vide* clause 2, ‘Civil Service Reform Act, 1886.’ Both these men continued to be members of the Militia till after the passing of ‘The Civil Service Reform Act, 1886.’ It is therefore clear that they are not entitled to compensation after transfer to the Stores Department; but they should have been placed under the stoppage of 5 per cent.; *vide* clause 11 of that Act. This, however, does not appear to have been deducted.—I have, &c.,

“A. HUME, Lieut.-Colonel,

“Acting Under-Secretary for Defence.”

“The Chairman,

“Public Petitions M to Z Committee,

“House of Representatives.”

If they had been treated as Civil servants they would have had 5 per cent. deducted from their salaries, and when they left the 5 per cent. would be given to them as their compensation. Under those circumstances he would like to know what injustice the Government had done. He had asked that a computation should be made of what was due to them if they had been compulsorily retired from the Armed Constabulary, and that was the amount that now appeared on the supplementary estimates. The honourable gentleman had complained that the men had been kept hanging about. He did not know the position of all the men, but one individual, he was glad to say, was fairly well-to-do, and he did not suppose that he would keep hanging about much. He did not take that into consideration at all, and he did not find fault with the man who had been thrifty.

An Hon. MEMBER.—Who is that?

Mr. SEDDON thought it better not to mention names. The fact of the men waiting about had nothing to do with it. They received three months' salary, and if it had been a private individual who no longer re-

quired the services of these men they would not have got three months' salary. In addition to this, they—by what was proposed on the estimates—got whatever they were entitled to receive at the time they left the Armed Constabulary. Then there came another phase of the question. His honourable friend had said that they petitioned the House, and were kept waiting about; but there were others who had petitioned the House whose names did not appear at all, and who had got nothing placed on the estimates for them. If it was to be claimed that because people hung about and lobbied the members they should get what they applied for, all he could say was that they would have a good many petitions for compensation. In this case, where he could stretch a point he had done so, and he could go no further. If he were to admit that when they came into office in 1891 the officers of that department were entitled to claim compensation, they would have to place not £200 but £2,000 on the estimates.

Sir R. STOUT.—But you have admitted it already.

Mr. SEDDON said he had not admitted it.

Sir R. STOUT said the honourable gentleman was unaware that it had been given in evidence before the Committee that one man had been paid.

Mr. SEDDON said he had not given any evidence before the Committee. There might have been some circumstances regarding a particular officer which required special consideration; but he had not admitted the principle. These men were practically labourers. One was an express-driver who drove the express to and from the Gaol; he could not be a Civil servant, and if he had remained in the Armed Constabulary he would have been entitled to compensation; but if they were to pay compensation to this class of men, and say they were Civil servants because they were doing Defence Stores work, all he could say was that there were scores of men who had been in the Defence Stores who were just as much entitled to claim their compensation as these men were. He would be most happy to meet the honourable member for Wellington City (Sir R. Stout), who was in charge of these petitions, if he could, but he could not. He had his duty to perform, and had to go by what he saw on the papers. He had put Robinson down for £100, when the recommendation of the Committee practically amounted to only £62.

Sir R. STOUT.—Nothing of the sort.

Mr. SEDDON.—Here is the recommendation of the Committee.

Sir R. STOUT.—Read it.

Mr. SEDDON said it was Moore's case. The report recommended—

"That the petitioner should receive compensation based, firstly, on the practice prevailing up to the date of letter minuted by the Hon. the Defence Minister on the 25th June, 1887 (£12 10s.); and, secondly, thereafter on the terms expressed in the said letter (£50)."

Mr. Seddon

Sir R. STOUT asked, who put in £50? There was no sum fixed.

Mr. SEDDON said this was what he found on the paper:—

"That your petitioner is justly and equitably entitled to compensation for loss of office upon compulsory retirement by the Hon. the Defence Minister; in support of which numbers of similar cases can be cited."

He simply said there was no compulsory retirement at all.

Sir R. STOUT.—What is there; then—dismissal?

Mr. SEDDON said, Certainly not. If it had been dismissal he would there and then be entitled to receive compensation in the ordinary way, and if he was retired compulsorily it would be the same; but he left voluntarily and changed his position in order to enter the Defence Stores. He would take a case in point, which was this: that Parliament, by the Railways Act of 1877, said to those who were in the Civil Service up to that date, "You have been Civil servants; from this date you can enter the railway service if you like. If you enter the railway service you get no compensation. If you like to leave now, we will pay compensation up to date." That was the Act of the Legislature. Now, they might just as well let the man who voluntarily entered the railway service, and who now returned, come again to the House and claim compensation for the time he was in the railway service. He was treating these petitioners just as Parliament had treated the railway servants. These men up to the time they entered the Defence Stores had a right to their compensation. From that time forward those who entered the Defence Stores had no right to it. To show he was right, if they had been intended to be treated as Civil servants they would have had, under the Civil Service Act, 5 per cent. deducted from their salaries; but it had not been deducted. As far as he was concerned, he found a large number of these men employed in these Defence Stores—more men than there was work for. To the men who had to be retired he gave a month's salary. Then, it was represented to him that they should be given three months' salary. He said he would look up the authorities; and finding these were against him he gave the men three months' salary. If they were to do as suggested there were a number of Constabulary men who had been put in other positions, in fact they were scattered all through the service, and a large number of men had left, and it meant a large sum of money. Members had expressed dissatisfaction with the Government as regarded the amount placed on the supplementary estimates, and as regarded the petitions presented. He simply said he had had the amount computed which the men would receive if compulsorily retired. Moore said in his petition he was compulsorily retired. He had taken the man at his word, and said to him, "I will pay you compensation as though you were compulsorily retired, although the documents do not show compulsory retire-

ment." The Auditor-General, as the responsible officer in these matters, would have represented the matter if those men had been entitled to more, because, having to go to the Audit Department, the amount it found to be due would have to be paid. The Defence Stores were no part of the Civil Service. The men were put on there from time to time, casually and otherwise; and he had only done what had always been done. He trusted this explanation would be regarded as satisfactory. To show that different Committees had differed in their views on the question, he might say that in Hepburn's case, for instance, if they paid the full amount it would be over £147, but they thought they were making him a liberal allowance for compulsory retirement in giving him £40. There were very many cases for which the Government provided nothing at all in the estimates, and men who had better cases than these.

Mr. FRASER said that, as a member of the Petitions M to Z Committee, he remembered perfectly well the occasion when these men's claims came before that Committee. The anxiety of the Premier to protect the Treasury was very commendable, but he did not think it should be done at the expense of justice. These men certainly did not retire voluntarily from the Armed Constabulary. The evidence distinctly proved that the men were compelled to enter the Stores Department. To say that these men should have claimed the retiring allowance they were entitled to when they left the Constabulary was sheer nonsense. He (Mr. Fraser) asked Colonel Hume, If each of these men had taken that money would they not have had to repay it the next day when they entered the Stores? and the reply was, Yes. The thing was a mere quibble. It was a well-known fact that if a man claimed compensation when he was retired and then re-entered the Service he would have to repay that compensation.

Mr. SEDDON said, Certainly not.

Mr. FRASER said that was the evidence given by the officers of the department.

Mr. SEDDON asked the honourable gentleman to look at the Civil Service Act, and he would see that he was wrong.

Mr. FRASER said it was not the first time an Act had been evaded, and he knew another case in which it had been done. It was a case of Hobson's choice with the men. If they had not consented to be removed to the Stores Department they would simply have been told to leave. He thought these men had established their claim to payment on the scale recommended in the report. He knew the conclusion of the Committee was not to grant the full amount demanded by the petitioners, but an amount much larger than what appeared on the estimates.

Mr. MORRISON said in Robinson's case it was agreed to recommend a payment of about £100.

Mr. FRASER said, then, there was the case of Moore. He was quite clear that the facts elicited by the evidence of Colonel Hume were

not such as told them by the Premier that night.

Mr. E. M. SMITH was sorry to disagree with his chief, but he was positively sure that the information laid before the M to Z Committee was just the opposite to what had been supplied to the Premier from the Audit Department. There was no doubt whatever that the man Robinson was entitled to compensation, because at one particular period his compensation was actually computed, and was a higher amount than was now put down on the supplementary estimates. The Committee did its "level best" to investigate the case, and he knew that a large number of the members of the Committee were dead against pensions or allowances in any shape or form, and, if it had not been established beyond the shadow of a doubt, they would not have recommended it in this case; and the evidence proved that this man did not move from one branch of the service to the other of his own free will. It was a mere matter of arrangement with a view to departmental reorganization, and it was only fair and just that, while they should not pay these men any amount they were not entitled to, yet any amount they were entitled by law to receive they should get. He was sure, if the evidence laid before the Committee were reviewed, it would be established beyond the shadow of a doubt it was an insignificant amount that was set down, and not sufficient to give the men the compensation they were entitled to. He had no personal interest in the matter, but as one of the Committee he felt bound, as he did in every case, to speak fairly and honestly, and give his views in the interests of justice. Every member of the Committee knew that the officers of the department did not give their evidence willingly; it was dragged out of them. It was clearly proved in evidence that these men were to get compensation on a system that was agreed to by the late Defence Minister, the late Mr. Ballance, and then after that it was left an open question with the department to compute what they were entitled to. If the men got what the Committee recommended they would only get what was right. The documents laid before the Committee would show that the honourable member for Wellington City (Sir R. Stout) had given the true version of the case. The Premier had simply been guided by the Audit Department.

Mr. CROWTHER said, so far as the Petitions A to L Committee were concerned, they were led to believe by the evidence that the men were promised, if they did retire, that their case would not be prejudiced thereby. Hence the Committee recommended their case for favourable consideration.

Mr. McNAB said his own recollection of the cases which came before the Petitions M to Z Committee bore out the statements of the honourable member for Wakatipu and the honourable member for New Plymouth. The honourable member for New Plymouth had stated something about the late Mr. Ballance. There was one point which he thought came out in evidence which had not been

mentioned to-night. This was, that there was a memorandum from the late Mr. Ballance bearing out the contention which the petitioners put forward. That memorandum, it was stated in evidence, was actually read out to the men on parade; and he himself, and one or two other members who were on that Committee, based their decision purely on this memorandum. Had it not been for that they would not have voted as they did, but, having that memorandum before them, they could not possibly go back upon it without repudiating to a certain extent the wishes of one who was no longer among them.

Mr. MEREDITH, as Chairman of the Public Petitions M to Z Committee, remembered the petitions of Moore and Robinson coming before the Committee. Their petitions were carefully considered. The Committee had before them the heads of departments as well as petitioners. Both petitions received full consideration. The decision arrived at by the Committee was to this effect: that up to 1887 the petitioners were entitled to a month's salary for every year of service. For the time served after 1887, as per circular issued on the 25th June, 1887, the Committee recommended that they should receive at the rate of one month's salary for every three years' service. He (Mr. Meredith) was not in a position to say how many years Moore and Robinson had been in the public service previous to 1887. That information, no doubt, could be obtained by the Premier.

Mr. SEDDON did not object to a month's salary for every year of service. They were asked to vote what the men should receive if they were compulsorily retired. That was all they had been definitely asked to do.

Sir R. STOUT said the honourable gentleman could obtain information from his own department if he had asked for it. But a general order was read out from the Defence Minister. That was the contract under which the men were working.

Mr. WILLIS said that, as a member of the Petitions Committee, he might state that this was considered to be a case of great hardship. It was thought that the men were fully entitled to the money the Committee recommended. And not only that, but the Committee were perfectly unanimous. There was no division of opinion. There was no case brought before the Committee which had occupied more time and attention than this one, for, although the Committee were anxious that justice should be done, still at the same time they took care that, before giving a decision, the Treasury should be protected, so that nothing should be given more than the men were entitled to. He fully concurred in what had been said by the other members of the Committee—that justice should be done.

Mr. BELL said he was not a member of either the A to L or the M to Z Committee, but had been present at some of their meetings on the hearing of the petitions in question. He desired to say that the reasons read were what the department had put before the Committee as the grounds of refusal to pay compen-

sation. These reasons could not be read in the House as an authority, and the Premier should not pretend that this had induced the Committee to come to its determination. He was glad to hear that both Committees had come to a unanimous conclusion. It seemed to him—and he did not think he was at all prejudiced in the matter—that these men had a claim which employers could not very well resist, and if both these men were now granted more than they were absolutely entitled to, in consequence of the assurance received when they were transferred to the Stores Department, then the department would do no more than justice. It was not, perhaps, quite a legal right, as had been urged; but he did not see what reason there could be for giving them less than the Committee thought they were entitled to.

Mr. SEDDON said the Committee did not recommend that amount.

Mr. BELL argued that the Committee recommended that as a basis of calculation. He did not see why, when it had been referred to the Committee, the honourable gentleman should not be prepared to accept its decision as correct.

Sir R. STOUT said they only recommended an amount in one case.

Mr. SEDDON held that the Committee recommended that the petitioners should receive compensation as mentioned in the letter by the Minister of Defence in June, 1887. That was the recommendation in the case of two out of three of these petitioners. As far as Robinson was concerned, it should be recognised. He (Mr. Seddon) was quite prepared to take that as a basis. The Chairman said that would be a month's salary for every year's service for a limit of years. He understood that was the basis on which the Committee went. He was called on to negative the amendment, but he would give the additional amount as desired. He did not want to be harsh to the men; he was only looking at the principle.

Mr. O'REGAN, as a member of the A to L Committee, before which the case of Hepburn was brought, would like to indorse what his honourable friend the member for Auckland City (Mr. Crowther) had said. The Committee in that case were unanimous, and came to their decision after a great deal of deliberation. He would like to ask the Premier if what he had said applied also to Hepburn's case.

Mr. SEDDON said the man would receive the same as if he had been compulsorily retired—a month's salary for every year of service.

Sir R. STOUT would recall the terms of the Premier's circular. As far as Robinson's case was concerned, there had been a sum made up by the Audit Department, and if the Premier agreed to couple that with the basis laid down he would be satisfied.

Mr. SEDDON said he had stated to the House what he was prepared to give.

Sir R. STOUT said the Premier had got the papers, and surely the honourable gentleman could say if he would give Robinson the amount

Mr. McNab

that the Audit Department had arrived at after this man's transfer.

Mr. SEDDON said he had already told the House what he was prepared to do after a perusal of the papers.

Amendment negatived.

SUPPLY.

On the question, That the House resolve itself into Committee of Supply,

Mr. T. MACKENZIE wished to bring under the notice of the House a matter of importance in connection with a particular petition, and he would ask the Premier to give his attention to it. The matter was brought up before the Railways Committee upon the petition of a man named Mr. H. Hansen. It was reported that Mr. H. Hansen had not received sufficient compensation for injury sustained, and the Committee strongly recommended this case. The man was injured through the train striking him. He had not had time to get out of the way, not receiving any notice of the approach of the train. This man was injured for life. In his letter the doctor stated,—

"I attended Mr. Hugh Hansen for a period extending from 29th April to 14th July, 1891, for injuries caused by a collision between his trolley and the engine attached to a special train, and that his injuries consisted of a fractured skull, fractured ribs, fracture of the lower end of the ulna bone of fore-arm, and other minor injuries; and that when I last saw him professionally he was still unable to follow his occupation."

In the evidence given by the Railway Department it was acknowledged that a special train was run that day upon very short notice. It was the practice to give notice when any special train was coming. Mr. Hansen had not received notice. This man had only received, on account of the injury he had suffered, an allowance for the doctor's charges and six months' salary. Clause 5 of the Employers' Liability Act provided that—

"The amount of compensation recoverable under this Act shall not exceed such sum as may be found to be equivalent to the estimated earnings, during the three years preceding the injury, of a person in the same grade employed during those years in the like employment and in the district in which the workman is employed at the time of the injury."

According to clause 4 of the same Act of 1892,—

"The said Commissioners, in case of having to pay compensation to any workman or workmen in their employ under the Employers' Liability Acts, may, under the authority of this Act, pay any amount, not exceeding five hundred pounds, in respect of each claim or judgment against them, out of any moneys in their hands applicable for contingent expenses of the railways under their control, but no larger amount shall be paid by them for such compensation except out of moneys to be appropriated by Parliament for the purpose."

All this man had received was something

like £30. He (Mr. Mackenzie) held that the man was entitled to more compensation, because if the man came before a Court of law he would receive substantial damages. It was according to the spirit of their legislation that employees should receive compensation in proportion to the injury suffered. This man had been most unjustly treated, and he hoped the Minister for Public Works would consider his case during the recess, and grant him reasonable compensation.

Mr. DUNCAN had a matter to bring before the House: it was the petition of a woman named Dunn, whose section of land at Waicoua had been taken under the Public Works Act. She applied for the compensation specified in the Public Works Act. The department ad-

12.30. mitted all the facts of the case, but said they were debarred from paying fair compensation by a certain section of the Act. The matter had been referred to the Government for favourable consideration, and he would like to know from the Minister for Public Works if, during the recess, he would make inquiries, and grant to the petitioner the sum which had been recommended by the Committee, and which she was entitled to.

Dr. NEWMAN thought the honourable member for Mataura was to be congratulated upon getting the £1,000 for the bridge in his electoral district, and also the honourable member for Invercargill on getting the sum of £300 for his roads. Both these gentlemen were to be congratulated on the success that had attended their efforts, and their remarks on a previous occasion in the House. It seemed to him that the estimated net surplus for the current year would not amount to what the Colonial Treasurer had said. The net expenditure for the current year was estimated at £4,301,000, and the revenue was estimated at £4,352,000, leaving a balance on the year's transactions of £51,000. Out of that the Treasurer was now taking no less than £49,000, which would leave on the 31st of March next only a paltry balance of £2,000 as a surplus for the current year. The Customs revenue was £55,000 short of last year's, and the Railways were £26,000 short for the half-year, so that if they added the two items together they had a deficiency in the revenue of £81,000 for the six months. That seemed to him a very serious falling-off, and he would like to have the intentions of the Colonial Treasurer explained to the House. He was aware that in the Financial Statement the Treasurer estimated the falling-off at £136,000 for the year, but according to the half-year's returns the deficiency amounted to £81,000 on the two items only. In the other items there would be a large falling-off in the current year, and it was to be expected that Customs and Railways would continue to show a decrease in the second part of the year. Looking at the other side, they saw that the expenditure was going up, and, if they took the large amount of money the House was about to vote that night, he thought it would be quite clear that the net current revenue and the net current expenditure for

the year ending on the 31st March next would not balance.

Mr. PIRANI wished to bring before the attention of the Government another case which had been before the Public Petitions Committee, and the vote for which he had expected to see on the supplementary estimates. That was the case of a man named Harper, who had been employed in the Telegraph Department, and who about ten years ago received an injury, the result of an accident, which had left him paralysed. The grant formerly made to him had been struck off the estimates, and the Committee had favourably recommended the case, as the man was simply a helpless cripple. This man had had a bare subsistence all these years, and he was now reduced to such a pitch that it was absolutely necessary that something should be done for him. The Public Petitions Committee had heard his case, and had recommended it to the Government for consideration, but, as he had not served the country perhaps so well as Captain Jackson Barry, there was no vote placed on the estimates for him. He was very sorry indeed to see that some consideration had not been given to this man. If the old vote for £20 a year had been renewed it would have given him a chance of dragging out the rest of his short life in a state a little less miserable than that he had been lately reduced to. He hoped the Government would take the matter into consideration, and do something at any rate for a man who was now in reduced circumstances, and who was injured in the service of the Government.

Mr. WARD said he was not aware of the case the honourable gentleman referred to, and if it had been brought under the notice of the Government he had not heard anything of it. It would receive consideration, and if circumstances justified the expenditure referred to he had no doubt the Government would favourably consider the matter. In reply to the honourable member for Wellington Suburbs, that honourable gentleman, in dealing with the estimated surplus, had entirely overlooked something, and he would direct his attention to it.

Dr. NEWMAN said he had taken the results for the current year, and had not carried forward anything.

Mr. WARD said he was dealing with the results in the same way precisely. The estimated surplus on the 31st March next was £341,940; and, if they took from that £250,000, the sum which was to be transferred to the Public Works Fund, it left £91,000, and the £49,000 referred to by the honourable member as the amount of the supplementary estimates deducted from the £91,000 left £42,000. That was the position—quite different from what the honourable member had said. There was no such thing as the magician's wand being exercised on this occasion. That was not so. Then, again, he took the £51,702 excess of revenue, to which the honourable member also referred.

Dr. NEWMAN.—For the current year.

Dr. Newman

Mr. WARD said the honourable gentleman would admit that this was right—that at the end of the financial year there would be a balance over the expenditure of £42,000; for, if they took from the £341,940 the sum of £250,000 which was to be paid from the consolidated revenue into the Public Works Account, it left £91,000; and, if the £49,000 to which the honourable member referred was deducted, at the end of next March there would be a balance of £42,000 over and above. He thought he was quite justified in taking these figures, as it was upon them they had operated last year, and they had come out all right upon the same basis, notwithstanding the predictions to the contrary of honourable gentlemen opposite. That being the case, he thought they would come out right again this year, and he could only say he had every reason to hope that they would. The honourable gentleman was somewhat facetious in his remarks about the honourable member for Mataura and the £1,000 for the Gore Bridge, and also in his remarks regarding the sum of £200 referred to by the honourable member for Invercargill. But neither of those honourable members had the slightest necessity to air his eloquence upon these matters as they did on a former occasion, as the vote of £1,000 for the Gore Bridge was a contribution given provided the local body raised a certain sum of money locally. The amount was placed on the estimates last year, but the local body had been unable to obtain the sum of money required. The Government did not intend to withdraw the subsidy of £1,000 if they raised the money, and he hoped they would raise it during the present year. There was no necessity to put the amount on the general estimates, but it was put on the supplementary estimates now in order that it might be available for the local body if they raised the amount required. If they did not raise it they would not get the subsidy. With regard to the honourable member for Invercargill, he (Mr. Ward) was not in the House when the honourable gentleman spoke on a previous occasion; but he might say that the vote referred to was not dropped for the reason assigned. The vote referred to was provided for upon the road estimates up to the time the estimates were finally passed, but the estimates had to be reduced by an all-round sum, in order to bring them within the ways and means for the year. As a matter of fact, not only was the vote referred to by the honourable member for Invercargill reduced, but votes were taken off the estimates all round. There was no such thing in connection with the readjustment of the votes as singling out any honourable member on account of his views or votes in that House. There was nothing of the sort, and it was only right that he should say so. The chief consideration actuating the Government was that of meeting the most pressing requirements of the colony. The facetious remarks of the honourable member for Wellington Suburbs promised well, and he (Mr. Ward) felt sure that the honourable gentleman was going to vote for the estimates throughout.

Dr. NEWMAN said he had got only a little on the estimates.

Mr. WARD said if honourable members looked through the estimates they would probably find that the honourable gentleman had got three or four rosy little things all to himself hidden away somewhere.

Dr. NEWMAN said he had got a cemetery.

Mr. WARD said that was not so bad. The honourable member for Hawke's Bay had also stated that he was not fully satisfied.

Captain RUSSELL said he had got nothing.

Mr. WARD said the honourable gentleman had got £3,000 in one vote. That was surely more than nothing. As to the member for Clutha, that honourable gentleman was never satisfied; but his district, he (Mr. Ward) felt quite sure, had received a fair share. Upon the whole, the remarks made upon the motion for going into the Committee of Supply augured well, he thought, for the free passage of the estimates through the Committee.

Motion agreed to.

IN COMMITTEE.

PUBLIC WORKS FUND.—PART I.

CLASS IV.—ROADS.

Vote, Main roads, £40,000, agreed to.

Vote, Miscellaneous roads and bridges, £20,000, agreed to.

Vote, Roads on goldfields, £45,455, agreed to.

PART II.

CLASS III.—ROADS.

Vote, Roads to give access, £20,005, agreed to.

Vote, Local bodies, £600, agreed to.

LANDS IMPROVEMENT ACCOUNT.

Roads and bridges, £150,000.

Mr. PIRANI pointed out, in connection with the item "Pohangina Valley Forest Reserve, £325," that there was a totara reserve the Land Board wanted to sell, and £12,000 would go into the coffers of the Government if it were sold, and it would take £560, according to the Minister's own department, to enable it to be sold. A report had been sent in asking for this amount from the district department, but the amount on the estimates was just one-half, which would be useless, as it would only half-metal the roads, and if half-metalled it would be impossible to sell the reserve for another year.

Mr. J. MCKENZIE said, if the amount the honourable gentleman stated would be realised by the sale, no doubt the department would find the money asked for.

Vote, £150,000, agreed to.

NATIVE LAND PURCHASE ACCOUNT.

Vote, Native Land Purchase Account, £150,000, agreed to.

PUBLIC WORKS FUND.—PART I.

CLASS V.—DEVELOPMENT OF GOLDFIELDS.

Development of goldfields, £43,150.

Dr. NEWMAN thought the sum of £10,000 for water-races and works on goldfields was an extraordinary jump from the £5,000 of last year. There had been more waste of money

in sludge-channels than in any other way. He would like to know how it was proposed to spend the £10,000 for deep levels, and on what conditions.

Mr. CADMAN said a Bill had been passed that evening to meet the question. What was proposed was that there should be three deep levels in the colony—one in Auckland, one in Westland, and one in Otago. These were the only three it was proposed to subsidise under this vote, and the subsidy would probably be at the rate of pound for pound.

Vote, £43,150, agreed to.

CLASS VI.—PURCHASE OF NATIVE LANDS.

Vote, Purchase of Native lands, £700, agreed to.

CLASS VII.—TELEGRAPH EXTENSION.

Vote, Telegraph extension, £31,000, agreed to.

CLASS VIII.—PUBLIC BUILDINGS.

General, £14,950.

Mr. PIRANI asked when the Courthouse at Palmerston North was to be gone on with.

Mr. SEDDON said they were desirous of getting the timber on the ground, so that once the work was started they could go on to a finish.

Mr. PIRANI said the timber was there, and a contract had been accepted for a part of the work. Numbers of carpenters were out of work who had been promised that it should be gone on with, but they were constantly put off.

Dr. NEWMAN drew the attention of the Minister to the miserable entrance to Parliament Buildings, and the poor accommodation for visitors to members.

Mr. SEDDON said he had done a good deal during the last recess, and something more would be done during the next recess.

Mr. DUNCAN drew attention to much-needed painting to the gaol and lock-up at Oamaru.

Mr. SEDDON would look into the matter.

Vote, £14,950, agreed to.

Vote, Judicial, £34,260, agreed to.

Vote, Postal and Telegraph, £10,000, agreed to.

Vote, Customs, £500, agreed to.

Vote, Lunatic asylums, £24,450, agreed to.

Vote, School-buildings, £15,000, agreed to.

Vote, Agricultural, £1,650, agreed to.

Vote, Hospitals and other charitable institutions, £2,400, agreed to.

CLASS IX.—LIGHTHOUSES AND HARBOUR-WORKS.

Harbour-works, £3,500.

Captain RUSSELL asked if the Minister would give some information in connection with the erection of a lighthouse at Cape Kidnappers.

Mr. WARD said there was a sum of £3,000 on the supplementary estimates for a new lighthouse on the East Coast. There was a doubt as to whether it should be erected at Cape Kidnappers or not. As soon as that point was decided the work would be proceeded with.

Captain RUSSELL presumed the vote referred to Cape Kidnappers, or that vicinity.

Mr. WARD.—Yes.

Mr. TANNER moved, That the item, "Wharf at Howick (subsidy, £1 for £1), £1,500," be struck out.

Amendment negatived.

Mr. W. KELLY would like to know what was going to be done with regard to the dredging of the Tauranga Harbour.

Mr. SEDDON said the report of the department was against this work, but he would make further inquiries.

Mr. MONTGOMERY said if it was the policy of the Government to give money for wharves he could mention several places in Akaroa Harbour where wharves should be erected.

Mr. PIRANI moved, That the item "Wharf at Howick (subsidy, £1 for £1), £1,500," be reduced by £1, as an indication that the vote be granted without the provision as to a subsidy.

Amendment negatived.

Mr. BUICK would like to know if any sum was to be voted for the Picton wharf, seeing that £1,500 was to be granted for a place like Howick.

Mr. SEDDON said the difference between the two was this: that the wharf at Picton was controlled and held by the Railway Commissioners. The Railway Commissioners had asked for £46,000 as an addition to open lines, and £40,000 had been granted. If they had asked for a sum for this purpose the Government would have been prepared to give it consideration.

Mr. COLLINS would move, That the item, "Nelson (dredging harbour), £1,000," be struck out. He regarded this as a most unwarrantable waste of public money.

Mr. R. McKENZIE thought this was an important harbour, and that the money would be well spent. He did not think the colony would lose anything by spending it.

Amendment negatived.

Vote, £3,500, agreed to.

Vote, Harbour defences, £10,000, agreed to.

CLASS X.—RATES ON NATIVE LANDS.

Vote, Rates on Native lands—Recoverable from owners, £650, agreed to.

SUPPLEMENTARY ESTIMATES.

CLASS I.—LEGISLATIVE.

Legislative Council—Salaries and other charges, £60.

Mr. PIRANI wished to know if it was correct that the Premier had reduced the remuneration for Committee reporters to one-half what they used to be.

Mr. SEDDON said he had nothing whatever to do with carrying out the details. It was true a reduction had been made in the scale of pay, which was at modern rates. He did not know whether the amount was one-half or two-thirds of what was paid before, but he knew these reporters were paid according to scale.

Mr. PIRANI would only say that, as the previous scale was the scale for all private work throughout the colony, it seemed to him that

the Government that had reduced the scale had perpetrated an injustice. Before such a thing as this was done the matter should have been gone into. The men who did the Committee work deserved to be well paid. They paid all their other Legislative officers three times what they paid their Civil servants, and it seemed unfair to select the Committee reporters as those whose remuneration should be cut down.

Mr. SEDDON said he would make inquiries.

Vote, £60, agreed to.

House of Representatives, £658.

Sir R. STOUT wished to know if the item of £38 was compensation to Mr. Kinsella.

Mr. SEDDON.—Yes.

Sir R. STOUT thought the amount was very small. After so many years of service, it was a pity he was not kept on as a Committee reporter.

Vote, £658, agreed to.

CLASS II.—COLONIAL SECRETARY.

Miscellaneous services, £4,047.

Mr. EARNSHAW would like to have an explanation regarding the compassionate allowance to the widow of the Hon. Vincent Pyke. He did not raise any objection to it, but asked for information.

Mr. SEDDON said this was on petition, and it was intended that the petition should go before the Goldfields and Mines Committee, but it had gone before the Petitions Committee. This sum had been put on the estimates in recognition of the services of the late Hon. Vincent Pyke in connection with the goldfields and mining industry of the colony in the early days.

Mr. THOMPSON was afraid they were establishing a precedent, though he did not wish to raise any objection to this vote in particular.

Mr. SEDDON said there were special reasons in this case. They paid thousands of pounds to discoverers of goldfields, and he questioned very much if any man in New Zealand had done so much in connection with the goldfields as the late Hon. Vincent Pyke. He was the first Goldfields Commissioner, and had come over from Victoria with his goldfields experience, and had drafted the first complete set of goldfields rules and regulations. He thought it right that this recognition of his services should be made to the one he had left behind under circumstances which called for this recognition. It was a special case, and he would ask the House to pass it as some small recognition of the great services of the late Hon. Vincent Pyke to the colony.

Vote, £4,047, agreed to.

CLASS III.—COLONIAL TREASURER.

Office of Industries and Commerce, £120.

Mr. EARNSHAW asked for some explanation of the item, "Office of Industries and Commerce—Patterns of ornamental wood linoleum, £120."

Mr. WARD said it was thought desirable to send some of these patterns Home, as it would have the effect of bringing the New Zealand

woods under the notice of the English markets.

Vote, £120, agreed to.

Vote, Colonial Treasurer's Department, £3,491, agreed to.

Miscellaneous services, £3,778.

Mr. EARNSHAW asked the Minister to explain the amounts put down to make good the defalcations of the various officers mentioned.

Mr. WARD said this ought to have been provided for in the estimates years ago, but for some reason it had not been done. Under the regulations the whole of the officers in all the services now had to make up deficiencies when there were any defalcations in any branch of the service. In the days when these defalcations were made this regulation was not applicable to the whole of the services.

Mr. R. McKENZIE called the attention of the Minister to the fact that he knew one officer of the service who had from time to time been called on to pay his share of defalcations, and he was afterwards dismissed from the service, and he could get no satisfaction.

Mr. WARD promised to look into the case if the honourable member would give him, privately, the name of the officer in question.

Mr. MEREDITH said the honourable member for Westland presented a petition in reference to this case, which came before the Public Petitions Committee, and it came out in evidence that all this man paid was something less than £1. That was his contribution in making good defalcations.

Mr. R. McKENZIE said it was the principle of the thing which he looked at.

Vote, £3,778, agreed to.

CLASS IV.—MINISTER OF JUSTICE.

District Magistrates' and Wardens' Courts, £400.

Dr. NEWMAN asked, in reference to the amount of £400 for "Extra Magistrate, North Island," where this Magistrate would be located.

Mr. CADMAN explained that in the Welling-ton, Hawke's Bay, and Taranaki Districts the Magistrates had lately been overworked, and it was therefore intended to create a new district in the North Island.

Vote, £400, agreed to.

Miscellaneous services, £1,065.

Mr. BELL asked who was to edit the new edition of "The New Zealand Justice of the Peace."

Mr. CADMAN said that had not yet been arranged.

Dr. NEWMAN desired to know what officer was to receive the salary of £700 set opposite the item, "Acting Law Adviser and Draftsman."

Mr. CADMAN said Dr. Fitchett, who was temporarily occupying the office of Solicitor-General.

Mr. BUCHANAN asked for what term Dr. Fitchett was appointed.

Mr. CADMAN said the Solicitor-General had received six months' leave of absence on account of serious ill-health. It was just possible the Government might have to

extend that term, and Dr. Fitchett would no doubt occupy the position until the Solicitor-General's return to his office.

Vote, £1,065, agreed to.

CLASS IV.—COMMISSIONER OF CUSTOMS.

Customs: Miscellaneous services, £2,832.

Mr. WARD said the item "Refund of Customs duty, £2,700," was for a refund of duty chiefly on a class of machinery that was not made in the colony, and upon which duty had been paid in the ordinary way. Before a refund was authorised, those demanding it had to satisfy the department that it was due. The putting of the amount in one sum was merely a departmental matter of convenience.

Vote, £2,832, agreed to.

Vote, Marine Department, £2,451, agreed to.

CLASS VIII.—MINISTER OF EDUCATION.

Vote, Public schools, £5,626, agreed to.

Vote, Native schools, £500, agreed to.

Miscellaneous services, £350.

Mr. O'REGAN wished to know, with reference to the item, "Grant in aid of Thames High School, £200," why this school received exceptional treatment.

Mr. WARD said there was no exceptional treatment here. Inquiry had shown this grant to be necessary.

Sir R. STOUT thought the Minister of Education ought to explain why this special grant was made. He did not object to it, but it was exceedingly unfair that one high school should be selected out of the colony when others were being starved. The Government had not only struck out the high schools, but had failed to fulfil the contract they had made.

Mr. SEDDON said the income of this high school had fallen off owing to the depression in the mining industry in that part of the colony, and they could not make a corresponding reduction of the teachers, and consequently they were in arrears. It was a matter for consideration whether they should allow this school to break down, or should give it this special assistance.

Sir R. STOUT did not object to the amount, but would like to know if the Minister of Education would give similar votes to other high schools in like circumstances.

Mr. SEDDON said the Minister of Education was not well, and had gone home.

Mr. ALLEN asked whether other high schools that really required assistance of this kind would receive it. They had cut down salaries to the lowest ebb, and did not know how to go on unless assistance of this kind were given. He would like to have a promise that they would be treated in the same way.

Mr. SEDDON said there were other high schools which were in a bad condition, certainly, but not so bad as the Thames High School.

Mr. McGOWAN said that this was a very special case, and he had no doubt the House would grant assistance to any high school in the same condition. The governors of this school were quite prepared to hand over to the Government, for the amount it was valued at,

the small endowment they had received, and would not ask for any assistance. The returns from the mines were now so small that they could not get on.

Mr. BUCHANAN objected to partial treatment of districts, although this seemed to be a deserving case.

Mr. R. MCKENZIE thought the demands of primary education should be met before those of higher education were attended to. In some back parts of the mining districts of the West Coast they could not get even a decent shed to serve as a school.

Mr. SEDDON said there was an additional allowance of £5,600 made for primary schools.

Vote, £356, agreed to.

Charitable, £2,100.

Mr. G. J. SMITH said a mistake had been made here. He saw that £100 was put down as a grant to Avon Refuge. He thought this should have been Herrick's Home, which had done very good work. He asked, would it be possible to get £100 under the heading of "Unauthorised," in place of this item?

Mr. WARD thought it would be quite sufficient to draw the attention of the Minister of Education to the matter.

Vote, £2,100, agreed to.

Vote, Department of Labour, £40, agreed to.

CLASS IX.—MINISTER OF MINES.

Minister of Mines, £789.

Mr. WILLIS asked whether the £60 set down for "Purchase of collection of birds for Museum" was to be available for the Wanganui Museum.

Mr. CADMAN said it was intended for Wellington.

Mr. MCGOWAN asked for an explanation of the item, "Aged Miners' Home, Westland, £800."

Mr. SEDDON said this was intended to provide a home for the indigent old miners on the West Coast. They ought to do something for the pioneers of the country. In some hospitals they could not take them in, and they were treated almost as vagrants when they were too old to work and too proud to beg. The hospital authorities would take them in if they could, but, as they could not, the police had been asked to act. That was not doing justice to old and deserving colonists whose necessities and infirmities demanded special attention.

Mr. ALLEN said that, with reference to the item, "Law-costs, Jutland Flat Gold-dredging Company, as recommended by Goldfields and Mines Committee," this Committee had recommended also that the rent should not be charged. Now, as the company had paid certain moneys for rent, they should be refunded.

Mr. CADMAN said it was intended to refund the rent on the recommendation of the Committee, but it was impossible to know the exact amount until matters had been properly settled, and for that reason no vote had been put on the estimates.

Mr. ALLEN asked if it would be refunded.

Mr. CADMAN.—Yes.

Mr. R. MCKENZIE moved, That the item,

Mr. McGowan

"Aged Miners' Home, Westland, £800," be struck out. It was an insult to the pioneer miners of Westland.

Amendment negatived.

Vote, £789, agreed to.

CLASS X.—MINISTER OF AGRICULTURE.

Department of Agriculture, £10,999.

Mr. MEREDITH wished for information with regard to the item, "Expenses in connection with hemp bonus, £300."

Mr. J. MCKENZIE said the House would recollect that last year they agreed to give a bonus for the invention of improved machinery. A good many applications had been received for the bonus, and they had appointed a man to inspect the claims.

Mr. HOGG wished to be informed as to the item, "Subsidy to liquidate late Awatere Rabbit Board's liabilities, £2,188."

Mr. J. MCKENZIE said the Rabbit Board was entitled to a subsidy for wire netting, but the Board did not work satisfactorily, and after a considerable amount of money had been spent the Government had got the Board abolished, because the Board were not doing their duty; they were using the money for the fencing of their private properties, and the Government were putting an end to all that. The amount on the estimates was a liability.

Mr. BUCHANAN wished for an explanation with regard to the item, "Assistant Chief Inspector, £300."

Mr. J. MCKENZIE said that when the House met four months ago it was found impossible for Mr. Ritchie, the head of the department, to go round and inspect the other Inspectors. An intelligent man named Scaife had been appointed to keep the Inspectors up to their work, and he (Mr. McKenzie) could assure the House that he had done very good service. The appointment had put the other Inspectors on their mettle. Mr. Scaife had only received an advance of £50 on his salary.

Mr. PIRANI wished to know more about the bonus for flax. He would like to know if anything had been done practically. Had they got any test?

Mr. J. MCKENZIE said they had not got any test. The experts who were looking into the matter at the present time had not finished their work.

Mr. MONTGOMERY wished for information with reference to the item, "Cool-storage for dairy-produce, £6,000."

Mr. J. MCKENZIE said they intended to perform this work free or at a nominal charge at first, and with this object in view they had put this money on the estimates. He believed the money would be well spent.

Mr. R. MCKENZIE would like to see the whole vote struck out. He did not think the farmers should be encouraged at the expense of the rest of the community. He did not see why they should have some £11,000 allowed to them when no encouragement was given to any other industry, and they opposed anything being given to the miners of the colony.

Vote, £10,999, agreed to.

CLASS XI.—WORKING RAILWAYS DEPARTMENT.
Vote, Gratuities, £285, agreed to.

CLASS XII.—PUBLIC BUILDINGS.
Vote, Public buildings, £650, agreed to.

CLASS XIII.—DEFENCE DEPARTMENT.
Miscellaneous services, £5,438.
Mr. McNAB asked the Minister when the Martini-Henry rifles would arrive.
Mr. SEDDON said the first instalment was already in the colony. If the others were procurable they would be out by next summer. He was expecting to make arrangements for the whole of them to be out by that time. He would cable Home as soon as he got the vote passed.

Mr. DUNCAN wanted to know what proportion would be given to the Volunteers.
Mr. SEDDON said there were about fifty companies which had equal claims, and it was proposed to give them ten rifles each.

Mr. McNAB asked, if the Minister did not intend to give these rifles away, would he take into consideration the advisableness of taking off the duty? He was speaking with reference to Volunteer rifles, as opposed to sporting rifles.

Mr. SEDDON said the Government must look at it from another standpoint. If people wanted rifles they could buy them from the Government.

Mr. WILLIS asked if this £1,000 for rifles was in addition to what had already been procured.

Mr. SEDDON said Yes.

Mr. BUCHANAN said the honourable gentleman had made a promise to the rifle-clubs with reference to these rifles, and he did not think the Minister was treating the clubs fairly, after the remarks which had been made at Trent-ham.

Mr. BELL asked from whom the rifles had been ordered.

Mr. SEDDON said the rifles were procured through the Agent-General from the War Department, and were obtained at schedule rates.

Mr. DUNCAN thought some concession should be made to rifle-clubs by the admission, duty-free, of rifles intended for those clubs.

Mr. SEDDON said that matter would be considered.

Vote, £5,438, agreed to.

CLASS XIV.—POLICE DEPARTMENT.
Vote, Miscellaneous services, £647, agreed to.

CLASS XV.—MINISTER OF LANDS.
Vote, Miscellaneous services, £1,885, agreed to.

FOR SERVICES CHARGEABLE TO THE PUBLIC WORKS FUND.—CHARGEABLE TO PART I.

CLASS II.—PUBLIC WORKS DEPARTMENT.
Public Works Department, £200.

Mr. MEREDITH said that in 1893 Mr. C. Lock petitioned the House, and the Petitions Committee reported that he was entitled to a pension. The recommendation, however, had not been carried out on account of a technicality raised by the Audit Department. Mr. Lock had petitioned again this session, and his

case had been recommended to the favourable consideration of the Government.

Vote, £200, agreed to.

CLASS IV.—ROADS.
Vote, Main roads, £3,200, agreed to.
Vote, Miscellaneous roads and bridges, £800, agreed to.

CLASS VIII.—PUBLIC BUILDINGS.
Vote, Judicial, £350, agreed to.
Vote, Hospitals and other charitable institutions, £6,000, agreed to.

CLASS IX.—LIGHTHOUSES AND HARBOUR WORKS.
Vote, Lighthouses, £3,000, agreed to.

FOR SERVICES CHARGEABLE ON THE LANDS IMPROVEMENT ACCOUNT.

Vote, Roads and Bridges, £16,945, agreed to.

FOR SERVICES CHARGEABLE ON THE CHEVIOT ESTATE ACCOUNT.

CLASS XVIII.—MINISTER OF LANDS.
Vote, Cheviot Estate expenses, £28, agreed to.

FOR SERVICES CHARGEABLE ON THE PUBLIC TRUST OFFICE EXPENSES ACCOUNT.

Vote, Public Trust Office, £430, agreed to.

FOR SERVICES CHARGEABLE ON THE GOVERNMENT INSURANCE ACCOUNT.

Vote, Government Insurance Department, £15,000, agreed to.

SERVICES NOT PROVIDED FOR.

Vote, Services not provided for, £9,726 14s. 4d., agreed to.

Vote, Government Life Insurance Department, £206 17s. 7d., agreed to.

Vote, Public Trust Office, £315 14s. 7d., agreed to.

PUBLIC WORKS FUND.—PART I.

Vote, Railways, £50, agreed to.

Vote, Services in excess of votes, £1,285 12s. 11d., agreed to.

Resolutions reported to the House.

The House adjourned at half-past two o'clock a.m.

LEGISLATIVE COUNCIL.

Tuesday, 23rd October, 1894.

First Readings—Second Readings—Third Readings
Shipping and Seamen's Bill—Hikutala No. 1
Block Boundary Bill—Horowhenua Block Bill—
Appropriation Bill.

The Hon. the SPEAKER took the chair at eleven o'clock.

PRAYERS.

FIRST READINGS.

Mining Bill, Mining Districts Land Occupation Bill, Land Drainage Bill, Kirikiri Native School Site Bill, Income-tax Bill, Police Offences Bill, Horowhenua Block Bill, Public Works Appropriation Bill.

SECOND READINGS.

Mining Bill, Mining Districts Land Occupation Bill, Kirikiri Native School Site Bill, Income-tax Bill, Land Drainage Bill, Police Offences Bill, Horowhenua Block Bill, Public Works Appropriation Bill.

THIRD READINGS.

Police Offences Bill, Income-tax Bill, Land Drainage Bill, Kirikiri Native School Site Bill, Mining Bill, Mining Districts Land Occupation Bill, Public Works Appropriation Bill.

SHIPPING AND SEAMEN'S BILL.

A message was received from the House of Representatives disagreeing with certain amendments made by the Council in this Bill, and transmitting reasons for so disagreeing.

On the motion of the Hon. Mr. McLEAN, the Hon. Mr. Swanson, the Hon. Mr. Richardson, the Hon. Mr. Bonar, and the mover were appointed a Committee to draw up reasons for insisting on the Council's amendments.

Subsequently, the following reason for insisting was brought up and agreed to: "That the amendments made are essential to the fair and reasonable carrying-out of the intention of the Bill."

Subsequently, a message was received from the House of Representatives, desiring a Conference on the subject of the Council's amendments.

On the motion of the Hon. Mr. McLEAN, the Hon. Mr. Swanson, the Hon. Mr. Bonar, the Hon. Mr. Richardson, and the mover were appointed Managers for the Conference on behalf of the Council.

Subsequently,

The Hon. Mr. BONAR brought up the report of the Conference on this Bill, and, in moving its adoption, said the result of the Conference had been, practically, that the whole of the amendments of any importance had been agreed to by the other House.

Motion agreed to.

HIKUTAIA No. 1 BLOCK BOUNDARY BILL.

This Bill was read the first time.

The Hon. Sir P. A. BUCKLEY, in moving, *That this Bill be now read the second time*, said its object was to settle a long-standing dispute about boundaries—he supposed one of the oldest disputes in the colony. As the Bill was likely to go before the Native Affairs Committee, it would be desirable that any discussion on it should be taken when it came back.

The Hon. Mr. REYNOLDS protested against this Bill being read a second time now. It had not been seen by any member of the Council. So far as he knew, it had not been circulated.

The Hon. Sir P. A. BUCKLEY.—Yes, it has.

The Hon. Mr. REYNOLDS said, Well, no one had seen it. He asked why it was not introduced long ago. He intended to divide the Council, so as to enable it to understand the nature of the Bill before passing it; and to throw the responsibility for the non-passing of such measures as this in the closing

hours of the session, when they could not have proper consideration, upon those on whom that responsibility rightly devolved. He moved, *That the Bill be read the second time this day three months.*

The Hon. Sir G. S. WHITMORE wished the Colonial Secretary would offer them some explanation why the Bill should pass. He had no idea what it was, or what part of the colony it affected.

The Hon. Sir P. A. BUCKLEY said it affected the North of Auckland.

The Hon. Sir G. S. WHITMORE said all he wanted to know was that there was some kind of justification for passing it.

The Council divided on the question, "*That the word 'now,' proposed to be omitted, stand part of the question.*"

AYES, 7.

Buckley	McLean	Rigg
Feldwick	Montgomery	Stewart.
Mantell		

NOES, 12.

Acland	MacGregor	Richardson
Baillie	Oliver	Walker, L.
Barnicoat	Pharazyn	Whitmore
Bonar	Reynolds	Whyte.

Majority against, 5.

Amendment agreed to, and Bill ordered to be read the second time this day three months.

HOROWHENUA BLOCK BILL.

On the question, *That the Council go into Committee on this Bill*,

The Hon. Mr. WILLIAMS asked leave of the Council to make a short statement explaining the reasons for this Bill. On the 10th day of April, 1873, an order was duly made by the Native Land Court, under the provisions of "The Native Lands Act, 1865," and "The Native Lands Act, 1867," for the issue of a certificate of title in favour of Meiha Keepa Rangihiwini—commonly known as Major Kemp—under the 17th section of "The Native Lands Act, 1867," for a block of land at Horowhenua, in the district of Manawatu, in the Provincial District of Wellington, containing 52,460 acres, more or less; and on the same day an order was made, pursuant to the provisions of the said 17th section of "The Native Lands Act, 1867," for the registration in the said Court of the names of 148 aboriginal natives of New Zealand as the owners of this land. The finding of the Court, on which these orders were based, was that the Muaupoko Tribe was entitled to this land, and the list of owners was intended to include all the members of the Muaupoko Tribe so entitled. In the month of November, 1886, the Native Land Court sat at Palmerston North for the purpose of partitioning the said block of land, upon the application of Major Kemp. On the 25th of November three division orders were made by the Land Court, with the unanimous consent of the owners then present in Court. On the 1st of December other division orders were made by general consent, the

result being that all the persons named in the Native Land Court certificate of title as owners received on partition some portion of the said block of land in their own right. But all the portions so awarded in severalty were covered with bush, and had never been actually occupied or resided on by the Muaupoko Tribe. The effect of the partition among the owners, so far as it had now been carried, was to leave the residential portion of the block, called Horowhenua No. 11, containing 14,975 acres, and including the whole of the Horowhenua Lake, quite intact. The tribe, having determined to keep this portion of the estate unbroken as a permanent home for the people, declined to have the partition carried any further, and moved the Court to order the issue of a certificate of title for the same, as before, in the name of Major Kemp. At this stage of the proceedings Wirihana Hunia, one of the registered owners, came forward as representing the Hunia family, and objected to the order being in the name of Major Kemp alone. After a short retirement from the Court for consultation, Major Kemp agreed to admit the name of Warena Hunia—Wirihana's younger brother—as co-trustee with himself; and he then applied to the Court to join Warena Hunia with him in the order, which was done accordingly, there being no dissentient. In giving his consent to the introduction of Warena Hunia's name, Major Kemp understood that he was consenting to have a joint trustee with himself in the management of the estate for the benefit of the tribe to whom it of right belonged; and that was the universal belief among the owners then present in Court, who permitted the arrangement to be recorded unchallenged. After the division orders that he had mentioned had been made, a survey of the block was made, and a proper plan of the subdivision was prepared for the Court, after which certificates of title were ordered to be issued, in conformity with the provisions of the Land Transfer Act. The Muaupoko Tribe, who all along fully understood and believed that their interest in the said block of land was held by Major Kemp and Warena Hunia in trust, now discovered that, without any intentional consent on their part, the whole estate had passed in law to the two persons named in the order of the Court, and that their ancestral home, on which most of them had been born,—their houses, their cultivations, their burial-places, and their lake fishing-grounds,—had passed away from them for ever. No warning had been given to them in Court that the effect of the order to be made would be to divert the said lands from the acknowledged owners, or that it was necessary or desirable that the trusts under which the said lands were held should be in any way declared or protected. Indeed, there was reason to believe that the Court itself was unaware of the full effect of the order it had made; otherwise it was difficult to conceive how it could have allowed such an order to be entered up without a word of warning to those concerned. It the sitting in February, 1890, notwithstanding

ing that the trust in these lands was insisted on by Major Kemp, and admitted by Warena Hunia, the Native Land Court proceeded to partition the said lands as though the same were held by them in their own right, and, after causing a valuation of the estate to be made, divided the block into two parcels, called Horowhenua No. 11A, valued at £13,392, and Horowhenua No. 11B, valued at £12,244, and awarded them to Major Kemp and Warena Hunia respectively. Major Kemp, being dissatisfied with the proceedings of the Native Land Court, appealed to the Chief Judge of the Court for a rehearing, and a rehearing was ordered accordingly. This rehearing took place in the month of May, 1891, before Judges Mair and Scannell, when Major Kemp again insisted upon the trust, and protested against the land being dealt with by the Court as if it were the private property of the two trustees. In this course he was supported by the general body of owners then present in Court. The said Judges declined to consider or inquire into the alleged trust, believing that they had no power to do so; and they made an order on the 10th day of April, 1891, confirming the previous order for partition.

The Hon. Mr. WHYTE.—What was the effect?

The Hon. Mr. WILLIAMS said the effect was that they did not consider it was a question which was referred to them. They had only to decide whether the portions awarded to each party were correct. But they went on to remark,—

“It is not within the province of the Court to inquire as to how or for what purpose the certificate for that piece, clearly the property of the bulk of the people of Muaupoko, was issued in the names of two persons only; but the Court feels that under the whole circumstances it is its duty to lay such facts as are within its knowledge before the Chief Judge, in order that, if any application is made on the subject, he may be in a position to advise as to whether it would be desirable to institute further inquiry into the whole matter, with a view to ultimate justice being done to all the parties.”

Then Warena Hunia, finding that the estate was vested in himself personally, proceeded at once to deal with the land, and he sold 1,500 acres to the Government at £4 an acre—that was, for £6,000—and the object of this Bill was to secure this £6,000 for the trust, and to prevent any further dealings with the estate until the question could be decided, which he thought was pending, in the Supreme Court.

The Hon. Mr. BONAR said this was one of those Bills which it was difficult for those not accustomed to Native affairs to deal with. It appeared that the effect of the Bill was simply to keep matters as they were until the equitable rights were adjusted as between two or three parties, and he thought that was the utmost they could do. He did not pretend to follow the intricacies of the Native title, but it was evident there was a very material dispute between two parties, and, he supposed, their

tribes as well, in connection with this land. He thought their duty was to see that these things were held in suspense until the matter could be finally and equitably adjusted. There seemed to be provision for this in the first proviso of clause 2, which said,—

"Provided that grants of rights to cut timber shall not be voided or affected by this section. All royalties payable under any such grant shall be paid to the Public Trustee, who shall retain the same until the final adjustment of the aforesaid disputes."

That was supplemented by a further proviso, which, as the Hon. Mr. Williams had stated, provided that the Bill should not apply to the 1,500 acres sold to the Crown by Warena te Hakeke. It appeared that those 1,500 acres were sold for £6,000, of which £2,000 had already been paid to Warena; but he thought the Council ought to make it their business to insure that the balance of £4,000 should be held in the same trust as the royalties provided for here, and he would propose, therefore, in the 6th clause to make a proviso to that effect. The 6th clause said,—

"This Act shall not apply to Her Majesty, or to any portion of the aforesaid lands that have been or may hereafter be acquired by Her Majesty."

He would also like to add a few words, in the form of a proviso, to the effect that the balance of the money which had not yet been paid to Warena te Hakeke should be held by the Public Trustee, in the same way as funds which might accrue from the royalty on the cutting of timber, pending a final settlement of the dispute, and then no wrong could be done to any one until finally the dispute would be settled, which he presumed would be in the ordinary course of law. With that he would be perfectly willing to support the passing of the Bill. Clause 3 referred to the same thing. It said that the estate and interest of Warena te Hakeke in the Horowhenua Block—

"... shall stand charged with whatever moneys may, on the final adjustment of the aforesaid disputes and the taking of all necessary accounts, be found owing by the said Warena te Hakeke to any of such claimants or to the said Te Keepa te Rangihiniwinui."

He thought, if they tied up the £4,000 in the same way as the other moneys which might come in, they would be pursuing a perfectly safe and judicious course.

Bill committed, reported, and read the third time.

APPROPRIATION BILL.

This Bill was read the first and the second time.

On the question, *That the Bill be now read the third time.*

The Hon. Mr. BONAR said,—I think, before this Bill is read a third time, we ought to have a little consideration upon the matter. This is now the final act of the session, and, in my opinion, we ought to take advantage of the opportunity to consider what we have been doing during the session. I find, from a rough calculation, that we have passed something like a

hundred Bills during the present session of Parliament. Of these, six may be termed, as they are now designated, labour Bills. Then, we have been introduced to a new phase of legislation, for six of these Bills appertain to banking. The new financial proposals are embodied in fourteen Bills; and then, of Native Bills there are six, of general Bills there are fifty-four, lands ten, and railways four: making altogether a hundred Bills. Now, I think we ought to consider what has been the general effect of our legislation. In connection with the labour Bills, I will simply say that the Council has, I think, with due deliberation acceded to a very large extent to what was the popular feeling expressed at the last elections in favour of certain of these Bills. These Bills did not altogether meet with our approval, but the Council, I think wisely, yielded to what it felt was public opinion upon these Bills. They are, I consider, to a very large extent restrictive in character. They have imposed upon us what, to my mind, is a most objectionable feature—that the whole of our labour, the whole of our works, and the whole of our earnings are to be subjected to an inspection which is at once repugnant to our nature. I think in a new colony like ours we should not be forced and coerced by inspectors in every possible direction, in every factory, in every industry we have got started in the country, so that we shall be liable to having an inspector coming to say, "You are to do this, that, or the other." I say that one of the charms of a new colony is that you are free from all these trammels and restraints. I have known gentlemen who have left this colony and gone to England, and have come back again. Why? Because they could not stand this sort of thing there. If you get a gun there you must also get a license, and have an inspector. If you have a carriage you have got to pay a tax, and there is an inspector for that; and for so many windows you have got to pay a tax. We are in a free colony, which has not by any means developed its resources, and should not be subjected to the vexatious restrictions which older countries require, and I therefore say it is with regret I see any proposal to saddle the colony with them, and find the whole of these restrictions placed upon capital and labour and everything else. I regret, although it is thought to be in the interest of the public, that so-called public opinion has to a certain extent forced this legislation. We yield to it. I think we are wise perhaps in yielding, because, while as a nominated Chamber it is our duty to put a check upon hasty legislation, yet it is not our duty to be restrictive when the public mind has been explicitly expressed, as it has been to a certain extent upon these Bills. I pass over that, because I do not want to dwell upon it, more especially as the matter has been fought out between both Houses. Then we come to the banking legislation. Now, we have been called upon to pass no less than six Bills on this question. It is an entirely new departure in the finances of the colony. I say it was only

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under the most extreme pressure that could possibly be put upon any Parliament that we sanctioned certain Bills going through which have committed the colony to a position that is not, at all events to my mind, altogether satisfactory. We have been committed to a course which has involved us in a liability of at least two millions of money to one bank, and without pledging ourselves to others. I think this is a very serious matter. Of course the Government, when they brought the matter down, told us it was a matter of urgency, and I question very much whether, with the knowledge we have since gained, we should be disposed to take the same view now that we did then. However, we have embarked upon that course, and I say it behoves us now to try as far as we possibly can to preserve the interests of the colony and the interests of the bank we have guaranteed, and, with that, the whole financial condition of the colony. At any rate, it has involved us in an entirely new departure, because we have now not only got to consider what are the colony's finances, but what are the banking finances of the colony. We have got to do that which I think the colony should never have been called upon to do. I think we should never have been called on to get Parliament to protect any local institution. The colony has quite enough to do to manage its own financial concerns without managing the financial matters of other bodies, or being committed to them, and I consider we shall have a good deal of trouble before we get out of it. I feel a difficulty, Sir, in speaking on this matter, because it involves so much delicate negotiation that one does not like to say much about it. Of course, we want to uphold the credit of the colony in every possible way. I feel that the Bank of New Zealand is intimately connected with the whole of our financial institutions, and therefore we do not want to do anything that would depreciate it. At the same time I say, without the slightest hesitation, that, having now faced the position, having appointed the President of the bank, we must put that institution on a thoroughly sound footing; else we must sacrifice the two millions that are already pledged. I think, in connection with that institution, "the old man of the sea" is the body which has been termed the Globo Assets Company. I say the bank itself, pure and simple, is, I believe, capable of doing a very excellent, good business, and the largest business in the colony; but as long as it is weighted with the Globo Assets Company upon its shoulders, so long will that be very much to its detriment, and I think, myself, the best plan would be to separate the bank's affairs altogether from those of the Assets Company. Let there be a separate manager for the bank to look after the concerns of that institution, and a distinct and separate manager to look after the "globo assets," and so realise these as the opportunity may offer. Any one who knows anything about business knows perfectly well this cannot be done in a moment, because the securities they hold cannot be realised at a moment's notice; and

therefore I say we ought to separate the two institutions, have one manager for the bank, and have a separate manager to look after the "globo assets," and to realise them as opportunity offers and as circumstances permit. You must take reasonable time to do that. If we do that, I think things will go right. I say most emphatically, as far as I am concerned, I am satisfied that the globo assets of the Bank of New Zealand will realise the million and a half—the amount for which they are involved with the debenture-holders, and I should be quite pleased to let the rest go. Of course, these are things that no doubt the President of the bank will look thoroughly into, and probably deal with. But I think, further, that we should not hamper the hands of the man we have chosen to appoint as President of the bank—that we should allow him a reasonable time to thoroughly inquire into the position of affairs; but I consider, after the President has had the opportunity of going thoroughly into these things, that, seeing the colony is so much interested in the Bank of New Zealand, it would be a very wise and prudent thing, as far as he can reasonably do it, to withdraw its operations from outside places, and concentrate the business of the Bank of New Zealand in New Zealand, and not carry on operations in other colonies and countries. I think that, in view of the position of things now in England, that would be a very wise and very prudent course to pursue. I would give reasonable time to do that, and I should like the President of the bank to thoroughly investigate the securities it has in other colonies. By all means in the world avoid these things. The colony should not be hampered by the finances in outside places, such as Victoria, South Australia, New South Wales, and probably in London.

An Hon. MEMBER.—And Fiji.

The Hon. Mr. BONAR.—Fiji I do not know anything about. I say we ought to concentrate our finances within our own colony, and then, I believe, we shall do a perfectly sound and satisfactory business, once we are clear of the incubus which lies upon the shoulders of the Bank of New Zealand in the form of the Globo Assets Company. That is all I have to say about that. I am quite confident that the bank itself, within the colony, is perfectly able to do a thoroughly satisfactory and good, paying business, if it keeps clear of outside countries. It is our special business to see that this is done. Then we come now to another class of legislation, which I am sure I face with—I do not know what to say—with dread and dismay. These are the new financial proposals of the Government. I have endeavoured, as far as I possibly could, to face the financial proposals of the Government with every desire to give them a fair trial, and to do that which I could to assist them. But, Sir, they are of a very gigantic character. I trust that they will come out right. They have been modified, I think, to a very large extent by the action of the Council. They have been modified, in my opinion, in the right direc-

tion, and I think the Government themselves will recognise that what has been done in the Council has been in the way of prudence as affecting the whole of the colony's finances. We have given them power to issue Consols, hoping thereby to give the people a sound means of investing their money at a moderate rate of interest. I think possibly the thing may be successful. But we have also issued a new policy entirely—that of lending money to those who are settling in our country, and who require a certain amount of monetary assistance; and the Council was disposed to limit this power of borrowing to the extent of one-half of the value of the security, but we ultimately gave way and allowed them to borrow to the extent of three-fifths. I think, if we are going to make this thing a practical matter at all, that three-fifths is about the lowest we could go to so as to assist men to come and settle in the country, and to help them along in their difficulties. Of course, we are always exposed to the risk of losing in these transactions, and particularly at the present moment, when a tremendous depression exists which affects all the productions of the colony, and I hope, for I can only say I hope, that this legislation will be productive of good results. I think, as far as the colony is concerned, we have got to the very utmost limit we possibly can go in the way of assisting settlement through this means, and I trust the result will be satisfactory. Then, Sir, we come to Native matters, and, of course, that is a subject that I do not pretend to know anything about, but, as far as I can see, I consider that the spirit of all our legislation on this point has been to try to assist in settling the matter. In connection with general matters, we have passed fifty-four Bills. I say this is perfectly monstrous and absurd. We have no right whatever to pass legislation from year to year which requires fifty-four Bills to amend—Bills practically to amend those Acts we have hitherto passed. I think that we ought to take more time, and give more consideration to the measures we do pass, so as to avoid the necessity of passing fifty-four Bills in one session mainly to amend those passed before; and I think if we passed six or seven Bills in a session after careful deliberation it would be far better than to pass Bills, as we now do, so freely, and then require to pass another fifty or so to amend them. I would strongly recommend that the Bills which are brought in should be those which were intended to last for a long time, and that they should not be amended simply to suit any particular case that may arise, as many cases do arise, necessitating this large number of alterations. I take it that that is a very great mistake. As far as land-legislation is concerned, we have only passed ten measures. Of course, dealing with the land in so many ways as we are, I suppose we could not help it. And as far as the railways are concerned we have only passed four Bills. These are not for making new railways, and they involve some very important questions, which it is hardly worth while for

me to go into. Of course, we have altered the whole system of our railway management, and I think we have done so wrongly. I think we were right when we declared that our railways should not be in the hands, in any shape or form, of those exercising political control. They should be entirely under the control of trustworthy and capable men whose object it would be to work these things for the advantage of the colony, and so that they might not be used in any way for political purposes. I do not want to say much about this matter, but if you put into the hands of any Government—I am not referring to this Government particularly, but to all Governments—the political control of something like three or four thousand men who have all got votes in the country, I say it affords a great temptation to any Government to play into their hands and to do that which will please them, instead of doing that which they ought to do. That is absolutely wrong. Of course, there will be wrongs cropping up in connection with these things, and there must be wrongs, and they will lead to an amount of political pressure being put on any Government that may be in office which should not exist. On the whole, it would be very much better that these things should be kept entirely free from political control. I do not want to make a long talk about this sort of thing, and I shall now only refer to one or two other matters which I think the Council ought to consider. I want to refer more particularly to two Bills which were introduced here relating to legitimation and divorce respectively. The Legitimation Bill became law. The Divorce Bill did not become law. It was very ably introduced here; but I think, if you are going to shake the whole basis of our social system, nothing worse could possibly be done in a new colony, and I deprecate any attempt to shake that basis. We have quite enough to do in our social matters, and I say, if we are going to shake up the whole foundation of our social system, and of our family life, and everything else, by introducing measures like that, it is the very worst thing we could do. I trust the Council will be true to itself, and refuse absolutely to lend itself to anything of the kind. Now, Sir, I have endeavoured to put what few thoughts I have on the matter into as short a compass as possible. I feel assured that the Council will do in the future what it has always done in the past, and set its face steadily against any violent change in our laws, at the same time bearing in mind that it is their duty to yield to reasonable proposals coming from the representatives of the people. I consider the session which is just ending is one of the most important sessions which we have had in the colony. We have been asked to adopt a great many new principles and ideas; and, to give a chance to the new ideas which have been promulgated by the Government, we have adopted them with such safeguards as we considered absolutely necessary.

The Hon. Captain MORRIS.—Sir, I wish to say nothing on the legislation of the session, which legislation, however, I hope will be for

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he best. I am quite certain that every member of the Council has done his best to improve the measures that have come before the Council. I should like to call the attention of the Council to the manner in which the business of the country has been done in the last few days, in the hope that some one better qualified than myself will move some motion next session with a view of preventing the rush of business that we continually have at the end of a session. Sir, we have passed Bills to-day and yesterday that I for one know precious little about. I have been very careful not to vote on those measures, because I felt that I ought not to do so when I had no knowledge of any measure we were asked to pass. I think, myself, that Bills that come up to the Council within the last four or five days of the end of the session should not be passed at all by the Council, because it is quite impossible to give them proper attention. In one case that I know of, a Bill was considered in Committee here before the report of the Select Committee reached this Council, and we rely very much on reports of Select Committees. I think that kind of thing is very much against proper legislation. As I said before, I hope some one better qualified than myself will move in the direction of preventing this hurried legislation in the last days of the session in the future.

The Hon. Sir P. A. BUCKLEY. — Sir, I have listened, and I am sure we have all listened, to the very instructive and able speech of the Hon. Mr. Bonar with great pleasure. I can testify to the very great labour and pains that the honourable gentleman has taken during the session upon every Committee on which he has been engaged, and I entirely agree with a great deal of what he has said. I also agree in the undesirableness of bringing down measures to this Council such as we have passed from time to time hurriedly and towards the end of the session; but unfortunately that has been the Ministerial practice, and no matter what Government is in office the same thing will be done. It is not so much the fault of the Government as it is the fault of those in another place, who seem to think that they can hurry measures through their own place and then send them on here to be passed through as quickly as they like: and I think that is a bad practice. Of course, my great desire during the sitting of Parliament has always been to make the labour of the Council as light as possible by consulting the convenience of honourable members in every possible way. I have endeavoured to save them as much as I possibly could, and, excepting in one or two instances, we have invariably cleared our Order Paper, and, notwithstanding the immense amount of work we have gone through, I do not think we ever had fewer night-sittings than we have had during this long and tedious session. I am, of course, indebted to the Council to a great extent for that, and I take this opportunity of thanking the members of the Council for the indulgence with which they have during this session,

and in former sessions, treated me. I find that the longer we know one another the more we seem to respect and trust one another, and I have invariably found that the Council has treated me in that way. I have always taken the Council into my confidence, and I never will cease to do so. To me the Council is paramount to any Government, and I would cease to be a member of any Government that did not treat the Council with proper respect. I do not think we have any reason to say that the present Government has been wanting in any respect to the Council, and I am bound to say I think the Council can always take its own part against any men or any Government. I wish to bear testimony to the good work done by the several Committees during the few years I have been in the Council, especially the work done by the Labour Bills Committee and the Statutes Revision Committee. I do not suppose there has been so much care and attention bestowed upon any Bills in this colony as has been bestowed on the Bills considered by those two Committees; and the measures of the most important character which have passed through those Committees reflect the greatest credit on those who took part in them.

Bill read the third time.

The Council adjourned at twenty-three minutes past eleven o'clock p.m.

HOUSE OF REPRESENTATIVES.

Tuesday, 23rd October, 1894.

First Readings—Second Readings—Third Readings—New Plymouth Breakwater Railway—Horowhenua Block Bill—Shipping and Seamen's Bill—Horowhenua Block Bill—Supply—Government Advertising—Shipping and Seamen's Bill—Controller and Auditor-General—Charitable Aid—Heriot-Roxburgh Railway—Caitlin's River Railway—Reciprocal Customs Treaty—Heriot-Roxburgh Railway—J. Heron—Inebriate Asylums—Charitable Aid and Main Roads—Inangahua Mining—Native Expenditure, Civil List—Stoats and Weasels—Wood-working Machine—Parliamentary Officials—Railway Refreshment-bars—H. Pasara—Workmen's Fares on Railways—Fruit, &c., sent to Hospitals—E. Robertson—District Court Judges and Stipendiary Magistrates—Pumice Insulation—School-teachers travelling—Licensing Additional Bars—Charitable Aid—Sunnyside Asylum—Appropriation Bill—Horowhenua Block Bill.

Mr. SPEAKER took the chair at half-past eleven o'clock.

PRAYERS.

FIRST READINGS.

Police Offences Bill, Public Works Appropriation Bill.

SECOND READINGS.

Hikutia No. 1 Block Boundary Bill, Police Offences Bill, Public Works Appropriation Bill.

THIRD READINGS.

Police Offences Bill, Hikutia No. 1 Block Boundary Bill, Public Works Appropriation Bill.

NEW PLYMOUTH BREAKWATER RAILWAY.

On the motion of Mr. E. M. SMITH, it was ordered, That there be laid before this House a return showing—(1) What amount of money has been received by the Railway Commissioners for passengers on the New Plymouth line from and to the Breakwater for the last two years; (2) what amount has been received for goods, &c., for that period; (3) what is the cost of working the said line; and (4) statement showing the net profit for the two years.

HOROWHENUA BLOCK BILL.

Mr. SEDDON, in moving the second reading of this Bill, said he had promised the Native Affairs Committee that he would pass the Bill. He might say there would be some amendment made in it in the direction indicated by the honourable member for Wellington City (Mr. Bell). He thought it necessary that they should prevent any further dealings with this block, and have the questions concerning the Horowhenua Block and the transaction between Major Kemp and Warena te Hakeke definitely settled. The Bill would, of course, prevent any further dealings pending the final settlement of the question.

Mr. WILSON said he had a good deal to say about this Bill, because he did not think its provisions at all met what was required. If the Minister was prepared to cut out clause 2, and to alter other clauses, he had no further objection; but if he insisted on clause 2 he (Mr. Wilson) should proceed with what he had to say.

Mr. SEDDON suggested that the honourable gentleman should wait until they saw what amendments were proposed in Committee. If there was objection to the Bill he should not press it at this stage of the session. He was only bringing it forward now in accordance with a promise which had been made.

Mr. WILSON said that was not sufficient for him, and, as the Premier would not give the assurance he asked for, he should therefore have to take considerable objection to the Bill, and he would have to oppose it as much as he could.

Captain RUSSELL.—What are the objections?

Mr. WILSON said he would have to take up a good deal of time to state them. He did not propose, however, to go into the history of the Horowhenua Block as a whole, though even its history was very interesting. But he believed the Bill, if it were passed, would do a very great injustice indeed to a large number of Natives. He proposed to deal with Horowhenua No. 11 and No. 6. No. 11 had been divided into two parts—one with Hakeke's name to the title and one with Major Kemp's. He did not propose to go into the question of the decision of the Land Court, but ever since then there had been a quarrel about the Horowhenua land. Warena Hunia, whose name had been placed in one of the subdivisions of this block, had given Donald Fraser, of Rangitikei, power of attorney to act for him, and since that there

had been constant litigation in the Native Land Court, and at the present moment there was litigation in the Supreme Court. The case was adjourned from Wanganui to Wellington, and was to be heard on the 29th of the present month. Last year Mr. Fraser offered a piece of land to the Government on behalf of Hunia, and he (Mr. Wilson) assisted to sell the land to the Government. The land in dispute surrounded the Township of Levin. There was a large quantity of beautiful land hung up there, pending these quarrels. The land near the township was bush, which kept the roads in winter in a very bad state, owing to shading them from the sun. He was anxious that this land should be settled; so he assisted to sell the land to the Government. There was no dispute as to the sale, he understood, on either side. He might say that Mr. Fraser was rather astute, and, having the assistance of himself, who was on the opposition side, he also desired—

Mr. SEDDON.—Is that the gentleman who opposed the honourable gentleman at the last election?

Mr. WILSON said that was so. As he was saying, not only did Mr. Fraser have his assistance, but Mr. Stevens, the present member for Rangitikei, was also engaged for many weeks on the case. He would not have referred to this matter at all but that this Bill proposed to do a great injustice to a number of Natives, who apparently in the end would lose this land, and it would all go to lawyers and agents. In order to show the political significance this Bill had, he would have to relate a curious incident which took place in relation to the 1,500 acres sold to Government. He regretted having to do so, but it was necessary to show the political bearing the Bill had. Up to the last moment the purchase was in the hands of the Minister of Lands, and it was apparently going to be completed. The Minister inspected the land and thought it was suitable for settlement. But those who were in the House would remember that at the close of last session the Premier assumed control of the Native Office; and then at once there was a change. At that time Mr. Fraser was a strong supporter of the Opposition and an opponent of the Government, but the Premier was very anxious to get him to stand. The Premier and Mr. Carroll asked him to stand for the Otaki District, but Mr. Fraser refused to do so. However, the Premier had occasion to go to Feilding to speak. It was that celebrated occasion when he made the statement about Mr. Ballance desiring him to take the lead of the party; and his visit was on the 11th October. Before going there he telegraphed to Mr. Fraser asking him to meet him at Feilding. Mr. Fraser got into the Premier's carriage and travelled to Palmerston from Feilding;—the distance between Feilding and Palmerston was about eleven miles. At Palmerston Mr. Fraser left the Premier's carriage, and announced that he was going to stand for the Otaki seat. It was rather a quick conversion, but it was done, for it was not in the interests of the Opposition he was going to stand, but as a Govern-

ment supporter. Then came the strangest coincidence possible. Before this the sale had been hung up by the Premier when he assumed control of the Native Office. But on the 15th of the month the sale was absolutely effected, and the records on the table of the House showed that the 1,500 acres was absolutely sold to the Government. He had omitted to say that Mr. Fraser was himself personally interested, as he had advanced a large sum of money to Warena Hunia on the strength of the sale.

Mr. SEDDON said the honourable member was aware that the owner was in communication with the late Mr. Ballance long before he died.

Mr. WILSON was quite aware of that, and had stated distinctly that when the Premier assumed office negotiations were stopped. After the journey from Feilding to Palmerston the hitch was got over; and on the 15th of the month—six days afterwards—the sale was completed. Now, the inference was quite clear to his mind—and it might be so to the minds of other members—that that journey and sale had a good deal to do with Mr. Fraser standing for the Otaki seat. But, although the sale had been effected, the money was not paid over, as there was a caveat lodged by Natives interested against any sum being paid to Warena, as he was said to be a trustee. The Minister of Lands had assured the House no payment would be made until the owners were ascertained. Yet an article appeared in the *Evening Post* on the 18th of this month, showing that, although a case in the Supreme Court was pending as to whether Warena Hunia was trustee or not, the Government had paid—only a week or two before the case came on—£2,000 to Warena Hunia out of the £6,000 due for the land. Warena might be entitled to the whole of the money; but, pending the settlement of the case in the Supreme Court, and especially after the promise of the Minister, the Government had committed an illegal act in paying over any money at all. Mr. Fraser was said to have received £500 of this; and yet clause 3, to which he (Mr. Wilson) took such exception, legalised this payment, and those interested could have no recourse at law. There had been a number of compromises attempted, one of which he had assisted in himself, because he felt that, if they went to law, what between lawyers' and other expenses the land belonging to the Muaupoko Tribe would all go to pay their expenses. The compromise he spoke of was that Warena should hand back to the tribe half the block held in his name—both in area and value. This fell through, because the tribe thought they were not getting a fair division. Then the tribe sent a deputation to the Premier, and Mr. Edwards appeared for them. After the Natives had stated that the piece of land they were offered was of poor quality, and they would only be left the sandhills, Mr. Edwards, on their behalf, offered another compromise. This was "that Warena should take or himself and his family the £6,000 due from Government, and leave the balance of the block to the tribe." This was not listened to,

and also fell through. At this interview the Premier promised to have the land reported on, and a valuation made of the different shares—the one proposed to be taken by Warena, and the other share that was to be handed over to the tribe—and Mr. Kennedy Macdonald was accordingly sent up, and made his report, which was on the table of the House. The following was a summary taken from his report:—

Copy of Valuation of Shares in Block 11.—(From Mr. Kennedy Macdonald's Report.)

Land proposed to be ceded by Warena	£
Hunia	3,850
Land proposed to be retained by Warena	
Hunia	4,150
Total value of land to be dealt with ...	£8,000
Valuation of lands as above	£
Purchase-money of land for Government farm	8,000
... ..	6,000
Total value of Hunia's original share in Block 11.	£14,000

Something like a hundred and twenty of these Natives were interested in the block, and yet they were to be given land valued at £3,850 according to that report, while one individual was to get land to the value of £4,150 as well as £6,000 in cash, £2,000 of which he had received—an altogether unfair division. If there had been a fair compromise, and the tribe had been given half the value, he was quite certain the Natives would have agreed to it. This Bill was intended to settle this Horowhenua case, but it seemed to him that it had done nothing of the kind. As far as he could see, the worst part of the Bill was contained in clause 2. As he had said, the Government had made a payment that was illegal. But this Bill seemed to legalise the payment to Warena. Moreover, if this Bill stepped in between the parties in the case that was at present going on in the Supreme Court, it would be an extremely wrong proceeding. One very curious point was this: that when Kemp's petition was before the Native Affairs Committee that session the Premier, because there was a Court case going on, brought in a motion, and it was passed, that, as there was a Supreme Court case pending, the Committee would not deal with the petition; and yet here at the end of the session, when half the members were going away, and when no one would take an interest in the matter, the Premier brought this Bill, which did precisely that same thing: if passed, it would interfere with a case now before the Supreme Court. If they were to set up a Commission to inquire into it and deal with it next session, he thought there would be no objection to that. There was another block—No. 6—which was dealt with in the Bill. This was also a very far-reaching and serious case, and he did not think there was any objection on the part of the Natives or Kemp, who was trustee, to go before the Native Land Court with a view of ascertaining the ownership. Clause 3 said,—

"For the purpose of protecting the rights of all claimants in respect of the Horowhenua Block as against the said Warena te Hakeke and Te Keapa te Rangihiniwini, it is hereby de-

clared that, notwithstanding anything in any Act to the contrary, all dealings, whether by way of sale, lease, charge, or otherwise howsoever, with the following lands and interests in lands, shall, until otherwise directed by the Governor in Council, be absolutely void."

Now, he wished to bring another matter forward which this clause affected. Mr. Peter Bartholomew, as most people on the West Coast knew, was a very good and useful settler, who had spent a large amount of money in sawmilling and had employed a large number of men. He erected one of the finest mills in the colony, and was depending upon getting timber from this block under a cutting-right he held. He had made some arrangements with the State farm to cut timber, of which, however, there was only a small quantity. There was a dispute also as to who were the owners of this land, and Mr. Bartholomew had agreed to pay the royalty into the hands of a receiver pending the settlement of the ownership. That

12.0. was an extremely fair proposal, and, indeed, a very good one for the Natives themselves, because, when they came to get the land into their own hands, they would also get a considerable sum of money as well, and the value of their land would be enhanced. Mr. Bartholomew had put a tramway through the block, and altogether had gone to an expenditure of some £2,000. Clause 3 in the Bill would absolutely stop all the cutting-rights, and the lease would be void; and, as far as he could see, the mill would probably be stopped. He would ask, in the interests of this gentleman, and of the district, and of a number of men who were employed at the mill, that something should be done in connection with this matter. If the Minister would do as the Native Affairs Committee had recommended—namely, simply set up a Commission for the purpose of inquiring into this question—he would have no objection. He thought that the circumstances should be inquired into; and he might say that, whatever the decision arrived at was, he would be perfectly prepared to abide by it and to support it.

Mr. CARROLL desired to make a personal explanation. He never knew that Mr. Fraser was going to contest that electorate until he saw the announcement in the papers.

Mr. STEVENS was not at all surprised at the honourable member for Otaki making the one-sided statement which he had done for the purpose of gaining sympathy for the party that supported him. It was well known that Mr. Donald Fraser was one of the strongest supporters of the honourable gentleman, and had been so ever since his advent to politics. But because Mr. Donald Fraser chose to advance with the times his erstwhile friend immediately turned round upon him and said he could no longer give him any support. He had supported him from the inception of this trouble down to the commencement of the election; and because Mr. Donald Fraser had chosen to think and act for himself politically he was all wrong; his so-called friend had turned round and

Mr. Wilson

assisted in maintaining the great injustice which had been done. The facts were that in 1872 a block of land called the Horowhenua Block, comprising 52,000 acres, were passed through the Native Land Court entirely at the expense of Warana Hunia's father. Subsequently a subdivision of that block took place, and various portions of the land were awarded to the various hapus of the Muaupoko tribe. After having dealt with these subdivisions there remained a balance of fourteen thousand odd acres. The Native Land Court awarded that land to Major Kemp and Warana Hunia; they held the lands jointly under the Land Transfer Act. There was dissatisfaction on the part of some Natives who had little or no claim to the land, and a rehearing was asked for and granted. The rehearing confirmed what had been done by the first Court. A subdivision took place; the subdividing Court awarded half to Warana and half to Major Kemp. Warana, from the time he received his half, offered for sale to the Government 1,500 acres, wishing to retain a portion for himself and his family, numbering sixteen persons of the highest rank among the whole of the owners of the 52,000 acres. What he wished to retain for himself and the family to which he belonged was 2,000 acres, and he returned to the Natives not 3,000 acres, as had been stated, but 3,500 acres. He (Mr. Stevens) had a letter in his possession in which the writer said that if the land were for sale he was prepared to give £8,000 cash for it. The honourable member for Otaki wished the House to believe that the land was worth only £3,800.

Mr. WILSON said he had read from Mr. Kennedy Macdonald's report.

Mr. STEVENS could assure the honourable gentleman that he had a letter in his possession in which an offer of £8,000 was made.

Mr. WILSON.—Who is he?

Mr. STEVENS.—The writer was a *bonâ fide* purchaser. He might point out that there was a difference of 500 acres between the acreage given and that spoken of by the honourable member for Otaki. It was alleged by the party whom the honourable gentleman was supporting that Warana's intention was to deprive the whole of these people of their homes. He had never attempted to do anything of the kind. It was also alleged that Warana was exercising control over the whole 14,000 acres, from which it was said he was going to drive the people off. Such was anything but his intention. Kemp, who owned the other half of the block, had, ever since it went through the Court in 1876 to the present time, received rent from it. He received over £5,000 rent in one case.

Mr. WILSON said he was not supporting Kemp.

Mr. STEVENS asked, if the honourable gentleman was not supporting Kemp, whom was he supporting?

Mr. WILSON said he was supporting the Natives of the tribe.

Mr. STEVENS said Kemp was chief, and had received £5,000 odd in rent. Kemp had also received cash for 800 acres of land which was sold to Mr. Sievwright. All this money went into Kemp's own pocket.

Mr. WILSON said Kemp would have to account for this money.

Mr. STEVENS said probably he would have to account for it when he was made to do so, but not before. Kemp had not only done that, but at Levin proper there was an area of land sold for a specific purpose. That land was sold in order that funds might be obtained for subdivisional surveys. While honourable gentlemen on the opposite benches were in office, and when the Hon. Mr. Mitchelson was Native Minister he paid over the £3,000 in a lump sum to Major Kemp alone, instead of devoting that £3,000 towards the release of the land from the survey lien. Now, honourable members would see the great injustice which had been done to Muaupoko.

An Hon. MEMBER.—That is only as to Block 11.

Mr. STEVENS said it had to do with part of the whole block. He was endeavouring to show that a person who was in Block 11 was rightfully in Block 11. At a meeting of the Native Land Court the Natives agreed amongst themselves that they would say as they would have said had Warena Hunia's father been alive—they would have said, "You own the land and you own the people." That was Native custom. It would be an absurdity according to European law, but according to Maori law that was a fact. It was a fact that the chief owned the land and owned the people. Such being the case, according to Native custom, the Natives did exactly what they might be expected to do. They had this land awarded to Warena Hunia, so that he might deal fairly with the people. What would be the result if he did not deal fairly with them? He would no longer be that which his family had been from time immemorial—a chief and leader of the tribe. The case was now pending in the Supreme Court. The whole of the evidence had been taken, and the law-points would be argued on the 29th of the present month. It was not fair, therefore, to bring the matter up and ask the House to express an opinion upon it.

Mr. BELL.—Who is bringing the matter up? It is this Bill.

Mr. STEVENS said the matter was brought up by Mr. Mitchelson before there was any thought of the present Bill. It was he who pressed for the Bill, and now, having got the Bill, he, through his agent, expressed dissatisfaction. It amused him very much to hear the honourable member for Otaki objecting to one clause. If he (Mr. Stevens) were to suggest the striking-out of another clause it would result in the Bill becoming as useless as a piece of blank paper. He could assure the honourable gentleman that nothing but justice had been proposed in regard to the petitioners. Warena afterwards made a fair, honest proposal, and said, "That is the way in which I

propose to deal with that half of the land awarded to me; and how does Kemp propose to deal with it?" Kemp made no offer whatever; and because of a family feud between Kemp's people that was to be the reason why the Muaupoko Tribe, or Warena's section of the tribe, were to be persecuted. For years they had been persecuted because there had been some Europeans at the back of Major Kemp. That was the reason why all this trouble had arisen, and he hoped the Minister in charge of the Bill would pass it in the form in which it was printed. It would do fair justice, and certainly not an injustice, to the Natives. He did not think the Bill went far enough, because it ought to compel Kemp to account for the whole of the money that he had received from the beginning, and from the time the land was passed through the Native Land Court. He wished to move in that direction, and, as the question was confined to the title to No. 11, he had made these remarks in order to show that injustice was being done to Warena and not to Kemp.

Mr. BELL said, at this late period of the session, he did not wish to enter into the rights or wrongs of the dispute concerning the Horowhenua Block, but a very brief statement would show what was the meaning of the Bill. It was recorded in *Hansard* of last year that the Minister of Lands had promised the House that he would not pay any money over until the dispute was settled; yet the 2nd section of the Bill provided that the Government might pay over to Warena £6,000; and the Bill went on to admit practically that Warena was a trustee, and tied up his lands in order that there might be security for moneys that might be found to belong to the real Native owners. They had already paid £2,000, of which Mr. Fraser had got his £500. The honourable member for Rangitikei had misrepresented this matter as gravely as ever he had heard any question misrepresented in the House—possibly because he did not know the facts. The Judge of the Native Land Court, in giving evidence the other day in Wanganui, stated that when the two names were put in the title to No. 11 it was openly stated in the Court, within his hearing, that these two men would hold the land in trust for the Muaupoko Tribe, and the certificate of title was issued because the order of the Court had failed to declare the trust. Every member of the Native Affairs Committee knew that this was correct, and he would appeal to the Chairman of that Committee, who he hoped before the discussion closed would say whether or not it was a fact that the Muaupoko Tribe were the owners of the land. The certificate was issued to Warena Hunia and Kemp in trust, and Kemp admitted the trust, while Hunia denied it. If he denied the trust, why did he now propose to surrender 3,500 acres?

Mr. STEVENS said he had already explained.

Mr. BELL said the honourable gentleman's explanation was too thin, and he knew very well that Hunia was a trustee, and had never

ventured to deny the fact except on paper in the Supreme Court. He (Mr. Bell) had had the pleasure on one occasion of being present in the Native Land Court when this matter was investigated, and when witnesses called by Hunia to deny the trust had been compelled to admit it. He believed it might be decided in the Supreme Court in the course of a few days that the trust was legally established; yet the honourable gentleman had entered into some engagement with Mr. Fraser, who had nothing to do with the matter, and he was going to pay over the £6,000 to Warena, simply for the purpose of giving him a sum of money to go and squander. There could be no other object in paying the money to Warena, because the money did not belong to him, and it ought not to be paid to him. There was no question that if paid to him the whole of the money would disappear. He (Mr. Bell) had been acting for Warena at one time, until he found that the only people who had any real interest in the block were the Muaupoko Tribe, and he had then refused to act any longer for a man who was simply robbing the other owners.

Mr. SEDDON.—What has Kemp done with the £20,000 he has disposed of?

Mr. BELL said that what the honourable gentleman said of Kemp might be perfectly true, and he quite agreed with him that Kemp should be made to account for the money, but he (Mr. Bell) had nothing whatever to do with him. Kemp had admitted the right of the Native tribe. He knew Warena well enough to know that he would not do this wrong—that he would not be guilty of it—unless pressed to do so by those who were giving him this advice. He was kept out of the Court and prevented from giving his evidence because certain men knew that when he gave his evidence he would tell the truth. That was the reason for the 2nd clause of the Bill. But whether this was passed or not, the Government would pay the balance of £4,000 just as they paid the £2,000. He objected to Parliament indorsing such a transaction after the Native Affairs Committee had reported a trust—

Mr. STEVENS said they had not done so.

Mr. BELL said they had, and he was very much astonished to hear the honourable gentleman say that. He would look up the report of the Native Affairs Committee, and, if wrong, would withdraw his statement, but he was pretty sure he was right. The Native Land Court had reported that it was bound in law to hold the two to be the sole owners of the block, but the Court was of opinion that the other Natives had been wronged by that legal position. There was no remedy if the Supreme Court action failed. He agreed with the latter clauses of the Bill, which tied up the rest of the block so that it should not be disposed of; but the Bill had been introduced merely to gratify one or two supporters of the honourable members on the Government benches, although a Minister had promised the House faithfully last year that it should not be done. He did

Mr. Bell

not think the House should pass the Bill, especially in the last hours of the session.

Dr. NEWMAN desired to draw the attention of the Minister of Lands to the promise he gave last year to Mr. Parata, who asked that the money for the purchase of the State farm at Levin should not be paid away. The Minister then very definitely promised as follows:—

“He did not know that the department had any right now to go beyond the title, but he could promise the honourable gentleman this: that, if the Government did negotiate for the purchase of that block, they would take very good care, before a purchase was made, or before any money was paid over, that the interests of the beneficiaries should be respected, and that they should get the proper value for the land.”

About a month ago the Minister had paid a cheque for £2,000 to Warena Hunia: and Warena, when cross-examined on the 15th of the present month in regard to it, was asked what had become of that money, and in his sworn reply he stated that the £2,000 was now spent, and that he did not give any of it to the tribe. No doubt the Minister had overlooked the promise he had made to the House. There was now another sum of £4,000 to be paid, and he would ask the Minister if he was going to give away this £4,000 to Warena Hunia to spend.

Mr. J. MCKENZIE said he would get nothing.

Dr. NEWMAN said Major Kemp and Warena Hunia were trustees for this property, and not the owners, and it was high time the matter, which had been before the House from time to time, was settled. He hoped the Government would not pay the money until it was decided who was to get it. He desired also to draw the attention of the Premier to this fact: that Mr. Donald Fraser, in Court the other day, had stated,—

“... I have assisted to carry on the negotiations from the commencement. The Natives may perhaps owe me £800 or £1,000. They have paid me £500 recently. Warena paid this to me about a month or six weeks ago. I had become security to the bank for £500. Warena paid this off out of the proceeds of this block. He has discharged £500 to me also out of these proceeds. I have had an immensity of trouble. I charge them a guinea a day and my expenses. This has been going on since 1889. . . . I arranged the sale with the Hon. Mr. McKenzie—1,500 acres at £4 an acre. I procured the payment of £2,000 to Warena Hunia. I made the arrangement with Mr. McKenzie at the beginning of the session. I asked for the money. The Government said they would look into it and let me know. The transfer was executed over twelve months ago. On the 21st October the transfer was executed. I was present. The consideration was not paid then. There were two or three caveats. I believe that the incomplete state of the survey was the chief reason for not paying over the money.”

On the Premier's famous railway journey

from Feilding to Palmerston Mr. Fraser accompanied him, and what evidently occurred reminded him of an incident in the life of the late Sir John Macdonald, of Canada. A newspaper hotly opposed Sir John, who was however victorious. The Premier threatened to withhold the Government advertisements, and the editor wired back, "It's a deuced sharp curve, but I'll take it." So on this train-journey Mr. Fraser made the sharp curve, from being a red-hot Conservative on the Feilding platform, to a full-blown Liberal candidate for Otaki on getting out at Palmerston. Warena was asked what he did with this £2,000; and did the Premier know that Mr. Donald Fraser got £500 out of this £2,000? Warena Hunia swore in his evidence that he gave £500 to Donald Fraser, and Donald Fraser admitted it. When the Premier bought this land from Warena Hunia, for whom Donald Fraser was acting as agent, it was caveated three deep, and in spite of these caveats the money was paid. Mr. Fraser said,—

"I spoke first to Mr. Seddon, who referred me to Mr. McKenzie. I said that the man who had sold the land was hard-pressed for the money. Yes, I spoke a little Gaelic to him. The money came down about a month ago. I had applied for it at the beginning of the session. . . . I got £500 out of the £2,000. I have a very considerable sum yet to receive."

So that after a little Gaelic was talked between these gentlemen the whole matter was settled up, and the £2,000 was paid, while £4,000 was still owing. He thought, before the money was given to Warena Hunia, the beneficiaries should be consulted. He would agree to an amendment that none of the remaining £4,000 should go until the title was ascertained. He would then have no objection to its being paid over. He had nothing to say as to the price, or anything else in reference to the purchase. He believed this matter had been a scandal and a discredit to all previous Governments. He thought the Premier should take the matter up this year, and set up a final Court of Appeal to settle it. The history of this block was a most painful one. A number of unfortunate Natives had in 1886, he thought, allowed their claims to be put in under a chief, and the chief had taken the money. The Government should take this matter in hand, as a number of these Natives had no money at all.

Mr. PERE was very anxious to see this Bill become law, and in passing it he trusted the House would not confine itself to tying the hands of private European buyers only, but would also prevent the Government Native Land Purchase officers from making further purchases in the Horowhenua Block. A large number of petitions in reference to this block had been presented to the House, but in spite of these numerous petitions the Government had lately bought a portion of this block; and therefore he now contended, and repeated, that not only should private purchases be barred by the Bill now before the House, but also that the Crown should cease

making further purchases in the block until the rightful owners thereof were ascertained by the Native Land Court or by some other competent tribunal. He took no particular side in this matter, for, as honourable members knew, there were three sides to this question—namely, Keepa te Rangihiwini, Warena Hunia, and the Muaupoko Tribe—and the best way of settling the difficulty was to allow the matter to go before the Native Land Court, in order to have it decided who were the persons of the Muaupoko Tribe that should be included in the title; and afterwards their respective interests in the block could be defined, and then the position of Te Keepa te Rangihiwini and Warena Hunia in the title would be placed beyond doubt. If the matter was again delayed in the same manner as year by year had hitherto been the case, the final result would be disastrous to the Muaupoko people, and they would get no benefit from the block. His desire was to see the Bill read a second time, and when the House went into Committee upon it he would have an amendment to propose, which he hoped would be passed, and which would empower the Native Land Court to reopen the title and have a rehearing of it, and, on its having ascertained who were the persons who should be declared the owners of the land, enable it to add their names to the names of the two persons already in the title, and thus grant redress to the members of the Muaupoko Tribe, who had repeatedly petitioned the House in connection with the Horowhenua Block.

Sir R. STOUT said, in his opinion the Bill was not necessary at all, for this reason: that the new Act now passed prevented the Natives from selling their land except to the Government or the Land Board. The Horowhenua Blocks could not be sold, and, as the Natives were protected, there was no need for the Bill. As for the money paid, he thought he spoke for the Committee, with the exception of one or two, when he said that they were under the impression that none of this money for the Horowhenua Block had been paid; and he understood the Premier to say that none would be paid until he was assured that the people were the beneficiaries. The Government could do all that was required without any Bill. The Bill was of no value to the Natives whatever. The land could not be sold without the consent of the Crown, and the money could not be given without the consent of the Crown. The Bill seemed to him to be unnecessary, and it was a waste of time at this period of the session to discuss it.

Mr. BUCHANAN said this was a very interesting question. The Hon. the Minister of Lands had been quoted from *Hansard* by the honourable member for Wellington Suburbs as having said in the House, "that if the Government did negotiate for the purchase of that block they would take very good care, before the purchase was made, or before any money was paid over, that the interests of the beneficiaries would be respected." Here were two points. One was that the honourable

gentleman promised that no purchase would be made, and the second was that no money would be paid over until the interests of the beneficiaries were respected. The Minister of Lands had the matter in charge at that date, and no doubt would have stood to his promise made to the House and to the Natives; but there was a greater king than he in the person of the Premier, and the elections were at hand, so that the promise made to the House was to be sacrificed, and the interests of the Natives were to be sacrificed, in order that the honourable gentleman might be returned to power. They knew what happened in various parts of the country, where the Premier was careering about like a comet, attended by a dozen satellites at his tail. The Hon. the Minister of Lands was got to windward of once more, and falsified his promise at the instance of the Premier, who now sat beside him. Reference had been made to the journey from Wellington to Palmerston, when the Premier and Mr. Fraser foregathered, and when this Horowhenua Block formed, no doubt, a very interesting subject of discussion. Perhaps they talked Gaelic, although he did not know that speaking Gaelic was within the very wide scope of the Premier's powers, so perhaps they did without it. A few days before this notable journey Mr. Fraser had related to a confidential friend that pressure had been put upon him by the Premier to come out as a Government candidate, but Mr. Fraser had assured his friend in a most earnest manner that he would remain true to his colours—would be opposed to the Government.

An Hon. MEMBER.—He was not a good canvasser.

Mr. BUCHANAN.—No, he was not a good canvasser, but the Premier was, and Mr. Fraser stepped from that train a convert, and straightway turned round upon the honourable member for Otaki. He belied all the professions of his political life, and became a roaring Government supporter. The Premier had succeeded in many of his schemes; but that was a scheme in which he did not succeed. Then, let them see what happened. Mr. Fraser stood for the electorate of Otaki, and was very busy in the electorate now represented by his honourable friend Mr. Wilson. He was prospecting with reference to the Horowhenua Block, which was not only in Otaki but outside. It was a common belief that this was so. Mr. Fraser was not returned for Otaki, and then trouble came. The money was not forthcoming, and the Minister of Lands said it would not be forthcoming until certain eventualities happened. His honourable friend had said that £2,000 was paid over of this money, and that the caveats to the title were three deep. These caveats stood in the way, and he challenged the Government to show a single instance where they had acted in any other matter like that before. There were special considerations in this transaction, and therefore the caveats were driven through as the Government had driven through many other things this session, for public morality went for nothing.

Mr. Buchanan

That was enough to make him oppose this Bill to the utmost. Now a word or two as to the honourable member for Rangitikei. What was his position with regard to this transaction? Last year he was not a member of the House as he now was, but he was the paid agent of Mr. Fraser. He did not seek to cast any reproach upon the honourable gentleman; he was legitimately Mr. Fraser's paid agent; but surely they could not accept his representations on the matter as being of great weight when that was the position he had held, and he had been closely connected with the transaction.

Mr. STEVENS.—Why do you not make the same reference to your honourable friend on your left?

Mr. BUCHANAN said his honourable friend on his left was perfectly well able to speak for himself; no one in the Chamber, or outside it, could reproach him with having allowed private interest to interfere with public duty.

Mr. STEVENS.—There may be no reproach, but we are in the same category.

Mr. BUCHANAN said all he had to say was that this was a very interesting little chapter in the political history of New Zealand, and it shed a very curious light upon the manner in which the government was carried on by the gentlemen on the Treasury benches.

Mr. BELL desired to make a personal explanation. The Chairman of the Native Affairs Committee had said he was wrong in stating that any Committee had reported in favour of the trust. The time for investigation was short, and he would refer to one report only, which appeared in I-3 of the Appendices to the Journals of the House of Representatives, 1890, and which proved his statement to be correct.

Mr. HEKE said clause 2 of this Bill was not for the benefit of the members of the Muaupoko Tribe. He wished to inform the House that there was not the slightest doubt that when the Horowhenua Block was awarded to these two Native chiefs—Warena Hunia and Major Kemp—it was intended that they should hold this land in trust for the members of that hapu. He believed that statement was given in evidence by the Judge who first investigated the case, and he had said clearly that when the land was awarded to Major Kemp he was appointed by the members of the Muaupoko Tribe to act as one of the trustees for them. Now, they had the statement of Major Kemp himself before a Committee of the House *re* a certain portion of the Horowhenua Block, that he and Warena Hunia were appointed as trustees; but, unfortunately for the members of the Muaupoko, the title which was issued to them was issued under the Land Transfer Act, and therefore when the application was made for a rehearing it could not be granted. They were informed by the honourable member for Rangitikei that under Native custom the chief was the owner of the land and also the owner of the people. He agreed that that to a certain extent, in olden days, was the case, but the chief was then held by the members of his hapu as a most reliable person. In those days that was so, but un-

fortunately no hapu or tribe in New Zealand was able to foresee the difficulties that would arise in the future. In later days, when European civilisation was brought to bear upon the Natives, the Natives came to understand the technicalities of law, and this had been the cause of the whole trouble. If the Premier had clauses to introduce in the Bill that would hold back the remaining portion of the money that was to be paid over to Warena Hunia until such time as the Muaupoko Tribe were allowed the opportunity of establishing their rights to the block, then that would be right, and would do a great deal of good to the members of that tribe, relieving them from the wrongs they had been suffering under for many years past. There was one thing he did not like in the Bill, and that was, that there was provision in it allowing the Crown to purchase areas out of the block mentioned. Now, it would be very unfair to the members of the Muaupoko Tribe to allow any sale, whether to the Crown or to private individuals. To do justice to that tribe they must prevent all dealings until such time as the tribe had had an opportunity of substantiating their title. When he spoke in the House it was the custom of the Premier to always cry, "Question, question!" but that did not interfere with him. He meant to express his opinion on the Bill, and if time was lost it was because the Government brought down ridiculous Bills of this nature, and Bills that were not intended to do justice to the members of the Native race. He should always oppose any measure which he believed would be found injurious to his people. He would also like to make the statement that no threats whatever coming from the Minister of the Crown in reference to doing away with special representation of the Natives in the House would stay his action. It was a mistake to suppose that such threats would have any effect upon him.

Mr. SPEAKER said the representation of the Maori race in this House was not the question now before the House.

Mr. HEKE said No, but he had mentioned it because of the interruptions made by the Premier when he was addressing the House. There was not the slightest doubt that the members of the Muaupoko Tribe had suffered a great deal in years past, and that was shown by the reports drawn up by the Native Affairs Committee. There was not the slightest doubt that in the first place, when the land was handed over to Major Kemp and Warena Hunia, it was given to them in trust. He hoped the amendments of the Premier would be in accordance with opinions members had expressed in the House, and that the Muaupoko Tribe would have their rights established to the block.

Mr. SEDDON, in reply, desired to say that he had not brought forward this Bill on his own motion at all. He had brought it down on the recommendation of the Native Affairs Committee. If members would look at Supplementary Order Paper No. 93 they would find,—

"Part of the moneys in the hands of the

Government, being the purchase-money of other parts of the Horowhenua Block, may be retained until the end of next session, and none be paid unless the Government is certain that there is sufficient land belonging to Warena Hunia which can be used, in case of judgment against him, to satisfy the claims of the tribe. That a Royal Commission be appointed as soon after this session as possible to investigate and ascertain who are the Maoris entitled to the disputed land in the Horowhenua Block."

It was on the motion of the honourable member for Wellington City (Sir R. Stout) that they were asked to deal with this, and yet the honourable gentleman said there was no necessity for this legislation. When the Native Affairs Committee had absolutely passed the resolution the Government did what they were asked to do by the Committee, and then members of that Committee condemned them absolutely for doing it. He told honourable members now—for the honourable member for the Northern Maori District had also taken up the same stand—that if such conduct was persisted in he would take no notice whatever of recommendations of the Committee, because it was impossible to govern and to deal with matters if they were to be treated in this way, when, though this legislation was brought forward in deference to the wishes of the Committee, they were met with opposition by the members of the Committee. He did not himself feel interested in the Bill, and when he moved the second reading he told the House that if there was any objection to it when it got into Committee, and if the amendments he proposed were not accepted, then he would not go on with the Bill. That was what he had told the House. He had good reason to complain, and he did complain, when members of a Committee that recommended the Government to do a thing in exact terms acted as the honourable member for the Northern Maori District had done. The honourable member was equally to blame with the honourable member for Wellington City in this matter, for he also voted for this resolution, and pressed the Government to deal with the matter. That was his attitude on the Committee; but the moment a Bill came down which placed Major Kemp in the same position as Warena Hunia, then it was not acceptable. There were certain members who would do all they could to put Warena Hunia in a wrong position; but the moment Major Kemp was touched, then they did not want any legislation. The same thing applied to the honourable member for Otaki. There was no doubt whatever that he had been the agent—that he had been acting on behalf of Major Kemp and his party in connection with this matter. There was absolute proof of that. Here they had advocates on the one side, yet because the honourable member for Rangitikei had carried on his ordinary business they blamed him for it.

1.0. They did not hear any complaint as regarded the action taken by the members of the legal profession in the House. What inference did the honourable member for Otaki

desire to draw when he referred to some occasion upon which he (Mr. Seddon) had met Mr. Donald Fraser at Feilding and travelled in a railway-carriage with him? It simply meant that when a gentleman rode with the Premier of the colony in a railway-carriage there was at once some corrupt transaction to transpire out of it. And it also meant that when a member of Parliament or a candidate for parliamentary honours came near his carriage in future, he would have to say, "Keep clear."

An Hon. MEMBER.—Was he a member of Parliament?

Mr. SEDDON.—That would also apply to intending members of Parliament. He was not aware before that day that his influence was such that he could convert a real red-hot Tory and make him a Liberal in the time it took to travel about eleven miles in a railway-carriage. He was not to be drawn by the honourable member for Otaki; and he was not going to divulge what transpired while he was in conversation with the gentleman referred to. He might tell honourable members that long before the election took place, and long before Mr. Donald Fraser had declared that he could no longer support the present member for Otaki, this purchase was contemplated, and negotiations had been entered into. It was through the honourable member for Otaki's "Jim Crow" policy in the House, and because he had done so little for his district, and gone against almost every election pledge that he had made, that he was opposed by Mr. Donald Fraser. Mr. Fraser told Mr. Wilson that he was going to oppose him, as one honourable gentleman would tell another. The honourable member in twelve months seemed to forget the past support he had received at the hands of Mr. Donald Fraser, and now he brought this charge against him, probably looking to a time when Mr. Fraser would again run him at an election. The honourable member for Otaki had also said that Mr. Fraser had been guilty of corrupt conduct in reference to that transaction. All he (Mr. Seddon) could say was that if an honourable member had got nothing better than that to do—namely, to attempt to injure a late opponent, and one who would again be an opponent in all probability—then his position must be very shaky indeed. He thought the honourable member was going a long way out of the straight path of rectitude when he attacked a man in that way. As regarded this transaction, again he could give honourable gentlemen information which positively negated the assertion that it was owing to this meeting with Mr. Donald Fraser that this transaction was brought about; because he knew practically nothing about the transaction, and it was not mentioned between Mr. Donald Fraser and himself when at Feilding, or when riding together in the railway-carriage to Palmerston, or from the time they met until they parted. This would show the honourable member the gross injury he was doing to Mr. Fraser in the matter. Then they came to the question of the necessity for this legislation. For the last five

or six years this matter had been brought forward by different Governments, and had been left standing over session after session. It had been adjourned from time to time without justice being done to it. The present Government had therefore to step in two years ago and put a Proclamation upon the land so as to stop dealings with it. This was done in the interests of the Natives, until such time as opportunity was given to ascertain who were the real owners. Notwithstanding this, that land had been dealt with, and they had the honourable member for Otaki now endeavouring to make a friend of a man who had strong political influence. Honourable members knew that Mr. Bartholomew had sawmills, and employed a large number of men. Mr. Wilson, the member for Otaki, took the opportunity of doing this for the purpose of making political capital for himself. On the other hand, he had deceived Mr. Fraser, and made indirect charges which he would little have thought could come from the honourable gentleman. In Major Kemp's case the honourable gentleman wanted the lease to go on, and the land to become denuded of timber. Major Kemp had received over £20,000 for the sale and leasing of land in the Horowhenua Block, one way and another, and when any steps were taken against him they found the honourable member would not agree, because he had certain friends in a certain quarter. He (Mr. Seddon) brought in this Bill, which included Major Kemp, and made all such lands as these chargeable: if he had brought in a Bill that did not include Major Kemp's lands there would not have been a single word said against it. This was no new matter. In the parliamentary papers of 1890 the following memorandum by Colonel Trimble would be found in reference to Horowhenua No. 11:—

"HOROWHENUA No. 11.

"*Allegation No. 1.*—That Hunia and Kemp were named as owners 'for and on behalf of the Natives settled upon the block, and not for themselves personally.'

"*Answer.*—At the Court held in 1873 Major Kemp was named as owner of the whole block, on behalf of the persons indorsed on the order of the Court. After much trouble and delay, the block was divided by the Court in November and December, 1886. At this time No. 11 was awarded to Hunia and Kemp. There is no word in the order of the Court to show that the land was to be held in trust; there is nothing in the minutes of the Court, either in evidence or by way of declaration, to show it. The question of trust never came up until Hunia prosecuted Kemp in 1889 in the Supreme Court, to render an account of the rents the latter had received for portions of the land.

"Please note that No. 11 is only one of fourteen sections awarded in 1886, and to most of these sections the minutes show that there were conditions implied. Thus, No. 1, 76 acres, was awarded to Kemp to be conveyed to the Railway Department. He conveyed it, and holds the payment.

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"No. 2, 4,000 acres, was for a township, as arranged with the Government. (See evidence of Mr. T. W. Lewis, Under-Secretary, in file.) This was to be for the good of the whole estate. Major Kemp has sold it to the Government for £6,000, of which he has received £4,000, the balance remaining at interest. He has not accounted for this money.

"Nos. 9 and 14, each for 1,200 acres, were awarded to Major Kemp. It had been arranged with the late Sir Donald McLean in 1874 that 1,200 acres should be awarded to Kemp, simply to pass it to the people of Whatanui (Ngatiraukawa), to stop animosities between them and the Muaupoko, mainly the adherents of Hunia. (See printed papers put in evidence.) The Court allotted 1,200 acres, as agreed upon; but the Whatanui claimants were dissatisfied with the situation of the land. The Court then awarded a second 1,200 acres. Up till the time of the Court sitting this year nothing whatever was done by Kemp to pass either block. If he has since passed one, he holds the other. He has given no intimation whatever that he regards this second block as a trust.

"Nos. 3, 4 and 5, 7 and 8, were awarded to persons by name in certain definite proportions.

"No. 6 was awarded to Kemp for persons not in the certificate of title (1873). It was understood that forty-four persons were to get each 105 acres; not one step has been taken by Kemp to ascertain to whom this should be given, though there is a trust clearly implied.

"No. 10, 800 acres, was awarded to Kemp's lawyers for a bill of costs understood to have been incurred in relation to Kemp's lands as a Wanganui.

"No. 12 was awarded to Ihaia Taueki (13,137 acres of rough land).

"No. 13 is only a square foot.

"It will thus be seen that even in those cases where Kemp clearly only held the land on trust he has not acted as a trustee. To the persons named in Nos. 3, 4, 5, 7, and 8 Kemp said that if they chose to sell their land they would get no more. How could a trustee say that, if the land in No. 11 was theirs?

"*Allegation No. 2* is based on No. 1, and has same answer.

"*Allegation No. 3.*—'Original intention' cannot be shown by what an assessor says, but by the order and by the minutes. I do not know, either, what assessor he refers to.

"*Allegation No. 4.*—The trust was not proved, and therefore it would have been absurd to award to Hunia an 'insignificant portion of the block' and 'grant the rest to Kemp.' In the belief of the Court Hunia proved his title, as between him and Kemp, to the land awarded to him. In the Court of 1873 Major Kemp stated throughout his evidence that he and Hunia were jointly interested in all that was done to secure the land for the Muaupoko, and, when Mr. Baker tried hard to lead him to say that he was misreported, he angrily replied that he was not misreported, and explained that he was then

strengthening his case against the Ngatiraukawa by admitting the Hunia claims, though they were false. He added that he was in 1890 telling the truth. Hunia also gave evidence in 1873 as to his descent and occupation, and was uncontradicted by either Kemp or the other Muaupoko.

"*Allegation No. 5* (reference to the Supreme Court).—To be sure in all cases of doubt on the part of the Native Land Court it may state a case and get directions, but Mr. Baker raised no doubt whatever in my mind.

"*Allegation No. 6:* 'That the award should not have been influenced by the present European value of land,' &c.—It was not influenced by this. The Land Court was ordered by the Supreme Court to state relative interests, on account of disputes about the apportionment of rent received by Kemp. It became therefore necessary to have the land valued. This was done before the judgment was given. Before the valuers came back from their mission the Court decided the places which Kemp and Hunia were to occupy. The valuations were arrived at without the knowledge of the valuers as to the owners. The land was awarded in accordance with the Native evidence and custom. The valuation was only got to answer an order of the Supreme Court. The valuers were chosen by both parties, and simply appointed by the Court.

"*Allegation No. 7* (minutes of evidence in former Courts).—What was written in 1873 and in 1886 was written without the possibility of foreseeing what was to be said or done in 1890, and was by far the most trustworthy evidence we could get. Mr. Baker tried hard to get his own witness to say that the minutes of 1873 were inaccurate, and Mr. Baker will probably long remember the contemptuous wrath of the witness that he brought upon himself by his conduct on that occasion.

"*Allegation No. 8:* 'That the judgment was greatly against the weight of evidence.'—This is the always-implied legal objection, and need not have been stated.

"*Allegation No. 9:* 'The incompetency of the Interpreter.'—I never saw or heard of the Interpreter until I went to Palmerston. I therefore could have no partiality for him. He is licensed by the department, not chosen by the Judge. Whenever evidence did not seem to suit Mr. Baker he vented his wrath on the Interpreter. Mr. Baker's questions were so needlessly involved that it was impossible to help thinking often that they were so framed on purpose to get a special answer. I had at last to interfere, and stop the brutal conduct of Mr. Baker towards the Interpreter. It was only with Mr. Baker that there was any difficulty. I asked acknowledgedly-competent Maori adepts what they thought of the Interpreter's qualifications, and was told he was as accurate as could be expected; and I can myself vouch that he was most painstaking.

"ROBERT TRIMBLE.

"16th June, 1890."

Now, that was the whole sum-total of this argument. Warena Hunia prosecuted Major

Kemp for some sums of money received by him : then trouble rose between them. Had Warana Hunia not claimed a share of the moneys received by Major Kemp the House would have heard very little about the matter. But there was the opinion of the Native Land Court duly recorded : the result was that all they had to do was to make all the lands these chiefs held chargeable ; to have an investigation, and justice done. Then, there were other reasons. There was a certain firm of solicitors who had received 800 acres, valued at not less than £4 an acre, for services in connection with litigation relating to some lands up the Wanganui River and not connected with this land at all. So there was £3,000 gone in law-costs paid by Major Kemp ; and if this land, which Major Kemp now said he held in trust, was going to a firm of solicitors for litigation in reference to it, it was time that action should be taken. Then, with regard to what the Government intended to do in reference to this matter, they did not mean simply to deal with the residue of the land, but they would take it from its initiation, and treat it all alike, so that all concerned should have their just due. If the House was not disposed to agree to the recommendation of the Native Affairs Committee, or if there was anything like a stonewall or opposition, the Government were, of course, at this stage of the session almost powerless, and the responsibility must rest on those who objected. But the Bill was brought in on the recommendation of the Native Affairs Committee. The Native Affairs Committee had desired that that should be done, and the honourable member who actually moved the motion now opposed it ; and all he (Mr. Seddon) could say was that the responsibility must rest on the honourable member, and on other members who raised opposition. For his part, he would be no party to legislation that did not place Major Kemp and the other chief on the same footing in respect to their dealings in connection with this land. Major Kemp was strongly supported by the honourable member for Otaki, and also by the member for Wairarapa and the member for Wellington City (Mr. Bell).

Mr. BELL.—No.

Mr. SEDDON said it was absolutely a fact.

Mr. BELL rose to a point of order. He had stated that he was not supporting Major Kemp, and the Premier repeated his statement.

Mr. SPEAKER said he could not regard the interruption as a point of order. The correction was a matter of personal explanation.

Mr. BUCHANAN explained that he was not an advocate of Major Kemp. He had not mentioned his name, and he had never raised the question.

Mr. SEDDON said it was quite clear that those honourable members had misunderstood what he said. He said that Major Kemp's side of the question had been argued and supported by the honourable gentlemen opposite, and he named them. If he was wrong he regretted it. He had found, however, that Major Kemp had very powerful friends, and they heard

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very few words in favour of Warana Hunia. All he could say was that their late chief, Mr. Ballance, was much pleased to have an opportunity of acquiring this State Farm at Levin. Mr. Donald Fraser had, in connection with that, rendered signal service to the colony in assisting the Government to obtain that land. So far as Mr. Fraser was known by repute his transactions and dealings were strictly honourable. He did not know anything against him in that respect. He also had the confidence of the Natives. The Government had given an assurance that if a purchase was made a fair price would be paid. He might say a fair price would be paid. By this Bill the interests of the whole of the Natives concerned would be secured.

Mr. WILSON might explain that he had no desire to see Major Kemp or any one else escape from his proper responsibility in connection with this matter. He simply wished to see the tribe get their fair share of the land.

Mr. HEKE said he was not advocating the case of Major Kemp, as had been stated by the Premier, but he desired to protect the interests of the whole of the tribe.

The House divided.

AYES, 29.

Buick	Lawry	Pere
Cadman	Mackintosh	Reeves
Carroll	McGowan	Seddon
Duncan	McKenzie, J.	Smith, E. M.
Graham	McLachlan	Stevens
Harris	McNab	Ward
Heke	Meredith	Willis.
Hogg	Millar	<i>Tellers.</i>
Houston	Mills	Collins
Kelly, W.	Montgomery	O'Regan.

NOES, 8.

Bell	Stout	<i>Tellers.</i>
Fraser	Tanner	Buchanan
Russell, W. R.	Wilson.	Mackenzie, T.

PAIRS.

For.	Against.
Flatman	Hall-Jones
Joyce	Duthie
Kelly, J. W.	Hutchison, G.
Massey	Allen
Pinkerton	Mitchelson
Russell, G. W.	Green.

Majority for, 21.

Bill read a second time.

SHIPPING AND SEAMEN'S BILL.

On the motion of Mr. REEVES, Captain Russell, Mr. Houston, Mr. Millar, and Mr. Reeves were appointed Managers at the Conference with the Managers for the Legislative Council on this Bill.

HOROWHENUA BLOCK BILL.

This Bill was committed and reported.

On the question, That the Bill be now read a third time,

Sir R. STOUT said he regretted that there was no provision in the Bill for the preservation of the moneys in the hands of the Crown. He

had stated, on the second reading, that it was not necessary to pass the Bill at all, because the rights of the Natives would not be preserved. He thought there should be a clause in the Bill compelling the Crown to hold the moneys until such time as a rehearing was given. The Premier, however, had given a promise that the moneys would be stopped, and he would therefore offer no further objection.

Mr. WILSON said the Premier had in Committee greatly altered clause 2, and met his objection fairly in other respects, and the objection he had to the Bill was therefore removed to a great extent.

Mr. BELL objected to the Bill even as amended, because it tied up lands not the subject of any dispute. However, the Government were determined to adopt that form, and it was better in that form than if no security were provided.

Mr. SEDDON would take that opportunity of putting himself right; otherwise he would be told by the honourable member for Wellington City (Sir R. Stout) that he had prevented the Government from paying over these moneys. The honourable gentleman stated that the Premier had given his assurance that the money would not be paid; and next session, when he found that the money was paid over,—

Sir R. STOUT said he meant, until the trust was secure.

Mr. SEDDON said what the honourable gentleman said was that the Premier had given his assurance that the money would not be paid, and he would therefore offer no further objection to the Bill. That, of course, would appear in *Hansard*, and it was necessary that it should be contradicted. Then, as regarded the Bill: It was the Native Affairs Committee that asked for it; otherwise he should not have brought it forward at all. It was on account of a resolution of the Native Affairs Committee on a motion moved by the honourable gentleman himself; and he knew at the time that the Native Land Court Bill had passed that Committee, and was almost certain to be placed on the statute-book. The honourable gentleman seemed to forget that—in fact, he seemed to forget what transpired from day to day. With regard to clause 2, that was struck out of the Bill at the request of the honourable member for Otaki. He had tried to meet honourable gentlemen in every way possible, but found it impossible to please them. He believed himself, from what he could learn, that this land that Major Kemp and Warana Hunia held was originally intended for the benefit of the tribe. There were 800 acres of that land, amounting in value to between £3,000 and £4,000, given to a firm of solicitors, and the litigation for which that firm of solicitors was paid was in connection with some land up the Wanganui River, and yet a part of the Horowhenua Block was given as payment for these legal services. What the honourable gentleman opposite intended was that a Bill should be brought down dealing only with Warana Hunia: but the Government were not going to have any half-measures. They wished to

know what had become of the whole of the proceeds, and who were entitled to them.

3.30. He was told on very good authority that Major Kemp had dealt with over twenty thousand pounds' worth of land in the original Horowhenua Block. He did not see why Major Kemp's land should not be charged, and that was why he had had to go outside the Horowhenua Block and charge land which he held outside that block, because, if it was proved that it was trust property from the commencement, then he did not think that Major Kemp had sufficient interest in what was left of the Horowhenua Block to repay what he might be called upon to repay. Litigation was going on at the present time in the Supreme Court in reference to this matter. In asking the House to pass the Bill, he made its provisions tentative, and refused to fix an order for the Native Land Court to inquire into the question, because if he had done that it would have been clashing with the proceedings in the Supreme Court, which was undesirable and should not obtain. He intended, if this Bill became law, to have a proper inquiry made from the commencement, in order to ascertain to whom the land belonged, who had dealt with it, to whom it had been disposed of, what proceeds had been received from its disposal, and to make the parties, if it were found they were only trustees, account for what they had received. The Bill was brought down at the instigation of the Native Affairs Committee. He believed as the Bill now stood it was a very good measure, and that justice would be done to those beneficially interested in the land in question.

Sir R. STOUT wished to make a personal explanation. Why was the resolution moved in the Native Affairs Committee that this Bill should be introduced? The honourable member ought to know that at the time that resolution was passed the Native Land Court Bill had not become law, and until it became law it was necessary to have a special Bill dealing with this block.

Bill read a third time.

SUPPLY.

Resolutions were reported from Committee of Supply.

On the question, That the House agree with the resolutions,

Sir R. STOUT said,—I wish just to say one word, as I do not intend to speak on the Appropriation Bill. I have not taken any part in the discussion on the public-works estimates, because I think the House is incompetent to do so. In fact, I think there ought to have been a special Committee set up to consider the number of main roads for which votes have been passed—not only roads to open up land, but main roads. I see some votes have been granted for roads which have been open for thirty years, running through wealthy counties, and yet grants are being made out of the public purse for this purpose. I only wish to say that I think the whole system is entirely wrong, and that the colony cannot stand the strain of the

expenditure of borrowed money, as our expenditure on public works shows that it now exceeds a million for this year. That is all I have to say.

Mr. SEDDON.—I think that the Government are entitled to claim credit for having brought down a set of estimates this year such as have never been equalled before in the New Zealand Parliament. In fact, I may say they have given general, and indeed almost unanimous, satisfaction. The statement made by the honourable member is quite correct that there are votes there for roads which have been made a long time, and the same roads have been made to Crown lands, and those Crown lands have never been disposed of.

Sir R. STOUT.—No.

Mr. SEDDON.—I do not know what particular road the honourable member refers to, but we found what I say to be the case—that this expenditure was just as much a part of what was intended by Parliament in passing the Lands Improvement Act—that it was as much the intention of Parliament to construct a bridge upon that road as it was to make the roads absolutely through the land. I know this: that there are fords, and that those fords have been used by a few settlers for years. It was necessary to put bridges across these rivers in order to give access to lands bought from the Crown, and so increase settlement. That was the intention when we passed these estimates; and I say that if you take the year's estimates and deduct from them the amount appropriated under the heading of "Lands Improvement Account" our estimates are less than they were last year, and last year the expenditure was less than we have had for some years. This year it cannot be the same, because there are so many men out of employment, and it was our bounden duty to provide means for reproductive works in order to provide these men with work, because if we had not done so the distress would have become something appalling. I think we ought to compliment ourselves on the fact that we have tidied over the winter so well, and have been able to find work for those in distress. I hope what the Government have done will not be found fault with in the provision that has been made to meet cases of this kind.

Resolutions agreed to.

GOVERNMENT ADVERTISING.

Mr. SEDDON laid on the table a return of the expenditure on Government advertising, and moved, That the return be printed. He desired to inform the honourable member for Wellington Suburbs, who had that morning inquired for this return, that a careful analysis would show that during the two years only of the Stout-Vogel Government the amount spent on Government advertising was £20,748, exclusive of the Post and Telegraph advertisements; during the three years of the Atkinson Government, £22,899; and during the three years ending on the 31st March, 1894, of the Balance-Seddon Government, £23,604. The return showed that during the past three years the

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expenditure had been—omitting the railway advertisements, over which the Government had no control—£585 less than in any three years since 1887; and, further, that, owing to the increased demand for land, the advertising under the head of "Land and Survey" showed an increase of £786. Deducting this and the increase on railway advertisements, and there was a reduction of £1,871.

Motion agreed to.

SHIPPING AND SEAMEN'S BILL.

Mr. REEVES brought up the following report of the Conference on this Bill:—

"Clause 14 is reinstated, except the words 'owned in or' in the first line, and with the addition of the words 'or within seven days after' after the word 'month' in the third line.

"Clause 17, subsection (1). The word 'or' is substituted for 'and' in the second line.

"Clause 34, subsection (6). The word 'now' is inserted in line 15 after the word 'steamers.'

"The House accepts the other amendments made by the Council."

He moved, That the report of the Conference be agreed to. The difficulty in regard to the question which was causing so much anxiety had been removed by a compromise. He thought the compromise was a very fair and reasonable one.

Motion agreed to.

CONTROLLER AND AUDITOR-GENERAL.

Mr. SPEAKER said he had received a letter from the Controller and Auditor-General, which he would read to the House and then lay on the table:—

"Mr. FitzGerald will become entitled to a pension of £500 if he shall resign the office of Controller and Auditor-General on or after the 28th day of February next, which pension will be increased by the sum of £16 13s. 4d. for each and every year that he shall remain in office after the above-mentioned day.

"J. E. FITZGERALD.

"Audit Office, 23rd October, 1894,"

Mr. SEDDON moved, That the letter be referred to the Government.

Dr. NEWMAN asked what attitude the Government intended to take up in regard to the relations between the Audit Department and the Public Trust Office. Was it expected that the Auditor-General would continue to audit the accounts of the Public Trust Office?

Mr. WARD said he felt sure the Auditor-General would continue to audit the accounts of the Public Trust Office.

Motion agreed to.

CHARITABLE AID.

Mr. T. MACKENZIE asked the Colonial Treasurer, Whether the Government will during the recess consider exhaustively the question of charitable aid; and, if so, will they endeavour to more equitably adjust the moiety now raised from land, by requiring all forms of property to bear their fair share towards that moiety? This was a very important question.

As the Act at present stood half the money which was spent on charitable aid was provided from rates on land. He thought it was only right that the Treasurer in readjusting the question of charitable aid should consider the propriety of making all forms of property contribute their fair share towards charitable aid.

Mr. WARD said the matter was engaging the attention of the Minister in charge of that department.

HERIOT-ROXBURGH RAILWAY.

Mr. T. MACKENZIE asked the Minister for Public Works, If he will issue instructions to the Engineers to proceed with the survey of the Heriot-Roxburgh Railway at the earliest possible date? He hoped, as the Minister had been good enough to say in the Public Works Statement that he intended to have the surveys made of this extension, that he would as soon as possible put the work in hand. This railway extension was of very great importance to a large number of settlers, some of whom had been induced to take up land in that locality on the promise of a railway. The line would also tap a very large extent of country suitable for settlement, which the Government might consider the propriety of acquiring reasonably.

Mr. WARD said this was a matter which would also receive the serious consideration of the Minister during the recess.

CATLIN'S RIVER RAILWAY.

Mr. T. MACKENZIE asked the Minister for Public Works, When the Catlin's River Railway will be opened for traffic to Hunt's Road? It was very important that a station should now be opened at the place named in the question. There were a large number of settlers there who were engaged in timber-cutting and at the sawmills, and these settlers were anxiously waiting for the opening of this part of the line. Were the station opened at once, a lot of valuable timber would be brought to market which was now being wasted, and many men could be profitably employed timber-cutting.

Mr. SEDDON said no time would be lost in giving the residents of this part of the colony the advantages which they were justly entitled to in connection with the expenditure of public money.

RECIPROCAL CUSTOMS TREATY.

Mr. T. MACKENZIE asked the Colonial Treasurer, If he will take steps to ascertain the views of the Governments of the neighbouring colonies with regard to the creation of a reciprocal Customs treaty between this and the other colonies? He would be glad if the Treasurer, when he went over to the Postal Conference in Australia, would use his influence to ascertain the feelings of the neighbouring Governments upon the question of an exchange of products.

Mr. WARD said the Government thoroughly recognised the great importance of this subject. They were desirous of arranging a reciprocal tariff with the Australian Colonies. Anything

they could do to promote this end he could assure the honourable member would be done.

HERIOT-ROXBURGH RAILWAY.

Mr. LARNACH asked the Minister for Public Works, Whether, as he has already indicated his intention of proceeding with the survey of the Heriot Railway to Roxburgh, he will undertake that the survey shall be pushed on without any unnecessary delay?

Mr. SEDDON said he gave a reply to this question earlier in the session. He would consider the matter during the recess, and see whether it was necessary that this should be done.

J. HERON.

Mr. GUINNESS asked the Minister of Justice, Whether, seeing that the Grey River Hospital Trustees court inquiry, the Government will appoint the Stipendiary Magistrate at Greymouth a Commissioner to inquire into the charges made by John Heron, in his petition to this House, against Wardsman Bell? He wished to draw the attention of the Minister of Justice to the fact that a Committee of the House made a report upon this petition. Since the report was made the trustees of the Grey River Hospital considered that the matter referred to in the petition had not been properly inquired into by the Inspector of Hospitals, Dr. MacGregor. The Trustees courted inquiry, and it had been suggested that the Stipendiary Magistrate at Greymouth should take evidence on both sides.

Mr. CADMAN said this was not a matter for the Minister of Justice to deal with; it was a matter for the Minister in charge of charitable aid. His colleague had not had time, owing to his other duties, during this session to deal with this question.

INEBRIATE ASYLUMS.

Mr. LARNACH asked the Government, Whether, during the coming recess, they will cause inquiries to be made in respect to providing suitable sites, convenient to the four chief cities of the colony, for the establishment of inebriate asylums?

Mr. SEDDON said this matter had been brought under the notice of the Government during the session, and there was no doubt we were behindhand with reference to this question, and he thought something was necessary to be done. Inquiries would be made, and the honourable member would no doubt be told next session what the Government intended to do with respect to it.

CHARITABLE AID AND MAIN ROADS.

Mr. LARNACH asked the Government, Whether, during the coming recess, they will consider the necessity of having a comprehensive measure prepared, having for its basis a large and sufficient endowment of Crown lands, by which a lasting provision may be made towards providing satisfactorily for charitable aid requirements, as well as for the maintenance of the main roads of the colony?

Mr. SEDDON said the Government had promised to deal with the question of local government next session, and the question of local government would embrace charitable aid.

INANGAHUA MINING.

Mr. O'REGAN asked the Minister of Mines, if, in view of the indignation caused in Reefton by the reference in Mr. H. Gordon's Mines Report of this year regarding the Inangahua district, he will cause inquiry to be made into that gentleman's allegations; and, in the event of their being proved either wholly or partially incorrect, will he cause reparation to be made by an official correction? The question arose out of a demonstration that was lately held at Reefton in consequence of some remarks made in Mr. Gordon's annual report upon the manner in which mining business was carried on at Reefton. This was the second time in which Mr. Gordon had given umbrage to the people of Reefton in regard to the same matter. The people there considered that Mr. Gordon's remarks reflected upon the commercial morality of the people of the district, and were calculated to do great harm to the industry on which it chiefly depended. He did not wish to enter into any debatable matter, because he knew that the rules of the House debarred him from doing so; but it seemed to him a matter for regret that the remarks should have been made. As grave injury appeared to have been inflicted upon the district, he trusted that due reparation would be made to those who had been injured.

Mr. CADMAN said, with all due respect to the people of Reefton, he thought they had acted very foolishly, and he thought the remarks passed at the public meeting did not redound to the credit of the district. If they had any cause of complaint it was their duty to have written to the Minister in charge of the department, specifying the charges, when action would have been taken by the Government. He had heard nothing of the matter till he received a copy of the resolution which was passed at the public meeting. Mr. Gordon, as was well known, was one of the most painstaking, careful, efficient, and hard-working officers in the public service, and he could have no particular reason, as far as he (Mr. Cadman) knew, for saying anything detrimental to the people of the Reefton district. He might also mention that, so far as votes and moneys required for the Reefton district were concerned, he (Mr. Cadman) had often to curtail Mr. Gordon's recommendations. If the people there would send him specific charges of inaccuracies in Mr. Gordon's report, he would have the matter inquired into.

NATIVE EXPENDITURE, CIVIL LIST.

Mr. HEKE asked the Native Minister, Whether the Government will, during the recess, prepare a return showing how the moneys set apart for Native purposes in the Civil List (£7,000) have been expended during the last four years, showing all items, and at whose request the moneys were expended?

Mr. SEDDON said the honourable member was a little late in asking such a question on the last day of the session. He ought to have moved in the matter during the session and asked for this return.

Mr. HEKE said the return was not for this session.

Mr. SEDDON said the Government could not give any promise in respect to this matter. Many things might occur prior to next session.

STOATS AND WEASELS.

Mr. BUDDO asked the Minister of Agriculture, Whether, considering the damage to stock and poultry in the agricultural districts by stoats and weasels, he will take steps to remove the protection, and allow them to be destroyed by farmers, except in declared rabbit-infested country? He had no doubt that the Minister of Agriculture fully recognised the importance of this question. Stoats and weasels had now become a greater trouble to the farmers in many districts than the rabbits were.

Mr. J. MCKENZIE said this was a difficult subject to deal with. He understood that in the outlying districts and in the back-country these natural enemies of the rabbit were doing excellent work. The department had not heard up to the present time of stock having been destroyed by these animals, although they knew the stoats and weasels attacked the fowl-yards. However, at the present time the Government were considering a scheme of offering a reward for the capture of these animals in districts where they were not required, so that they might be sent up to the back-country.

WOOD-WORKING MACHINE.

Mr. E. M. SMITH asked the Government, Whether they will give effect to the petition of Joe Ward, of New Plymouth, that a wood-working machine should be admitted duty-free, as it is to be used in the dairy industry—i.e., making butter-boxes and kegs for the dairy-farmers—seeing that an important Committee did, after full and careful consideration, recommend the Government to admit the said machine to New Zealand duty-free? He knew that the forms of the House prevented his making a speech in asking this question. The Tariff Committee went fully into this matter, and they found that this machine could not be made in the colony, and, as it was to be used in the dairy industry, they recommended that it be admitted duty-free. He hoped the Minister would comply with the recommendation of the Committee.

Mr. WARD would like to point out to the honourable member that there was no power by which the Commissioner of Customs could remit this duty. The only way by which it could be done would be by taking a vote on the estimates for the amount. There was also this difficulty: There were coopers in other parts of the colony who would be entitled to similar concessions if a concession was granted in this case. For instance, before this application was

received he had to decline a similar request from a Mr. Young, of Invercargill. He held, on looking into the matter, that it would be impossible to limit coopers, as proposed, to the business of carrying on the manufacture of dairy utensils only, because the Customs Department could not say to a man that he must confine himself to a particular branch of his trade. That would not be fair to the other coopers doing a general business, who were not allowed to have goods admitted free though engaged in manufacturing for dairying purposes.

PARLIAMENTARY OFFICIALS.

Mr. MILLS asked the Premier, If he will place a small sum of money on the supplementary estimates to remunerate those who have been engaged in the Parliament Buildings during the extra-long hours of this very lengthy session? He assumed that it would be unnecessary for him to ask this question, as a sum of £100 appeared on the supplementary estimates. He hoped that in the distribution of this amount among the messengers and clerks the Government would take into consideration the services of all those who had sessional work to do at a fixed salary.

Mr. SEDDON said there had been some complaints last year as to the division of this money, and he would himself go into the matter prior to the division.

RAILWAY REFRESHMENT-CARS.

Dr. NEWMAN asked the Premier, If, when Ministers take over the railways, he will consider the advisability of adding refreshment-cars to all long-distance trains, as is done on the Manawatu Railway? He hoped that when the railways were taken over this matter would be considered by the new Minister of Railways. Perhaps the Premier could tell the House now who he was to be. On the Manawatu Railway a refreshment-car was run, which had proved a great convenience to the travelling public; and he hoped that the matter would be brought under the notice of the Railway Department.

Mr. SEDDON said he had no objection to consult with the honourable member after the prorogation as to who the Minister of Railways should be. The matter he had referred to in respect to refreshment-cars would be attended to, and the Government would be guided by what they believed to be the true interests of the railways and those using them; and inquiry would be made.

H. PAEARA.

Mr. HEKE asked the Native Minister, Whether the Government, when making inquiry into the petition of Hemi Paeara, (1) called for the petitioner to give evidence; (2) did they cause the inquiry on the report of the Native Affairs Committee of last year; and (3) where did the inquiry take place? He had been urged to ask this question again, as he understood from the Minister representing the Native race that the Government had made an

inquiry and had come to the conclusion that the Native had no right at all, because the land to which the petition sent to the House by this Native referred had been granted to the Crown by a special Act. He wished to say that the report of the Native Affairs Committee urged the Government to allow an inquiry to be made by the Stipendiary Magistrate at the Bay of Islands; and, as far as he could see, in common fairness to this Native that inquiry should be allowed, so as to enable him to place the matters referred to in the petition before the Court.

Mr. SEDDON said he had gone very carefully into this matter, and did not think it was necessary at the present stage to reopen it.

WORKMEN'S FARES ON RAILWAYS.

Dr. NEWMAN asked the Premier, If he will arrange that, when Ministers take control of the railways, cheap workmen's fares shall be issued from the big cities to the suburbs?

Mr. SEDDON said this was a matter which required careful consideration. He had stated to the House that he thought something should be done in this direction. He had not the details at command. Later on—probably next session—he would be in a better position to enlighten the House on the subject.

FRUIT, ETC., SENT TO HOSPITALS.

Mr. COLLINS asked the Premier, Will he concede to persons desirous of sending gifts of fruits, flowers, and vegetables to the various hospitals of the colony the privilege of forwarding same by railway free of cost, thus materially assisting these institutions and encouraging a livelier interest in them? In Canterbury quite a number of people would send fruit and vegetables to the hospital if allowed free carriage on the railways, and he thought there was no reason why the Minister should not give a favourable answer to the question.

Mr. SEDDON said, probably it would lead to an abuse of the privilege asked for. On one occasion it was a notorious fact that two bags of cabbages were sent down by railway to a hospital, and the railway charge was paid by the hospital authorities; but they found that they could buy cabbages from the Chinamen at 2s. 6d. a bag less than the cost of those made a present to them.

E. ROBERTSON.

Mr. W. KELLY asked the Native Minister, If the petition of Edwin Robertson, reported upon by the Public Petitions M to Z Committee on the 7th October, 1892, has been considered? If so, what does the Government propose to do in the matter? The petitioner had petitioned the House in 1892, and the matter was referred to the Government for consideration. He was anxious to know what consideration the Government had given it.

Mr. CARROLL said Mr. Robertson of his own accord had rushed into a lawsuit, which had entailed considerable inconvenience and expense on the Government in defending the case. He lost his case, and was cast in costs.

-of which he now asked the Government to relieve him. That was a sufficient reason why the Government could not take the unusual course of giving him any relief.

DISTRICT COURT JUDGES AND STIPENDIARY MAGISTRATES.

Mr. GUINNESS asked the Minister of Justice, Whether he has had communicated to him the following resolution passed by the Legislative Council: "(1.) That, in the opinion of this Council, it is essential to the impartial and fearless administration of justice that (a) the tenure of office of District Court Judges and Stipendiary Magistrates exercising extended jurisdiction should be 'during ability and good behaviour,' and not, as at present, during the pleasure of the Executive; (b) the salaries of such Judges and Magistrates should be adequate, and should not be liable to be reduced during the term of office of the Judge or Magistrate receiving the same. (2.) That, in the opinion of the Council, the salaries at present paid to District Judges and such Magistrates, and especially the former, are wholly inadequate"; and, if so, will the Government give effect to this resolution? He hoped the Government had considered the matter.

Mr. CADMAN said the Government had considered the matter. They had received the resolution passed by the Council, but he might say that the Government had no intention of burdening the taxpayers of the colony with any more life-appointments than absolutely necessary, or of making the tenure of the officers referred to to be other than at present. The Government considered the present salaries adequate, and the House was evidently of the same opinion, as it had just passed the estimates.

PUMICE INSULATION.

Mr. LAWRY asked the Minister of Agriculture, If his attention has been directed to the following telegram, which appeared in the *New Zealand Times* of the 17th instant, namely: "At the Auckland Freezing Company's works a practical and successful test has been made of a new pumice insulation recently patented by Mr. J. C. Firth. Mr. Firth intends urging on the British Admiralty the desirability of adopting pumice as an insulator for naval powder-magazines in hot climates, so as to prevent the deterioration of the powder by heat. The pumice insulation was subjected to a very severe test at the freezing-works, at Mr. Firth's desire, the object being to prove the absolute efficacy of pumice as a non-conductor of heat under all circumstances"? And, if so, will he render any assistance in the accomplishment of Mr. Firth's purpose, more especially so far as it applies to dairy and other industries in the colony to which the "pumice insulator" can be applied? He was impressed with the idea that this was a matter of very great importance, and, in his opinion, pumice was going to take the place at present held by charcoal as an insulator. He hoped the Minister would bring it into general use.

Mr. Carroll

Mr. J. McKENZIE said his attention had been drawn to this matter, and if the Government could in any way assist Mr. Firth in bringing his idea in regard to pumice into operation in connection with cooling-chambers and the dairy industry they would do so.

SCHOOL-TEACHERS TRAVELLING.

Mr. O'REGAN asked the Minister of Education, If he will arrange that school-teachers who have to travel by rail to perform their duties shall be allowed free passes?

Mr. REEVES said if the honourable gentleman would tell him of any school-teachers who had to travel by rail he would be very glad to see what he could do for them, but the inquiries he had made did not show that there were any.

LICENSING ADDITIONAL BARS.

Mr. O'REGAN, for Mr. G. J. Smith, asked the Minister of Defence, Whether, in view of the fact that section 37 of "The Licensing Act, 1881," which provides for the licensing of additional bars, has been repealed by "The Alcoholic Liquors Sale Control Act, 1893," he will instruct the police to see that the law in this respect is enforced?

Mr. SEDDON said it was believed that the police authorities enforced the law in most respects, but their special attention would be at once called to the matter mentioned.

CHARITABLE AID.

Mr. TANNER, for Mr. G. W. Russell, asked the Government, Whether they will, next session, introduce a comprehensive measure to reform the present charitable-aid law, and circulate the same in time to enable it to be considered by the local bodies?

Mr. REEVES said he had made very plain and unmistakable statements on the subject more than once this session.

SUNNYSIDE ASYLUM.

Mr. G. J. SMITH asked the Minister for Public Works, How many tenders were received for the supply of bricks for the additions to the Sunnyside Asylum, and what was the net price per thousand in the tender accepted?

Mr. SEDDON said that tenders had been received by the Public Works Department, and the same had been dealt with. He believed only one tender had been sent in.

APPROPRIATION BILL.

This Bill was read a first and a second time, and committed.

IN COMMITTEE.

Clause 3. — Appropriation of £2,251,325 out of Consolidated Fund.

Mr. SAUNDERS moved to add the following proviso:—

"Provided that, notwithstanding anything to the contrary contained in 'The Public Revenues Act, 1891,' and until an Imprest Supply Act shall be passed in the next session of the General Assembly, the authority of the Colo-

ial Treasurer to issue and pay moneys in respect of any service shall not exceed the amount of the unexpended balance of the vote or such service provided by this Act, together with an amount equal to one-fifth part of the total of all salaries, pay, wages, allowances, rail contracts, rent, and other recurrent charges, and of all ordinary contingencies of any office or department provided for by such vote, and set forth in the estimates relating hereto. And no payment shall be made for any services other than those for which provision is made in this Act and in the estimates for the year ending the thirty-first day of March, one thousand eight hundred and ninety-five, or in excess of the scale herein set forth."

The Committee divided.

AYES, 23.

Bell	Maelin	Russell, W. R.
Buchanan	McGuire	Saunders
Buddo	McLachlan	Smith, G. J.
Jollins	McNab	Tanner
Duthie	Meredith	Wilson.
Green	Montgomery	<i>Tellers.</i>
Hall-Jones	Newman	MacKenzie, T.
Hutchison, W.	Pirani	Stout.

NOES, 31.

Buick	Kelly, W.	Reeves
Jadman	Larnach	Seddon
Jarnocross	Lawry	Smith, E. M.
Jarnell	Mackintosh	Stevens
Jarroll	McGowan	Steward
Jrowther	McKenzie, J.	Thompson
Duncan	McKenzie, R.	Ward.
Hall	Morrison	
Harris	O'Regan	<i>Tellers.</i>
Hogg	Parata	Joyce
Houston	Pinkerton	Mills.

Majority against, 8.

Amendment negatived.

Bill reported.

On the question, That the Bill be read a third time,

Mr. WARD said,—Sir, in moving the third reading of this Bill, I desire to point out that the only changes in the Bill are in clause 5, which provides for the sum of £13,555 for expenses in connection with the Cheviot Estate Account. In clause 10 there is a slight alteration to provide that the 75 per cent. advance shall not be made on rates to be collected in respect of Native lands. Section 14 provides that 2½ per cent., the cost of collecting the goldfields revenue, hitherto charged against the county revenue, is not in future to be detracted in that way.

Captain RUSSELL.—

That ends this strange eventful history,
Is second childishness and mere oblivion;
Sans teeth, sans eyes, sans taste—sans everything.

Sir, unfortunately this quotation from Shakespeare is only too true and representative of the session of Parliament that is just now about to close. I hope there may be much oblivion as to what we have done during this session of

Parliament, for we have been a Parliament "sans teeth"—an Opposition, courteous, I hope, always, but in this case hampered by the fewness of its numbers, and unaided by any criticism of the measures from the supporters of the Government, and we have been unable to use a wholesome and necessary power in restraining the Government from running in improper directions. So, Sir, I again say we have been "sans eyes," because Bills have been brought down in such hot haste to this Parliament from time to time that our eyes have not had the opportunity even of perusing them once, and by reason of which circumstance we have been on this side of the House constantly struggling against time to endeavour to understand the Bills that have been brought before us: but for purposes of criticism the House has been blind. With few exceptions we have received no assistance from honourable members on the Government side. The Government brought down Bills in a state which I have never known before—in such a shape that they are not understood in any degree by members of this House, not excluding the Government, or even the Minister who has brought the Bill down. Never during all the time I have sat in Parliament have I seen Bills brought down night after night—unthought out, unprepared, not understood, not even read—as by this Parliament of the colony. And yet, when we have endeavoured to struggle night after night against such a condition of things as that, we have been taunted with obstruction, because we have been unable to properly prosecute our duty owing to the impossibility of understanding, owing to lack of time, measures proposed to be passed into laws of vital importance to the community—measures not understood by any members of Parliament. Members have not had teeth to restrain the Government, and have not had eyes to see and understand the work put before them. Then, Sir, as to "sans taste," I do not allude to that delicate question of good or bad taste. But the House has not had that keen taste, that exquisite perception, to appreciate the character of what was placed before it for its digestion and assimilation. If it had, I say that half the Bills which have been brought before this session of Parliament would have been cast out into the dust-bin. Then, Sir, to come to my last words—"sans everything." This Parliament has not had any power whatsoever. In that respect it has been "sans everything." Never before has a House of Representatives in this colony so entirely abrogated its functions, and been so compelled by overpowering conditions to swallow Bills which it could not have understood even if it had been given time to endeavour to understand them. Never have there been such circumstances before. We have been forced by the Ministry to do that; and not only that, but the House has allowed itself to be forced by one man—forced by the Premier—to do exactly what he chose. His colleagues have been as ciphers, not endeavouring to control him, though many of the youngest members

in this House have strongly endeavoured to restrain the Government; but some also have understood nothing and cared for nothing but to come to the end of the session. What has the policy of the Government been? Have they had any policy? Upon my word, it is difficult to answer the question whether they have had any policy. Before the session they were a self-reliant, non-borrowing Government. What are they now? Are they a self-reliant, non-borrowing Government? Are they not a spend-thrift, profligate, self-seeking Government? Everybody must know they are. They say they are a self-reliant, non-borrowing Government. Have we had a single illustration of that? I am not desiring to abuse them, but I think if they have a policy it is one merely of bounce, bluster, borrow, bribe, and abuse. That is about the way to summarise the whole position. Borrowing! good heavens! we have been borrowing to an unlimited extent, and the bouncing has been to an extent that honourable members could not have conceived of. Bluster! does not every honourable member remember how the very foundations of the House shook when the Premier was aroused and roared until we feared the bulls of Bashan were let loose upon us? Bribery can also be added to the policy, for when the public-works estimates were brought down did not everybody rush frantically to his pigeon-hole to see if the wants of his constituents had been satisfied?

MR. SPEAKER.—The honourable member must not use the word "bribery" in reference to members of this House.

Captain RUSSELL.—Well, it may not be a proper word to use, and I will exonerate the Minister from the charge of bribing any individual. We know there was no bribery. But there was not a sum placed on the estimates for Seaward Bush. The honourable member who represents the district in which that place is situated is a painstaking member, and a supporter of the Ministry. That honourable member gave the Government his view, in very plain language, of their public-works policy, and, although I must not use the word "bribery," I may state that £300 was put on the supplementary estimates for the roads in that very neighbourhood.

AN HON. MEMBER.—That is not a high price.

Captain RUSSELL.—I do not say that it is a high price. I do not allege that was bribery. I do not say nor think that the honourable member who represents Seaward Bush could be bribed at all; but there was a sum put on the supplementary estimates for that place. We cannot, however, go into that now. The Hon. the Premier said that when we left the House we should all remain personal friends though political antagonists. We on this side of the House think that we can claim for ourselves from first to last that we have been studiously anxious to avoid anything like obstruction. We have striven by every means in our power to assist the Government in every way that it was thought desirable to assist them. It was our duty to criticize their

measures in every way that we thought to be for the good of the colony. But of obstruction there has been none—not even the slightest attempt at it on this side of the House; nor any attempt to stonewall a Government measure. The only time that anything like obstruction has been used was when there was a kind of obstruction which the country, when it knows of it, will appreciate. We declined to go on working at three and four o'clock in the morning, when honourable members were physically, mentally, and even morally exhausted. We have, during the whole of this session, endeavoured to conduct the business of an Opposition in a manner becoming the great responsibility thrown upon our shoulders. We believe that the country, when it remembers the long hours we have sat here, and the work we have done, will give us credit for the unremitting attention we have endeavoured to bestow on the measures that have come before us. We think, whether rightly or wrongly, that the people of this country will do us the credit of saying that we have discharged our duty faithfully—a duty which has been disagreeable, onerous, and arduous to the last degree. What, then, have we done? We commenced the session of Parliament with a debate on the appointment of the Serjeant-at-Arms, and have had to wind it up with a debate on the Pomahaka purchase. Probably, when years go by—and, unfortunately, time does roll on—many of the measures which we have put on the statute-book this session will be repealed, and others will be forgotten; but I venture to assert that this country will never forget the gross impropriety of the appointment of the Serjeant-at-Arms and the peculiarity of the Pomahaka purchase. This Parliament will be celebrated in years to come as the Parliament which, in spite of all the provisions and intentions of the Disqualification Act, deliberately supported the Government in the wrongful position they took up in the appointment of the Serjeant-at-Arms in defiance of the principle of the Disqualification Act. And it will be remembered also for this: that a property scarcely valued at £3,000 was purchased by the Government for more than double that sum—to be exact, £18,656—with practically no inquiry whatsoever into its real value. These will be the important features remembered in connection with the present Parliament as time goes on. It will be found that these two questions will stand out in prominence, and platforms from one end of New Zealand to the other will ring with these two matters. People will then be allowed to judge whether in opposing such proceedings we were wasting time, or whether, a great principle being at stake, we did our duty. Where is the policy of the Government that was brought down in the Speech from the Throne delivered by His Excellency at the opening of the session? We know that much of it has not even been attempted to be introduced. Many questions then deemed by the Government to be of vital importance—where are they? Where is the Licensing

Captain Russell

Bill? Does any honourable member believe that the Government intended to pass the Licensing Bill? We know they did not: not that I am prepared to blame them for that.

do not think it was desirable for the Government to introduce that Bill. But I have a thorough dislike to Bills being put on the Order Paper, after they have been alluded to in the Governor's Speech as if they were of the greatest importance, and to treating them in such a way as to keep members on tenterhooks, and then not bringing on the Bills at all. That is why the session has been of such interminable length. We have not known on his side of the House on any day what business was coming on for discussion. We have seen, day after day, that when there were on the Order Paper numbers 1, 2, and 8—Bills which we were led to imagine were going to be discussed, and which we had read and endeavoured to understand—they were almost invariably not brought on for discussion, but that some other kind of business was brought down, for which we were unprepared. Sir, I should have imagined that the principle in the policy of public works introduced this year is perfectly unique in the history of Australasia. It is true that we had a large borrowing policy in 1870, but it was introduced by a man who was a past master in finance, and it was surrounded by all sorts of restrictions. It was not possible to use the loans then authorised in a manner which might suit the Minister for Public Works and the Government, uncontrolled by any one else. Yet we have this year been invited to make, and the House has passed, appropriations for money amounting to millions sterling, a large proportion of which can be scattered in any way desired, without check by members of this House. I do not wish to impute bribery to anybody, but I ask every member amongst us, can there be any better opportunity for bribery than this?—for there is scarcely a district in the colony in which the Minister cannot spend money without the control of the people, except, perhaps, in Canterbury and my own unfortunate electoral district.

An Hon. MEMBER.—You were not bribed, then?

Captain RUSSELL.—I do not think I can be bribed.

An Hon. MEMBER.—Be as charitable to other people, then.

Captain RUSSELL.—I have not accused anybody of being bribed. I have not spoken of any individual, or of any attempt to bribe anybody. I am speaking of the policy now inaugurated, in which large sums of money are granted to Ministers to spend in whatever way they like. And, if I am told that they are not to spend the money, it makes the matter worse, because then they can spend the money in what way they choose. If they choose to spend the money in any particular district they have power to do so; whilst, on the other hand, if they think it advisable not to spend large sums of money in any particular district, they can avoid spending it.

Sir, I do not wish at this late hour to touch on many more points, but there is this one point: I allude to the correspondence which took place between the proprietor—or, rather, manager—of the Benmore Station and the Minister of Defence. I do not for one instant enter into the dispute, and, while I admit that the manager of the Benmore Station acted most injudiciously in writing to the Government three months before there was any possibility of disturbance in the neighbourhood, and, while I do not wish to express any opinion as to whether there would or would not have been a squabble, I am quite sure of this: that if there had been a sensible man on the station there was no necessity for any squabble at all. I want to point out that it is the first duty of an administrator to maintain and administer the law, and I think it was, I might almost say, a diabolically wrong thing on the part of the Minister to have ever addressed a letter of the description written, evidently at the dictation of the Premier, in connection with a labour dispute. Nothing could be worse than the attitude taken up by the Minister. Although the letter was sent by his Under-Secretary, the Minister cannot dissociate his conduct from that of the Under-Secretary of his department, and I wish to enter the strongest protest against the principle of refusing to maintain an impartial observance of law and order.

Mr. SEDDON.—I accept the responsibility.

Captain RUSSELL.—Sir, the honourable gentleman knows he cannot put that responsibility off his shoulders.

Mr. SEDDON.—It was done by my direction, and I accept the responsibility.

Captain RUSSELL.—The condition of the country is now a very serious one. Never before, I suppose, during the memory of any of us has there been so much distress from one end of New Zealand to the other as there is at the present moment. Who is responsible for that? I wish to be as lenient as I can on an occasion like this, and I do not wish to attribute the whole of the blame for the misery and distress that is now prevalent in the country to the Government. In fact, I should be wrong if I did so, because I do not think that we can do so. But what I do say is that to a very considerable extent the distress and misery has been aggravated by the conduct of the Government. Have the Government in any way endeavoured to grapple with the "unemployed" difficulty? Not a bit of it. They have used it, it seems to me, for their own political purposes, and they have not endeavoured in a comprehensive way to solve the question of the unemployed. No evidence has been put before this House, no evidence has suggested itself to my mind, that the Government has endeavoured to do anything of the sort. But when we come to review the position it seems to me that this Government has based its claim to popularity and public favour to a large extent on the land-tax. They have told us that the substitution of the land-tax for the property-tax would bring prosperity back to the country. Has

such been the case? The Government has placed reliance on the nostrum of the land-tax and its power to bring about prosperity—and I do not want to now discuss the question of the land-tax *versus* the property-tax, but I say merely that the Government has based its claim to public favour on imposing drastic taxation upon the landed interest. And what has been the result to the country? Has it been satisfactory? Has the prosperity of the country improved in any way since the Government has adopted this policy? I will tell you. The Government have done—what? They imposed a graduated tax upon the larger estates, which they said would bring about prosperity. It was to have the effect of bursting up large estates, and was going to place the people on the land. Has this distress and the “unemployed” difficulty been the result? What has been the result of the graduated land-tax and of the absentee-tax? The Government may have possibly raised a sum of £150,000 by the graduated taxation; but what has been the practical result of that? It has been this: that the landowner, right or wrong, from one end of the colony to the other, has been frightened as to his future. Confidence has been shaken; and, instead of the large landowner spending money on improvements, there is nothing but fear on the part of the landed interest, with this result: that never since I can remember have the people entered upon new improvements on their properties with such faint hearts as they are doing at the present time. And that fear to embark capital in the improvement of lands has been aggravated by this: that the monetary institutions have also been frightened, and many of the landowners have been unable to get further supplies of money for the improvement of their properties; and the consequent effect of that is, the number of unemployed in the country districts has never been greater than it is at the present moment, though it may yet increase. Sir, it is to a very large extent the policy of the present Government that has induced that fear. Has the Government encouraged the manufacturing industries? Have there been any further developments of manufacturing industries in the colony since the Government took office? On the contrary, manufactures are languishing.

Mr. SEDDON.—What about the dairy industry?

Captain RUSSELL.—The industry the Government have been unable to kill is the dairy industry. It is an industry which the Premier himself has been unable to kill, though I believe myself that by the policy of Protection which in all probability he will bring down next year he will crush that industry. I say that the manufacturing industries—I do not call butter-making a manufacturing industry in the proper sense of the word—have rather decreased than increased during the term the honourable gentlemen have been in office, with the result that artisans are now working fewer hours. They cannot get full employment, and therefore have to work for less wages than when the

Captain Russell

honourable gentlemen took office, and there has been more depression and more distress in the towns among the artisan class than there has ever been before. Generally, from one end of the colony to the other there is that feeling of suppressed fear which is shaking enterprises in every possible direction. I venture to say that never before in the history of the colony have there been so many unemployed in the country. Every financial institution has been frightened by the policy of the Government, and they will advance no money at all for the industrial enterprises of the colony. Not only have a desirable class of people with capital been prevented from coming to this colony, but others have been frightened out of it. If we want any evidence of that, we have only to place Mr. Glyn, the Chairman of the Bank of New Zealand, in the witness-box, and if any one would be likely to give evidence in favour of a Government which has backed that institution it would be Mr. Glyn. He tells us that the policy of the Government has been such that they have been unable to deal with their landed estates, and that the result of the policy of the Government has caused the unsatisfactory position of the Globe Assets Company. Though the Government has bolstered up the Bank of New Zealand with an amount of two millions of money, capital has been scared from investment, most desirable settlers have flown to Mashonaland or elsewhere, and stagnation stares us in the face; and that, to my mind, has been the result of the policy of the Government. Sir, I say there is not one single statesman on the Government benches. They have never understood even the meaning of the word “provision” at all. They live only from day to day, and from hand to mouth. They have never thought of the morrow. They are of the type of the village politician,—if they are even worthy of the name of politician. When I say “village politician” I mean the man who likes to stroll down the street to the local publichouse in the evening, and read the paper, and gossip about the political topics of the hour. There is no statesmanship whatever in their policy: they never look ahead. They came in, Sir, on a wave of almost prosperity, because the colony had emerged from some years of depression, and had been progressing steadily year by year while the Atkinson Government were in power. But since then the colony has been going on from bad to worse. They saw hundreds of our young colonists floating away to Australia, not only attracted by Coolgardie, but actually driven out, because there is a propelling force from behind. There are one or two other matters I should like to address myself to, and I hope I do not weary the House, for it is only a sense of duty that impels me to speak. There is no doubt of this: The policy that the Government put before the House in connection with the Midland Railway was of a most extraordinary character. By way of aiding a private company the Government proposed that this colony should give them £618,250 in money, which meant, practically, a charge on the people of the colony of over

£21,000 annually for all time; and that was for a railway which the colony might some day have to purchase to complete the railway system of the colony. And when an overwhelming majority declined in a full House to tolerate such a monstrous proposal, then the Government by a side-wind endeavoured to bring the question up again. They tried a system of compulsion on their followers which certainly is not creditable to the Government, and which certainly does not evince a very fine appreciation of the intelligence of their followers. They tried to make them recant the vote they had given after careful deliberation, and defeat the expressed wish of Parliament by a side-wind. And this was done by the Government that profess themselves to have an overwhelming trust of the people, and who express a wish to be guided on all occasions by majorities. There are one or two other points I should like to touch on. I come to the grievance which we all feel as farmers in the compulsory levying of twenty-four months' land-tax on the farmers within a period of eight months. Never before was such unjust taxation imposed on the farmers; and at a time, too, when frozen mutton, grain, and wool are down to their lowest values—they are the staples of the farmer's income—the Government come down ruthlessly, though boasting a large surplus, and ask us to find a large sum of money when it is impossible to raise a lien upon the crops and the wool, and when the farmer has completed all his arrangements for the year, and when the institutions from which they borrow money are becoming harder and stricter. I am afraid the supplementary estimates which were introduced lately will reduce the probable surplus next year to a very narrow limit. We shall find this difficulty: that, instead of having £250,000 to pass over to the Public Works Fund as Ministers have been doing for two years, and as they led the country to expect they would do in the future, the balance will be very small that they will be able to hand over to that fund. I hope I may be wrong. But, at any rate, I prophesy this: Whatever the revenue may really prove on paper, we shall again have a surplus shown. Whether it will be an actual surplus, or whether, again, the land-tax will have to be collected very shortly after declaring a large surplus, are very different things; but on paper there will be a surplus. I am glad to think the country is waking up to the fact that our finance is in a very bad way. I believe the country is coming to its senses. We on this side of the House do not want the country to turn against the Government, yet we are anxious that the country should learn to appreciate what the Government really is, and, when they have learned that, in all probability they will turn away from them with horror, and call upon other men to provide a remedy; and a very drastic and unpleasant medicine they will have to provide. The duty which will be forced on this side of the House whenever it comes into power is one that must prove most distressing to every person of a feeling heart or

sensitive mind. I look forward to the probability that whenever this side comes into power again it will have such an unpleasant duty to perform that it will nearly break our hearts in doing it; and in all probability, at the end of three years, after we have restored the finances and restored a feeling of confidence to the country once more, demagogues will parade and overpersuade the country, with the result that we, having done our duty, shall be ignominiously ejected from office for having done it. We shall eventually lose our individual seats for having had the courage to tell the people what fools they have been in believing that by reliance on wordy promises and the platitudes of demagogues prosperity can be assured to everybody. That is the fate I expect myself if I am ever compelled to take office again. I realise this: Persons who endeavour to do their duty, and tell the country they cannot by nostrums be brought into a state of prosperity, that men must depend on their own right hand and brave heart, must work honestly and be self-denying—those are not the men that are wanted. Perhaps the honourable member for New Plymouth would say they are not "the real Mackay." But still I look forward to a day when again prudence will prevail in New Zealand; when the prudent man, who has the courage of his convictions and does not endeavour to humbug the people, will again be asked to take a share in the government of the country. But we all realise that the preaching of common-sense is an ungrateful task, and that the world will be ungrateful to us for having performed it. I may be told this is a pessimistic view to take. But I thank Goodness I am not a pessimist. Fairly robust in health, with a good constitution and an easy-going disposition, pessimism is quite unknown to me. But when I have two and two placed before me and am told they make eight, common-sense convinces me they make only four. The world has been recently assured that two and two make more than four, and it has come to believe it. But the day of awakening is not far from us, and what will be the result? That those who have been humbugged previously by charlatans, quacks, and empirics, and chicanery of all kinds will wake up to the fact that they must come back to persons who will tell the truth, and who speak plainly, and say truthfully that nothing but hard work and cessation from relying on the foreign money-lender will bring back prosperity to the country. There is no doubt, for some time past the feeling which placed those honourable gentlemen opposite in the position they are occupying has changed, and may be summarised in a few words from Shakespeare:—

"It is ten o'clock.

Thus may we see," quoth he, "how the world wags.
'Tis but an hour ago since it was nine,
And after an hour more 'twill be eleven;
And so from hour to hour we ripe and ripe,
And then from hour to hour we rot and rot.
And thereby hangs a tale."

They have come to their time of ripeness, and it will not be very long before, over-ripe, they will rot and rot, and fall to the ground.

7.30. Mr. REEVES.—It is not easy to deliver a set speech in the dying hours of the session, and I shall not take up more time than I can possibly help. I would much rather take a five-barred gate than address a set speech to honourable members who must be thoroughly sick and tired of speeches. In fact, I should not have ventured to detain my brother members during the dying hours of the session if it had not been that the very excellent speech of the leader of the Opposition seemed to us to demand an immediate reply. My chief considered that I ought to do my best to meet that speech, and, as I believe in there being only one general, and in that general's orders being obeyed, I shall try to make a speech which I would very much rather not have been called upon to deliver. The speech of the honourable gentleman was a very excellent one, and to have expected a better under the circumstances would, I think, have been unreasonable. A brighter, pluckier, and more gentlemanly speech, under the circumstances, I think, one could hardly have listened to. I say that, although the honourable gentleman began his speech "*sans eyes, sans taste, sans everything,*" and ended it with "*rot.*" There are very few speakers who could venture on such a remarkable coincidence without suffering for it, but luckily my honourable friend is one of the few speakers who can. We like him so much, and we like his speeches so much, that it is almost a pleasure to be "*dressed down*" by the honourable gentleman. It reminds one of a character in one of Dumas's novels who was killed in a duel, and who, when he was dying, congratulated himself on the fact that he had been run through by the best swordsman in France. My honourable friend made an exceedingly nice speech, and he made an exceedingly plucky speech. When one thinks of the circumstances of the Opposition one cannot help thinking that it must take a considerable amount of courage for the leader of that party to make such a bright and lively speech. My honourable friend has done his best at the end of the session to cover the retreat of his party. It was just like the end of a stubbornly-contested battle, when a brave colonel of cavalry, drawing his sword, makes his regiment charge once more, not with the hope of victory, but in order to cover a retreat. I believe if the member for Hawke's Bay had remained a soldier he would have exhibited fine soldierly qualities. But my honourable friend carries his soldierly qualities into the way in which he leads his party in this House. I think that is the explanation of the very excellent, very lively, and very courageous speech to which we have listened. He bravely endeavoured to cover a retreat. As to the Opposition, I do not blame them for being beaten. When I came into this House some seven or eight years ago, I had the pleasure of always being beaten for the first three years. And very excellent discipline it was. In the same way I have no doubt that the discipline which the party opposite have undergone, and

are undergoing, will do them good, and that if—as my honourable friend predicts—they come into office some day, they will not, when they do come in, make quite such a mess of things as they did when they were here before. Having said so much, I may be permitted to point out one or two things in regard to which I think that speech was not altogether so excellent or quite so convincing. My honourable friend said some very hard things of us. As I have said, he said them very nicely, but the things were so hard that had they come from any other honourable member we should probably have resented them, and resented them rather hotly. "*Bribery*" is a hard and ugly word, and I do not think it ought to be heard here. Then, I do think this: that the Minister in charge of the department responsible for the Polhill Gully purchase might have been more generous to the Minister who is responsible for the Pomahaka purchase. As regards that purchase, what has been said about it? First of all, that a gentleman who is in a Government department—but not in the Lands Department—is a nephew of the seller of the land. If every man who has a relative in some branch of the Civil Service is to be tabooed in reference to dealing with the Government of the country there would be a very large section of the population of New Zealand who would not be permitted to have anything to do with the State. It has been said that we gave too much for the land, that the purchase was completed rashly, and that proper valuations were not taken. The evidence shows that the land was valued and revalued, and the evidence shows that the purchase was spread over a period of time which would have been called unreasonable delay on the part of honourable gentlemen opposite if one of their friends had entered into negotiations to sell his land and if the purchase had broken down. In fact, it was spread over a period of time which was considered to be extravagant in the case of a Mr. Gray, who wanted to sell the Government some land, and who is a gentleman not of "*the right colour.*" The evidence shows that the Pomahaka land was valued and revalued; and, as for proof of the success of the purchase, I think the prompt manner in which the land has been taken up shows that. However, I will not dwell upon that topic. It has been thoroughly threshed out, and everybody is sick of the whole question. Nobody now alleges that the charges made against the Minister of Lands were founded upon fact. Just the same charges as to the excessive price paid were levelled at the Cheviot purchase, and they will be levelled against every other purchase which we make. The leader of the Opposition launched out into a kind of panegyric—or shall I call it a funeral oration?—over his party and their conduct during this session.

Captain RUSSELL.—*Resurgam.*

Mr. REEVES.—"*Resurgam!*" I hope so. According to the honourable gentleman there was never such an Opposition for businesslike attention to the work of the House, for modera-

tion, for useful criticism, for regular attendance in their places, and above all for a strict refraining from obstruction. Of course there are two ways to look at that. There have been occasions on which the Opposition have been actively attentive to the business, and there have been occasions on which they have been conspicuous by their absence. I have sometimes looked on those seats and have seen a beggarly array of empty benches. On other occasions we have seen one or two of those honourable members coming into the House, and one or two going out, and those who came in repeating the remarks of those who went out. Very often nothing was said which had not been said before; speakers repeated each other, and then proceeded to repeat themselves. That, I regret to say, has not unfrequently been the manner in which Her Majesty's Opposition have conducted business this session. When I say that, let it be distinctly understood that I am not levelling that accusation against the leader of the party. He has been conspicuously free from those faults. Then, my honourable friend proceeded to attack us. He lays down a long list of our crimes. It is, he says, a Government of bounce, bunkum, bluster, banquets, and abuse. It is almost a pity that "abuse" came in, thus spoiling the alliteration. The honourable gentleman should have tried to conjure up one more "b," so as to make the list artistically complete. He complained that we were doing all these things, and, in addition to that, he insinuated that there had been bribery. The word "bribery" is a word which I do not think ought to be used in this House. It is not allowed to be used by way of a direct charge, and I do not think it ought to be allowed to be used by way of insinuation. Yet my honourable friend unquestionably used it so tonight. He said, "I do not accuse the Ministers of bribing, or honourable members of being bribed, but I do say the Government policy of spending money in the various districts as it is spent was a policy of bribery." In other words, we were not bribing, and the honourable members were not bribed, but we spend the money in their districts in such a way as to bribe them, and we do it intentionally. Just so one might say, "I do not accuse Smith of being a thief, but I saw him put his hand into my pocket, and I saw his hand withdrawn from my pocket with a pocket-handkerchief between his fingers." That is what I call accusing us by insinuation of bribery, and I do not think the accusation was at all worthy of the honourable gentleman. If anything in the way of our expenditure of public funds gave colour to that, there might be some justification. But I say, Go all through the colony, examine and scrutinise the expenditure as closely as you can, and I do not think you will see there is the least pretension for saying that we only spend money in the districts of our supporters, and do not spend it in the districts of our opponents. Take, for example, the province in which we are strongest—a large province, in which every district returns a Go-

vernment supporter, where the least enthusiastic of our supporters has but one grievance, and that is that we have said he does not support us. I am referring to the Province of Canterbury. Has the greater part of the money been spent there? On the contrary, that is just the one district where there is no expenditure at all. Take the districts, for example, of some of our opponents. Take the district of the honourable member for Egmont, or the district of the honourable member for Patea, or the district of the honourable member for Clutha, and I venture to say each one of these has far more money expended in it than the whole of the Province of Canterbury.

An Hon. MEMBER.—No.

Mr. REEVES.—I say, Yes. Take the figures. There is more money laid out in the Clutha district and in the district adjoining it than there is in the whole Province of Canterbury. There is far more money laid out in the Patea district than in the Province of Canterbury; and more money laid out in the Egmont district—at any rate, in that little district there is just about as much spent as in the whole of Canterbury. That, I take it, is a fair argument to be used, and what it means is that we have not looked at supporters, that we have not looked at opponents, but that we have looked at districts which required money to be spent in pushing on the work of settlement, and where money could be spent best and most reproductively, and in those districts we have spent the money. Sir, the honourable member for Wellington City interrupts me, and says we have not spent money in Canterbury because no settlement was going on there.

Sir R. STOUT.—I never said anything of the sort. I said Canterbury got the Land for Settlements Bill and the Advances to Settlers Bill.

Mr. REEVES.—Well, is there no other province which can get advances to its settlers? Is Canterbury the only province where farmers have mortgages? Is Canterbury the only place where money is borrowed? I scarcely think that. As regards the land for settlements, we have a Bill, but we have no purchase yet, though I hope we shall. But the point is not that. I think and believe that Canterbury will not be the only province in which the Land for Settlements Bill will be brought into operation. If we get our fair share of the land-purchases undertaken and carried out in Canterbury, that will not in the least alter what I say, and that is that, under this large public-works expenditure out of the estimates, which amounts to about a million, the number of thousands spent in Canterbury can, I think, be counted on the fingers of one hand. Yet in the Province of Canterbury all the electoral districts have declared for the present Government. The Province of Wellington, where our opponents, relatively speaking, number the largest, where they show the strongest front—that is the province which comes about best out of the scramble. At any rate, out of the scramble it does toler-

ably well. That is our answer to the charge that we have simply used the public-works expenditure as a means of bribing our supporters and their constituencies. Then, my honourable friend went on to say that we had no policy;—that we had brought down Bills in shoals, flung them on the table of the House, did not attend to the drawing of them, did not know anything about them, did not understand them—

Captain RUSSELL.—I except you.

Mr. REEVES.——had no arguments to give for them, no explanation to make of them, no defence of them; that the Premier was the Government, spoke for the Government, acted for the Government; that his colleagues kept no check upon him, and did not attempt to check him; that they did not even sit in the House here to watch him, but were, in fact, the merest ciphers—the merest dummies. Now, with regard to the last accusation—that the members of the Government are mere dummies—I think my honourable friend ought to know enough about Cabinet work not to have made that statement. At any rate, it should not come from a member of the Cabinet to which he had the honour of belonging, because if ever there was a Cabinet against which the accusation was levelled with a certain amount of colour that it was a one-man Government, I think it was the Cabinet of the late Sir Harry Atkinson.

Captain RUSSELL.—That was before my time.

Mr. REEVES.—The honourable member was a member of the Atkinson Cabinet, and, although we perfectly well remember he was there when Sir Harry Atkinson was almost prostrated with severe illness, yet I do not think the dominating mind of Sir Harry Atkinson ceased to dominate that Government. But the chances are that what was said of that Government was exaggerated, just as what is said of the present Government is very much exaggerated. How can honourable gentlemen possibly know that subordinate Ministers have no opinions of their own, or whether they differ from the Premier or not?—because, if the Ministers are worth their salt, if they are loyal to their chief, they do not discuss and quarrel and argue in public. They wash their dirty linen behind the scenes. They argue the points in Cabinet, but when face to face with the foe they show a united front, just as any Ministers worth their salt always have done and always will do. Now, without betraying Cabinet secrets, I venture to say the subordinate Ministers of this Cabinet have opinions of their own, and that my honourable friend and chief here, who is reposing in happy contentment in his seat, would be, if he were awake, the first man to indorse what I say when I say that frequently the opinions of other members of the Cabinet are delivered to him in the very plainest language.

An Hon. MEMBER.—He is not asleep.

Mr. REEVES.—Well, Sir, I am not the only man who has sometimes thought my honourable friend was asleep and found him

very much awake. It is a little mistake frequently made by Her Majesty's Opposition. Then, the leader of the Opposition said we did not understand our Bills. Well, it is for the House and the country to judge. For myself, listening frequently as I have listened here to my colleagues passing Bills through the House, I must say they appeared to me to have a grasp of them, and to understand them quite as well as any Ministers who ever sat on these benches before; and, speaking for myself, I can honestly claim that I have studied my measures with due care, and that I have as a rule appeared, at any rate, to be able to give reasons for the measures which I brought and got passed.

Captain RUSSELL.—I made an exception of the honourable gentleman.

Mr. REEVES.—I am much obliged to the honourable gentleman, but I should have valued the compliment even more highly if it had not been a compliment paid to me at the expense of my colleagues. I think his accusation is as unjust in their case as it would have been if it had been made against me. Then, Sir, there is the cry about the shoal of Bills, the avalanche of Bills, which descended on the House, and which were never meant to pass, and did not pass. Very well, let me go into that for a few minutes. It is so easy to pick out one, two, three, or four Bills from the programme of a session, and to say this Bill was mentioned in the Governor's Speech, this other was printed and circulated, another was read the second time, another the Ministers mentioned on the platform that they would like to pass. It is so easy to urge that none of these measures passed,—saying nothing whatever of the Bills we have passed,—and so try to make the House and the country believe that the labours of the session have been wasted, and that we have a barren record at the end of it. Surely it would have been much fairer not to look at what has not passed, but to look at what has. There never was a session, I think, in which Bills were not brought down that were not proceeded with; there never was a session in which Bills were not introduced and blocked half-way; and there always have been sessions in which more than one or two Bills have run the gauntlet of this House and come to an untimely end in the other place. But, to judge the fruits of the session, take the solid work done, take the Bills that have been passed, weigh them, consider their importance and probable value, and then ask yourselves whether this has been a barren session, or whether it has not been one of the most fruitful sessions that the Parliament of New Zealand has seen. It is possible that we did make a mistake in drawing out too large a programme; it is possible we overestimated our power to get legislation through this House; it is possible that we did think we should pass more Bills than we have passed; and I think that charge, or, rather, the complaint that has been made that we are trying to do a little too much, has some foundation. I admit that. But is it not much better

Mr. Reeves

that a Government should err on this side than that a Government should err upon the side of apathy, idleness, and want of energy? Which do the people of New Zealand prefer, a Government that tries to do too much or a Government that tries to do too little? At any rate, whatever faults may be alleged against us, I do not think we can be accused of not having tried to do our best to carry out our policy, whole and entire, as we considered for the benefit of the country. We, at any rate, have not been content to be a "do-nothing" Government. We have not come here crying out for "political rest," and satisfied if we could get it. It cannot be said of us, as it was once said of a Liberal Government, that our only wish is—

To promise, pause, prepare, postpone,
And end by letting things alone;
In short, to take the people's pay
For doing nothing every day.

Now, it may be fair for those honourable gentlemen to say that we have done a great deal of mischief in this colony. That may be their opinion, but it is not right for them or for their leader to get up and suggest that we have done nothing at all. From their point of view we have done a great deal of mischief, and they are quite justified in saying so, but to say we have shown want of enterprise and want of energy is something which, I think, they cannot fairly say. Personally, it has always been the pride and wish of Ministers to be a Government that did not shirk its duty. When we first took office we took it with the distinct understanding that we were to carry out a certain policy—that is, a scheme of reform that would revolutionise the system of taxation; that we were to reform the land-laws and entirely change the methods of land-settlement; and that we were to carry out and complete the labour legislation which had been indicated and begun, but not pushed home, by our predecessors. Now, no sooner had we taken office than the Opposition papers said boldly in leader after leader that, once we were in, nothing more would be heard of the policy; that no Government could live twenty-four hours which dared to abolish the property-tax and tried its hand at imposing a progressive land- and income-tax; and, as to labour Bills, that was magnificent clap-trap talk for the hustings, but that men would not hear about them any more, once we got into office. Finally, they said that, as for settling the land, of course the Minister of Lands would make a little talk about dummies, and would introduce a Bill that would not be passed, and that settlement would go on just about as fast as it had done before, under the same conditions, and in no different way. These were the predictions, and I venture to say that, whether we have done right or wrong, we have falsified those predictions. We have reformed the system of direct taxation; we have, I believe, pretty well abolished dummyism; and we have passed not only the labour Bills that were before the public, but a number of others. We have done more in the way of labour legislation than any party in the colonies or in

England, or even in any State in progressive America itself. Very well, I say we have gone on these lines, and that we shall continue to take our fences boldly, and when we fail it will be rather in trying to do too much, and in being too bold, than in trying to do nothing at all and showing a craven fear of consequences.

8.0. Speaking as a cricketer, I would always much sooner see a man lose his wicket by being caught in the endeavour to make a big hit than see him fiddled out by a "slow" because he feared to take his bat out of the block-hole. I trust that will never be our fate. Then, it is said by the leader of the Opposition that we have no policy, and that we have not carried out a policy or done anything in the direction of a policy this session. What have we endeavoured to do this session, and what have we done? It is perfectly true we have not passed the Licensing Bill, and one or two other measures that the honourable gentleman referred to as not having been passed; but what have we passed? Looking to the legislation of any country, I ask the House, where have there been three bolder, more daring, and more experimental measures passed in one session than the Land for Settlements Bill, the Advances to Settlers Bill, and the Industrial Conciliation Bill? I venture to say that had the House of Commons itself, the great Parliament of the Empire, in one session passed three such Bills, that session would be memorable for many years in the annals of British legislation. The Advances to Settlers Bill is a Bill which we can point to as a substantial item of legislation, and I think that as passed every one must admit that it is a safe experiment to make, and a most important and momentous experiment. And I do not think anybody will deny that the Land for Settlements Bill—a Bill which gives the State a right for the first time to compulsorily take land for settlement—is as daring and novel a measure as the Advances to Settlers Bill. As to the Industrial Conciliation Bill, though it scarcely lies in my mouth to dwell upon my action in connection with that Bill, I would point out that we are the only country which has dared really to look that experiment in the face and to deliberately try it. Country after country has taken it up, but, after looking at it, has shirked it. Students and legislators in America, England, and Australia have looked for a remedy for industrial war, and they have seen that if this experiment in compulsory arbitration can be carried out successfully it will be a complete and final remedy for evils that are constantly occurring. And I am certain, of the experiment that this Parliament has ventured to try, that if we had done little else this session than to pass that measure, this session would have been weighty and noteworthy in the annals of our legislation. I have spoken of these three Bills; but have we done nothing else this session? What do the colonists of the North Island think of our Native-land legislation? During many years have we not seen an outcry for the resumption of the pre-emptive right, and for a

bold forward policy in the acquisition of Native lands? It has taken years to do it, but this session at last has seen it done, and I think the settlers of the North Island will think that the session, so far as these results are concerned, has been good; that the session which has seen these measures passed will be one which will bring certain progress in the northern part of the Island. Then, let me look at one or two other matters. There is the revision of the Standing Orders, which probably has not been all that its best friends hoped, but that it was an important and useful reform I think we shall admit when we come, during the recess, to look over the events of the session. Although all of those changes have not expedited public business, I must say, in spite of the inordinate length to which the session has been dragged out, that the reforms and changes of the Standing Orders have given general satisfaction, and that what failure there has been has been on account of the narrow interpretation put upon the scope of some of these new rules by the gentlemen who have occupied the position of Chairmen of Committees. It is not for me to reflect in any way upon the Chairmen of Committees, but it appears to me that the interpretation of the rules given by them was not the correct interpretation. I refer to the rules relating to discussions on motions to report progress and motions that the Chairman leave the chair. These rules may not have been worded as carefully as they might be, though they seemed to me to have been worded plainly, but it was understood when they were passed that they would be interpreted in a very different sense from that in which they have been interpreted; and had the intention of the framers been carried out, as was expected, and as I think every one had a right to expect, I think we should have seen very much less of that elaborate waste of time, temper, and labour for which the session has been so conspicuous on certain days and at certain times. If there is a blot in these Standing Orders that blot should be removed next session. Let us look at the matter like men, and I say distinctly that experience will show where further reforms of our Standing Orders are required, and we ought not to hesitate to make these further reforms. There is a growing desire, and, I think, a legitimate desire, on the part of honourable members that the business should be done in the day and not in the night, in the larger hours of the morning and not in the smaller hours, and I think the Ministry fully sympathize with that desire, and, I feel sure, will be glad to assist to realise it. But the point is this: If we wish to get the business of the House done in the morning, afternoon, and early evening, I think we shall have to even further reform our Standing Orders to such an extent as to enable Ministers and the House to put through a certain and reasonable amount of business, and to say that a reasonable amount of business shall be transacted every day, although a small handful of members wish to see no business done at all. If we

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manage to do that I think we shall be able to sit within reasonable hours, and if we try I think we shall be able to do it. Not to weary the House, let me not dwell upon the Government Railways Bill, and the agricultural Bills—the Dairy Industry Bill, the Land Drainage Bill, and other measures. I think those are measures of importance, and also of usefulness; and surely, amongst our legal Bills, the Indictable Offences Bill, which has carried on the work done by the Criminal Code Act of last year, is not a measure of no value and no use. Surely the other measures we have passed this session are of use; surely the Post and Telegraph Classification Bill is a good Bill, though it is a departmental Bill; and I happen to know of the School Attendance Bill that, although it is not a great measure, friends of education all over the colony think that it is a good one, and look to see substantial good result from its passing. I am not going to delay the House, seeing it is past eight o'clock; but let us look at the accumulated measures which we have passed this session. I have touched upon a few. I might, for example, refer to the labour measures—to the Shop-hours Bill, the Conspiracy Law Amendment Bill, the Shipping and Seamen's Bill, the Industrial Conciliation and Arbitration Bill; and more especially to the Factories Act, which I say, without fear of contradiction, is the best Factories Act on the statute-book in the colonies, England, or America. Certainly, we only as yet know the probable effect of these measures, but I may simply say that they are measures which the working-classes of this colony, if not the whole of the people of New Zealand, believe will be for their interest and benefit, and for the good of the people as a whole. I say that no other colony, nor England, has been able at present to show any such record of reform as we have been able to show for the last four years. We have passed those measures, right or wrong. At any rate, there is a record of what we have managed to do, what we were asked to do, and what we believe the Liberal party sent us here to do, and what we believe no other Government has been able to do in any English-speaking country in the world. But it is not for me to dwell generally upon the success of the labour policy. The leader of the Opposition himself should not criticize our measures too severely, seeing he gave in plenty of instances a fair support to them, and a support that was honourable and creditable to him. If then, Sir, we have, as he says, done nothing for the working-classes, it is a little odd that we passed measure after measure which has had the support and adhesion of the honourable member. However, he has attempted to score a point by talking of the number of the unemployed in the country. This, of course, is a very old argument, which is always brought to bear against labour laws and trade-unions. In days of depression, and when times are bad in England, there is always an outcry against the trade-unions, and against all attempts to restrict the conditions of labour. One can understand the cry

of sympathy with employers who are making very little profit. "Poor fellows!" people say, "why hamper and restrict their business, when they are carrying it on with very little profit—possibly at a loss?" The answer of the Government is, of course, that labour-laws are for the benefit of the people, and for the good of the community as a whole. In my opinion, if wisely carried out and properly administered, it will be shown that they do not interfere, have not interfered, and will not interfere with legitimate profit and industry. Again, I must say that the unemployed, although they are, unfortunately, here to-day, are not here because of the labour legislation of the past four years.

Captain RUSSELL.—I did not argue that way.

Mr. REEVES.—But the honourable member said distinctly that we had done nothing for the working-classes, and that our policy was responsible for the large numbers of unemployed. Now, the labour legislation is part of our policy, and against that labour legislation I considered the honourable gentleman's remarks chiefly pointed. Our critics, when they ask what it is that causes the depression in New Zealand, what it is that swells the number of unemployed, that drives capital out of the country, and kills confidence and trust in our settlers,—make answer 1, the labour legislation; answer 2, the taxation legislation; answer 3, the land legislation. That is the cry of that party. I say they have never proved nor endeavoured to prove that one single Act on the statute-book has really hampered one single employer or deprived him of fair profits that he was making. Have they done so? Then, as to the question of our land legislation and taxation legislation, which, it is said, have killed confidence and created a sense of insecurity amongst landowners—rubbish! Our taxation legislation has lifted the burdens off the shoulders of three landed proprietors for every one upon whose shoulders it has increased the burden. Our land legislation has not interfered with the security of tenure where the land is held for occupation and produces all it can; but I repeat that our land legislation has accelerated settlement in every respect, and has shown how to keep up the hope of the people and the producing-power of the country. But the honourable gentleman says, and says quite truly, that there is depression, and that there are unemployed. I admit it. But I say that we can prove positively beyond the fear of contradiction that the existence of the unemployed and the existence of the depression are not due to our policy. I say the proof is this: If this colony, which is the one colony in which a Liberal Government has held office for four years, and in which there has been a Radical taxation and labour policy, were the only depressed colony, and were far more depressed than the other colonies, then I should say there was something in the argument. But we have only to look at the other colonies, where there has been no labour policy and no taxation reform, to see many more unemployed than there

are in New Zealand. Instead of New Zealand being the most depressed colony it is the least depressed. If our policy is responsible for anything at all, it is responsible for our being better off than our neighbours. It is folly to say that worldwide causes, which are almost ruining producing-countries in all parts of the globe, have not affected New Zealand, and that what is affecting New Zealand is our policy. I am told that in Greece, when they have an earthquake, it is brought as a charge against the Government. Although that is ridiculous, it is not more ridiculous than to say that the low price of wheat or of gum, or the depressed state of the Canterbury farmers, is due to our policy. Surely, to say that a Government is responsible for an earthquake is not more ridiculous than to say that a Government is responsible for a drought, or a bad harvest, or the low prices of wool, meat, and gum. As to wheat, the fact is that the large production in America and India has knocked the bottom out of the wheat-market. That is our answer to the charges, and I say it is a complete one. We are not going to be frightened or deterred from pushing forward our Liberal policy by the fact that the colony is not at the present time so prosperous as we could wish. In every country, when there is discontent the people blame the Government, and every opponent tries to place the responsibility on the Ministry of the day. If any man thinks that the Opposition will not lay the cause at the door of the Government he has not read history. In dull times people always grumble at the Government. We expect that: but we know that we have not caused the dullness of the times in New Zealand. We are satisfied that the policy we are carrying out now, and mean to push forward, so far from making the times worse will turn things into brightness. We share that opinion with a majority in the House and the country. We are not going to remain still, we are not going to flinch or hesitate, but we are going to face the position and carry on our policy until it is absolutely carried out. We are going to reform the conditions of labour so that the hard toiler shall have a fair share in the fruits of his industry. If industries cannot be carried on without sweating women and children and men, and without importing evils from older parts of the world, we shall be better without them. I would rather that New Zealand had a million of happy, prosperous, contented people than two millions partly living in dirty alleys and black slums, in the midst of poverty and darkness—foul-mouthed, destitute, drunken. I would rather see New Zealand a small country than that our agricultural labourers should sink to the condition that their fellows in older countries have sunk to. And I say, through evil or good report, in dull times or prosperous times, do not let us flinch from carrying out this policy—a policy which is good for the country, a policy which will do the greatest good to the greatest number. The honourable gentleman complained that we had no policy. I say our policy is

written in our works. I think I know the trend of my legislation. I know the goal I wish to get to, and I think I see my way to get to it.

An Hon. MEMBER.—The Agent-Generalship.

Mr. REEVES.—I think that is a very sorry sneer, and I am sorry that my friend the senior member for Wellington City thinks enough of it to laugh at it. But, as the Agent-Generalship has been mentioned throughout the country and here, and as until now I have been perfectly silent under all sorts of imputations, I would simply say that what has been said and written is devoid of truth, as it is of generosity. I have never expressed a desire or hinted to my colleagues that I wanted that position, although I do not think it would be a disgrace either to the country or to me if I took the position. But I am perfectly content to go on doing my work here as a Liberal minister or as a private member as long as my constituents send me here. I say that our policy is written in what we have done. Our policy is written large on the records of the laws and administration of New Zealand for the last four years; our policy is written in the way in which we have placed the people on the soil, in the reforms we have effected in the various departments of labour, and in the measures grouped under the further heads to which I have referred, and which we have succeeded in placing on the statute-book during the last four years. Our supporters have been charged with not having criticized or understood our legislation. Never, I think, was a taunt less deserved. I think anybody who has listened to the debates this session will admit that there never has been a party in this House which has had greater liberty of discussion or greater liberty of action than the Liberal party has had this session. I have wished sometimes, when friends of mine proposed to make amendments in our Bills, that they would consult us, and give us an opportunity of arguing the point with them, and telling them why we believed our course was the better and theirs the least desirable. If we had notice of amendments to be proposed instead of their being sprung upon us I think there would be less misunderstanding and friction between us and our friends. But I have never doubted the loyalty of our party. I believe that they have tried to be as loyal to the Ministry they support as to their constituencies and to the country. I think we shall work together in the best way possible during next session, and the session after, as we have done during the present session. The better we know each other the better friends we shall be. I do not blame the followers of the Government for anything, and I say the taunt made that they have not followed and understood our measures is an empty and baseless taunt. I thank the House for the patient hearing it has accorded me, and in conclusion would say that I think the session, though an onerous, wearisome, and protracted one, has been the most fruitful session New Zealand has seen. It is true that there has been no one such brilliant measure passed

as the female franchise, or the Land-tax and Income-tax Act; but we have passed a number of useful measures, which have been long waited for, and which I trust in the days to come will prove useful to the country. We have done all that with the loyal assistance of our followers. We intend to rely upon our supporters' loyalty and sensible conduct in the future as in the past, and to keep our triple policy before us: a policy of aid to settlers; of reform in the land-laws, until we give to New Zealand the best land-laws in the world; a policy of improving the conditions under which labour works until we can say that there is no country in the world where labourers are so well off. With the indorsement of the people in the past and their support in the future, I believe that our measures will do good to the country in the years to come, and I maintain that they are doing good to the country now.

Sir R. STOUT.—I did not intend to say a word in this debate, because I thought the usual etiquette would have been followed, which is that on the third reading of the Appropriation Bill the leader of the Opposition makes a speech and the Treasurer replies. And it is surprising to me that that course has not been followed this session. Instead of that, we have had a speech from the Minister of Education in self-laudation as to the work done this year. I wish to point out what has happened this session, and I say the session began very badly when what I may term the whole conscience of the community was shocked by what the Ministry did. The law was violated, and everyone in the House and outside the House felt that it was violated. The Ministry, by the aid of their party Whips, forced their supporters to vote in a direction which every man's conscience condemned. That will have its effect, and I am afraid it will also have its effect on the Liberal party. I want to know if there has been a single measure passed, outside of the labour Bills—which I give credit to the Minister of Education for introducing, and agree with—but, outside of those Bills, what has been done for the social life of the people? Has there been a single Bill passed of a social character? The Bill which members were sent to Parliament pledged to support, and pledged for nothing more strongly, has never been attempted to be put through. I mean the Licensing Bill. The honourable member the senior Whip stated what was absolutely correct, and I said at the time the consolidation Bill was introduced, that it was never intended to pass it, and it only showed that there was no sincerity in bringing forward such a measure, as the House would not have time to deal with it. What we wanted was a measure with six or eight clauses altering the existing law. The Bill brought down was only two nights in Committee, and then it was blocked by the aid of the senior Whip. The temperance party remained silent, and was accused of all sorts of things, and then the Bill was simply talked out to help the Premier to get rid of a

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troublesome measure. What has been done for the social life of the people?

Mr. REEVES.—What about the Advances to Settlers Bill?

Sir R. STOUT.—The honourable gentleman is an educated man; and does he mean to say that that touches the social life of the people? The Advances to Settlers Bill, the borrowing of money to lend! He knows better than that. There has been no Bill introduced into the House, I say, dealing with the social life of the people—I mean, introduced and carried through—except the labour Bills, and I give the honourable gentleman every credit for the labour Bills. But will he allow me to tell him an anecdote illustrating this very question? There was in the town in which I was born a very pious lady, and a wealthy lady, who was fond of going amongst the people and distributing tracts to them. She was very persistent in distributing these tracts: but the poor got nothing but tracts. She went once to a man and asked him how he was getting on, and she offered him an additional tract. He said, "Madam, we have tried these tracts in every way; we have boiled them, we have fried them, and my children won't have one of them." And so when the labour people are in trouble they get a new tract. The honourable gentleman says to the labouring-classes of the colony—I do not mean the artisan classes, I mean the labouring-people—when they come to him, "Here is a tract—a Bill—for you;" but I say that none of the Bills passed this session dealt with the labouring-classes at all. I venture to say that the labouring-people who are not artisans and mechanics will say, "You may keep your tracts; they are of no value to us." The honourable member admitted that one of the things which affect the social life of the people is drunkenness. What makes the slums? Why, drunkenness. And what has the honourable gentleman done to deal with that? Nothing. And when you want to deal with any question touching on that, what do you get from the Government? Nothing. That, I say, strikes at the social life of the people of every country more than any other question, and it is left untouched by the Government even with their little finger. And now I want to say a few words on the amendment of the conduct of the business of this House. We have heard a great deal of prolix discussion in the House. Now, the honourable member who has just spoken has taken up a solid hour in talking about—what? Can any member going out of this House remember even one phrase he used? How has the business been conducted? Sir, the Standing Orders have been of no service to the House. On the contrary, the time-limit, so far as discussing large questions is concerned, has been a perfect curse. Members have been prevented from giving utterance to their ideas and bringing them before the House and the country. And as for the limit of four speeches in Committee, that is of no value whatever. I venture to say that, so far as that is concerned, there has been more time wasted in Committee

than before this time-limit was introduced. Of what value, then, have been these Standing Orders? They have been of none. The only value that has been gained has been to prevent discussion on Bills on going into Committee. That has been of service. As to the time-limit in Committee, it has been of no value whatever. I want to say one or two words more. I have to complain that on two important matters the Government have denied information. They have denied information with regard to clause 21 of the Licensing Bill, and they have allowed judgment to go by default against them. I have a right to say that. They did not explain that, and they would not let it go to a Committee to inquire how that iniquitous clause became law. The honourable gentleman could have chosen any Committee he liked: all I wanted was the evidence. And, then, on the conduct of the Railway Commissioners since they took office, that was also denied investigation, and judgment by default again went against them. I am not going to deal with the measures; another time will be given for that. But let us see what this session has done as a session. The Government have been heaping up the liabilities of the colony. Every one has been clamouring for roads and bridges for himself and his district; members have thought nothing about the liabilities they were incurring; and, instead of this House being an economical House, a non-borrowing House, or a self-reliant House, there never has been a Parliament sitting in New Zealand which has talked about borrowed money and millions more lightly than this House has. And I say this: that we cannot pass the next session without increasing the taxation, or borrowing, unless there is some great increase in the price of our products. I do not blame the Government for the fall in the price of products. I cannot say they are to blame for the depression, as some honourable members say they are. But they themselves used the same weapons against their opponents; and I think it is always wrong to blame a Government for the fall in price of our staple products. And when there is this fall in process the revenue must necessarily fall, so that I am not blaming the Government for that. But I say that with this fall in the prices of our products the surplus of £250,000 at the beginning of this year will be reduced to £100,000, even if things go well; and if you do not have a surplus of something like a quarter of a million of money at the end of the year to transfer to the Public Works Fund the result will be that you must have more borrowing or additional taxation, and it seems to me that, from the way things are going, you may have to have both. This House has not been cautious, prudent, or self-reliant, nor has it been a non-borrowing House, and in that respect it has thrown the pledges given to the constituents to the winds. I say the Ministers themselves declared their policy was to be a self-reliant and a non-borrowing policy. Sir, the whole of that has been abandoned; and what is their policy to be? Is it to be one of borrowing or not? They are face to

face with that financial question, which they cannot shirk. The House has declined to look to the future, but they have gone on borrowing, and have imposed additional taxation on the people. It is all very well to talk about roads and bridges, but let me apply the illustration of the honourable member. I tell him that it is better to remain a small colony, and that its development should be slow, than that we should be a burdened colony with our people ground down by debt and heavy taxation, with all the things that follow in its train. I shall say no more on that, Sir, because I am going to keep within my quarter of an hour, to show that, even in criticizing an Appropriation Bill, speech can be limited to that time. Sir, I give the Premier credit for the Bills he has brought down, in the manner they were drafted; but the Government would not accept amendments. They did not seem to understand the Bills they brought down. There was amongst Ministers a sort of trepidation and hesitancy in accepting the slightest verbal alteration. They seemed to think it was simply for them to say they were against the amendment and their party was to vote against it. Towards the end of the session, I grant, a disposition on the part of members to exercise a little independence was displayed. The Premier said at the beginning of the session he would show them how to conduct the business: they were not going to allow themselves to put up with defeat; he was not going to stand that. But that was at the beginning of the session, when he was boastful. If honourable members refer to *Hansard* they will see the passage I refer to. He referred to what occurred in 1885. He was not going to stand any of his policy measures being kicked about. Sir, a greater indignity has been put on him than I have ever seen put on any Ministry. Had I been in the House I should have voted with him out of courtesy, reserving my right to oppose the Bill at a later stage, but, unfortunately, I was away when the bell was rung for the division. This was on one of the policy measures of his Budget, and he was not even allowed to introduce the Bill providing for a coal bonus. No such indignity was ever before put upon any Ministry that I have ever heard of. He was not even allowed to get the introduction of his Bill. It is true this came at a later stage of the session, when members had risen to some idea of their responsibility. If the Bill had been introduced at the beginning of the session, or even when four weeks or six weeks or ten weeks of the session had elapsed, it would have been impossible. But the country has been aroused by the action of this House, and the constituencies, being aroused, have demanded some little independence from their representatives. Then, again, was not the Midland Railway Bill a policy measure?

Mr. E. M. SMITH.—You kicked it out.

Sir R. STOUT.—I kicked it out? Sir, I am only giving that as an illustration to show that, although the Premier was so boastful he was not going to allow any of his policy measures to be touched, we saw that measure in

connection with the Midland Railway thrown out by a large majority. He is not going to rule as he pleases again next session, I venture to assert that, whether I am here or not; and honourable members will use more independence, and the Ministry will have to put up with more defeats. And now my time is nearly up, though I have not yet been my quarter of an hour. Still, I do not wish to detain the House. I wish to say one word more, and that is with regard to dealing with our roads. I admit roads must be made to open lands for settlement. I say that is absolutely necessary, and that is the sort of thing the Government ought to do in a young country, and they will have to make the lands pay for the making of those roads. But I say that this borrowing for the making of roads, which are to be a sort of benefaction to this district or a benefaction to please the members of a constituency, is a discredit to Parliament. It has been done this session. I know roads myself that appear in the public-works appropriation estimates, and which do not open up any land for settlement at all. They are not within twenty miles of Crown lands; they do not come within the Crown-lands demesne. They are simply benefactions given to the districts some of them are passing through—counties which could keep up their roads and bridges without any aid from the Central Government if they would only carry out their own taxing-powers. I ask honourable members in this House, where is all this to end? Where does this policy lead you? How can the colony stand it? I venture, moreover, to say that outside one or two Ministers, except the roads in their own district or the adjoining district, the members of this House are entirely ignorant whether the vote should be given or not, and that explains why the estimates have not been touched. It simply means this: that it is impossible for the House to be a board of works to vote money for roads. They cannot do it, and I say our local government is an absolute failure if this House is to be called upon to be the body to dispense money for public roads. And I say that is the reform that will have to be taken up next year. We must have our local government recast, and, so far as the public-works estimates are concerned, we must not have the General Government performing local-government functions in providing for roads and bridges. If we do, our finance is doomed, our taxation will increase, our loans will be increased, and there will be no end to them. This is the main subject that should be attended to, and, so far as the presenting of Bills of all sorts and colours and shapes is concerned, it is not what the country at present requires. We want to have our political machinery sorted and our social life looked after; and, while our economic life, so to speak, should not be neglected, that is not all in all. We cannot live on loans, we cannot thrive on loans, and the Government that attempts to go on as we are going, and to raise loans in aid of this, that, and the other, is bound to end in failure; it may not be the first

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year, it may not be the second year, but it must be so in the long-run. I regret that I have taken up so much time, and I thank the House for its patience.

Mr. SEDDON.—Mr. Speaker, the other evening I advised that we should all part good friends—that we might perhaps never all meet here again in this House. I said that we had, I hoped, though from different standpoints, endeavoured to put before our fellow-members that which we believed to be in the interests of the country. So, Sir, I shall follow the example shown so far in this debate. I will say the speech delivered by the last speaker was the most moderate he has made during the session; and had the honourable member been as moderate in his remarks during the session the business of the country and the House would have proceeded much better. But let me inform the honourable member that there was no self-laudation so far as my colleague was concerned. The honourable member for Wellington City (Sir R. Stout) was not here when the leader of the Opposition made his speech. He was, as it was his part to do, making a party speech,—holding up that, with the small following he had,—few in number,—they had, under considerable difficulty, defended the position, and he claimed that most of the good done during the session was achieved by his party. Very well; I think under the circumstances I and my colleague are quite justified in putting the other side of the question. I say the legislation we have passed and the administration we have had in the colony for the last three or four years have been both under considerable difficulties with which the colony has laboured; and had it not been for that legislation and administration we should have had New Zealand in the same sad plight as the other colonies. And the credit for keeping New Zealand clear of what has happened in the other colonies is due to the Liberal party, and to the last and present Governments. It is to the Liberal party that the credit is mainly due, and to those in this colony who have supported them,—to the Liberal Press of the colony, which, despite the attempts of the Opposition Press to destroy our credit, has upheld the party. I say every credit is due to the Liberal party, who have been true to the people and to themselves. Then, the honourable gentleman told us I had finished the session—and he touched it very lightly—just as I had begun it. He said the law had been violated. The honourable member knows full well that there was no violation of the law, there was not even an evasion of the law, in the case he was alluding to. He knows full well that the party were not forced. There was no violation of the law; neither was there an evasion of the law. The law has not been broken either in letter or in spirit. I have before challenged and I again challenge honourable members, or any man in the House or the country, to prove that there was a violation of either the letter or the spirit of the law, or an evasion of the law. I have said, if we were wrong, it would not make it

better to quote what has been done previously; but it is a well-known fact we have had in the past the leader of the Opposition on the Opposition benches and next day present on the Supreme Court bench, having been appointed to be a Judge. Then, I say, if the legal profession are exempt, if they can be appointed to lucrative positions, if they can accept fees to any amount without bringing themselves under the Disqualification Act, and this can be done legally, compare it with what we have said and done in respect to the matter referred to. We said, "Wait until the law is vindicated." And when the time allowed by law will permit the appointment to be given, why should one who has done good service to the country, who has made sacrifices to the country, be debarred under such circumstances? I say there was not an evasion of the law either in letter or in spirit. And I say here now, if the same thing was to happen again, and I knew of the criticism that has taken place, I would do the same. I have nothing to regret, and I feel sure the party has nothing to regret. Then, the honourable gentleman asked this question: What had there been done to improve the social position of the people? I might put a question to the honourable gentleman. He has been here in the House, and, if the Government were not promoting such legislation as he believed was necessary for the social salvation of the people and the country, why has he not promoted it? The only thing the honourable member has done, and that he can put his finger on this session, is that he has come forward and made a speech in favour of the amending of our licensing-laws.

Sir R. STOUT.—I did not.

Mr. SEDDON.—The honourable gentleman made a speech to-night on the subject. But what did he do? If I am correctly informed, he promoted a select committee of those favourable to the temperance cause.

Sir R. STOUT.—I never did.

Mr. SEDDON.—All I know is that I have seen the invitation-cards sent to certain members. A card was shown to me on which a certain member was invited to attend some meeting for the purpose.

Sir R. STOUT.—It was not sent by me.

Mr. SEDDON.—No, not by you; but there was a committee formed, and I think the honourable gentleman was chairman of this inner-circle temperance committee. We had a certain Bill before the committee, and that Bill was to be amended not by a Select Committee appointed by the House, nor by the Statutes Revision Committee, but by a self-appointed committee whose members were entirely one-sided—those who favoured the temperance cause—those who would go to extremes to promote this cause. I say, therefore, the responsibility of the measure meeting with the objections it met with in the House is to a great extent with them. The objections it met with arose from the fact that a very large number of members resented this mode of dealing with a Bill that was before the House. I have not finished on this point. What next.

happened? When the Bill came before the House, what appeared on the Order Paper? Amendments—many of them of a technical character; but they were so numerous that very many members who took the other side of the question were afraid; they saw this vast number of amendments, numbering over one hundred, on the Order Paper, and it almost frightened them. Of course, they scarcely understood the nature of these amendments, and, with just cause, they were afraid; and we know the result. I am not responsible for that. Now, shall I say who was responsible for a considerable amount of the delay that took place with regard to the Licensing Bill?

An Hon. MEMBER.—The Government Whip.

Mr. SEDDON.—No; in the first place it was the senior member for Wellington City.

Hon. MEMBERS.—No, no.

Mr. SEDDON.—I will prove it. I proposed to remit this Bill to the Statutes Revision Committee, and the senior member for Wellington City objected to my doing so. Now, if this Bill had gone to that Committee, two-thirds—nay, three-fourths—of the technical amendments that were made and appeared on the Order Paper, and which frightened members so much, would have been made by the Statutes Revision Committee, and the terror struck into the very soul of the senior Whip would never have been caused at all. I say, if the Licensing Bill had been referred to the Statutes Revision Committee, as I proposed to the House, I believe a great many of these amendments—in fact, three-fourths of those proposed by this Committee—would have been made by the Statutes Revision Committee, the Bill would have come down in the ordinary way, and it would have proceeded further. But I was thwarted in my original intention, and I am not responsible for the result.

An Hon. MEMBER.—Why did you not put it to the vote?

Mr. SEDDON.—I had to take exception to so many things in connection with the honourable member for Wellington City (Sir R. Stout) during the session that when he objected in respect to this matter, knowing the great and sincere interest he took in the movement, I did not like to force the matter in opposition to the wishes of the honourable gentleman. I gave way to him because I knew he was in earnest, and desirous of getting the Bill passed. I am sorry now that I did so, because if I had taken my own way and put the Bill before the Statutes Revision Committee there would have been only three or four principal amendments in the policy principle of the Bill, and they would have been fought out in a couple of nights, and the Bill would have been now on the statute-book. Now, I will ask the honourable member for Wellington City (Sir R. Stout), has he not had the same liberties every other honourable member had here during the session in promoting the legislation necessary for the social well-being of the people?

An Hon. MEMBER.—No.

Mr. SEDDON.—I say he has. Can he show me, among the rejected Bills that could not

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come on, any that he has brought forward to promote the social well-being of the people? All the honourable gentleman has brought forward may be summed up in closing "tote" shops and preventing boys from investing on the totalisator. That is the whole amount of the legislation promoted this session by the honourable gentleman for the amelioration and improvement of the social condition of the people of this country. I do not think, myself, they require much amelioration if all that he can bring forward or say is necessary for them is the shutting-up of "tote" shops, or preventing youths from having a few shillings on the totalisator. That, at all events, is his record for the session.

Sir R. STOUT.—Oh, no, it is not.

Mr. SEDDON.—I had forgotten for the moment that the honourable gentleman brought in a Middle District University Bill. But what was the use of bringing in a dummy Bill saying there shall be a university, unless the means of establishing or maintaining it were also provided?

Sir R. STOUT.—I had no power to do so.

9.0. Mr. SEDDON.—I think the honourable gentleman stands self-convicted in that respect. Now, coming back to the statement made that nothing had been done to improve the social condition of the people: Surely the honourable member will admit that there was something done, seeing this session we have restored the railways to the people of this country. That is a struggle which has lasted for many years, and the honourable gentleman ought to give the Liberal party credit for having succeeded at last.

Sir R. STOUT.—Some of the Liberal party voted in 1887 for divesting the Government of the control of the railways, and some of your colleagues.

Mr. BUCHANAN.—Every one of them.

Mr. SEDDON.—I certainly did not. If I were to go into ancient history—I do not intend to do so on this occasion—I might recall to honourable members many things which the honourable gentleman has done which, viewed in the light of to-day, could not be said to be in the interests of the Liberal party. He told us that we had done something as regards the artisans, because we had passed the labour legislation, but that we had done nothing for the labouring-classes. On the contrary, I claim that with the means at our disposal a great deal has been done for the labouring-men. But how was it possible to provide work for the people unless we had the means? I say that the labourers of this colony have gone through a winter such as I hope they may never experience again. I hope we may never have here again the same condition of affairs which we have had during the past winter. And it behoves me, in my place, before Parliament prorogues, to say this: that the toilers of New Zealand, both in the towns and in the country, deserve every credit. Many of them have had to come to the Government, and have had to ask the State to provide work for them. Employment has been provided for

them on reproductive works; but there are many who have suffered silently and patiently, who have not paraded their suffering or distress before their fellows, or even to the Government. Honourable members should remember that we had our lands which required to be settled upon, and that our people were willing to go upon them; but if you say that you are to put people in the bush without a road or a track to get to the land, or that no help is to be given to them by way of work or assistance from the State, I say, practically, you can never get the country settled unless the Government takes some action. Under these circumstances, I say we have done a great deal for the labourers by promoting legislation which will tend to bring about settlement, and place people upon the land. I do not want to see hundreds of men, sometimes, in the summer season, working in the country, and making but little perhaps over and above that which they require for their immediate wants. I want to have that stopped effectually, and the only way to do that is to employ these people in making roads into the bush, and in clearing the bush, and thus insure their settling ultimately on the land. Thus you will have their wives and families settled there. It is only in that way that you will make an end of the "unemployed" difficulty. The honourable member told us that the Standing Orders had proved a perfect curse. I must say at once that the honourable member is entirely wrong in that respect. I say that the Standing Orders, as was proved in the debate on the Financial Statement and in other debates on Bills, are an improvement upon the old Standing Orders. That they are still defective I admit, but the defects can be much more easily remedied now than they could be before. Government after Government and Parliament after Parliament has attempted to improve the Standing Orders; but the Liberal party this session is the only party that has successfully coped with the difficulty. The honourable member referred to the licensing question. I should have thought we had heard the last of clause 21 of the Alcoholic Liquors Sale Act. Then, the honourable member, in the next breath, told the House that he regretted very much that the Government would not permit amendments to be made in the Government Bills. I have never yet told honourable members, because I am not sure of it, but there is a doubt in my mind whether, when clause 21 of the Alcoholic Liquors Sale Bill was in Committee, a member of the legal profession did not move the insertion of certain words, and I believe it was the insertion of those very words which gave the clause its retrospective action; but, not being able to obtain the necessary proof of this, I have taken the responsibility right through. But I say here, as for knowing that there was anything wrong or corrupt in respect to that clause, I most positively again assert, as I stated at the commencement of the session, I did not know it. The honourable member said, "Why not have a Committee of inquiry?" To show the fallacy of such a con-

tention I might refer to his own condemnation of Committee investigations. Let me now show how these amendments are sometimes made in Bills. When the Native Land Court Bill was under consideration a certain honourable member asked me if I would admit a certain amendment. He informed me that the amendment was in accordance with the law as it previously existed. I said, Yes. During the discussion another honourable member came to me and said, "Here is a clause. What about Mr. Bell's clause?" I understood him to say, "This is Mr. Bell's clause." Two clauses were inserted in the Bill. But after the Bill was agreed to Mr. Bell said to me, "That is not my clause." I went to Mr. Button, who gave me the clause, and I said, "Where did you get that clause from?" and he said, "I believe I got it from Mr. Mitchelson." On being appealed to Mr. Mitchelson denied the soft impeachment. The clause was not Mr. Bell's clause. Having a great deal of business on hand, those two clauses were accepted by me. Next session some one may get up and move for a Committee of inquiry as to how one of these clauses got into the Bill. If the Government refused to grant the request in regard to amendments it might then be said that there was something wrong behind it. If we are to grant inquiries into how certain clauses have been introduced into Bills I say no Government is safe. I say that to-morrow I should refuse an inquiry into such circumstances. Then, as regards the black list which the honourable member said existed in relation to the Railway Commissioners. The honourable member has suggested that the Government should make inquiries from the Railway Commissioners. I asked the Commissioners to meet me. They did so, and I took the honourable member's speech, and what may be termed the charges in that speech, and I had from each of the Commissioners a decided and emphatic denial of what was stated by the honourable member. I stated in the House that the charges should assume some definite shape before I asked the House to set up a Committee of inquiry. In view of the denials of the Commissioners, I say it would have been casting an indignity upon them to set up a Committee of inquiry. The honourable member did not say that the statements were absolutely correct—he did not say that he had proof that the statements were correct. To set up a Committee, in view of what I have stated, would have been casting a grave reflection on the Commissioners which the circumstances did not warrant. That is why I refused. I believe the colony and the House will support me in saying I was not justified in granting that inquiry. If the same thing were to occur again, the same course would be followed. If I wanted anything to support me in the position which we took up on this point in refusing to appoint a Select Committee to inquire and report, I need only refer to the position which the honourable member for Wellington City (Sir R. Stout) took up in reference to the Pomahaka inquiry. The honourable member himself condemned the proceed-

ings; he condemned the Committee; he said the Committee was such that it would only be guided by party motives. I say, under these circumstances, to have dragged the Commissioners before a Committee on the statement made by the honourable member for Wellington City (Sir R. Stout) would have been, to my mind, a grave mistake, and one worthy of censure. I simply repeat that if the same thing occurred again the Government would take the same course. Now, the honourable member cast a very grave reflection upon the people when he said that their representatives here in Parliament assembled care not for heaping up liabilities upon the country and upon the people. Sir, I undertake to say that there should be good grounds before such a reflection is made. I say the men who are here representing their fellows have weighed carefully the proposals that have been made. It is true we may be increasing the liabilities; but the increased amount to be paid in respect of the moneys raised will be paid by the persons receiving the advances, and the taxpayers generally will not be called upon to pay anything extra whatever. If you take to-day the indebtedness per head of the population of New Zealand as compared with the indebtedness per head when we took office, it is nearly £3 per head less than when we took office.

An Hon. MEMBER.—No, no.

Mr. SEDDON.—Well, the honourable member may laugh; but I say, if they will look at the Statement, they will find that is correct. Then, the honourable member for Hawke's Bay forgot this fact. He told us this afternoon that when the present Government took office we found the country was prosperous, and that, comparing the condition of the people then and the condition of the people now, they were in a much better position than they are now. Sir, the honourable member simply cannot deny the fact that during the three years the Atkinson Government—of which he was a member—was in office, over fourteen thousand people left New Zealand.

Captain RUSSELL.—When you took office they were coming back again.

Mr. SEDDON.—Certainly not. The only thing that brought them back was the fact that the honourable gentleman and the Conservative Government were hurled from office—that the Continuous Ministry, which had misgoverned the country, was defeated. The moment they knew there was a Liberal Government on the benches—independent men, determined to do justice to all classes and conditions—those who had lost heart and had left came back to their country.

Dr. NEWMAN.—They are going away now.

Mr. SEDDON.—There is a special reason that is taking them away at the present time, and I believe it would take away my honourable friend the member for Wellington Suburbs. I should not be surprised that, supposing somewhere about the Eketahuna gorges there was gold found in such quantities as it is being found in Coolgardie, we should find my little

friend with a swag on his back going to the Eketahuna Coolgardie. I say that there are two things at the present time that account for people leaving the colony. One is the very cheap fares. A number of people are going simply for pleasure-trips: in fact, they can live more cheaply on the steamer than they can ashore. Then, there are large numbers who are going to Coolgardie, and nothing will stop them. The only thing we can do is this: We know that when people begin to feel uneasy it does not ease them when they find a number of men out of work, or when they find there is very little industry in the country, or very little money available in the country. These are matters which cause people to be on the move. Well, I say, by the present Government policy—a progressive policy, which the House has indorsed this session—we shall, by placing people on the land, and by putting these men to work upon reproductive works—on road-making and in the construction of railways—be bound to stop the exodus; and the sooner it is stopped the better for all concerned. Sir, it is said that nothing has been done for the labouring-men. I say that the system of co-operative works has been a blessing to labouring-men, and I am sorry we have not had more means, so as to be able to find more work for the men upon this system. I say that the workers from one end of the country to the other deserve very great credit. They have every confidence in the Government; they know who are their true friends. There have been very few complaints. Go from one end of the colony to the other, where the men are working, and ask them what they think of the Government, ask them what they think of the party here in power, and they will tell you they have been treated fairly; and I say we have the confidence of the toilers of the country. I tell the honourable member, too, that there are no more intelligent people in the country than the very same class of men. You will get very much more intelligence from them, they will tell you more of the politics of the country and of the condition of the country in any aspect you like to name than will the class of men that have no opportunities of mixing with their fellows, or of reading current literature, and who are found on the cattle-ranches. Of course, that is only natural, for they are more in the towns, and more in touch with other people and with passing events than those living in the scattered districts; and the result is, they become self-educated. I say, so long as any Government has the good wishes of the people in any country you will find that Government is doing its duty. That is my experience. Whenever any Government fails to have the confidence of the masses, then, I say, that Government is simply governing in the interests of a select few and to the detriment of the people generally. Sir, the honourable member for Wellington City concluded by saying that he would prefer to have New Zealand a small colony. When I heard that expression I wondered to myself whether or not I had heard him aright. Is it to be said that we are not to advance at

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all—that our population is not to increase? Is it to be said that as our sturdy young sons and daughters grow up they are to leave the home of their birth? Are we to admit there is to be no natural expansion? Would it be preferable that New Zealand should remain a small colony, and that we should not advance? Why, Sir, that is the saying of an old Tory, of an obsolete politician, and not a remark we should expect from a statesman—one who has held a very high position, a position such as the honourable member for Wellington City (Sir R. Stout) has held in this country. I say, Away with such nonsense! We cannot suffer such a state of things to exist. I say that when a young colony stands still it recedes. We must advance, our population must go on increasing, and, as our population increases, as we settle our population upon the land, as our exports increase, so will our people come to be more contented, more prosperous, and more happy. But to stand still—to keep this colony just for a select few—I say that is what the “Continuous party” in this country almost brought about. I say the day for that has gone by. We cannot stand still, we must progress, we must have the means to bring about progress, and we must work for that means as we are doing at the present time by giving cheap money to settlers, and in doing this we are doing what is right. It was claimed some time since that by our proposals we should lower the rate of interest. I say it has been lowered, and I say also that by this means money will become available for industries, money will become available for promoting settlement, money will become available for commerce; and I say that, owing to the want of necessary and legitimate advances, for months past our commerce was stifled, and that that was the reason for the falling-off in the Customs revenue. Merchants did not know what to do regarding orders. But now I simply say this: We have turned the corner. What we want to do is to put heart into the people. We should tell them that what we have worked for, and what Parliament has granted, has been for the purpose of promoting settlement, so as to make the country progress, so that reproductive work should be found for the toilers, and at the same time that they should be carving homes for themselves in the bush, so that they may become permanent settlers, never again to be amongst the unemployed, or have to go to the State to find them work. They will look back with gratitude to this progressive policy which has been inaugurated by the Government, supported by the people, and which we have carried against an opposition such as no Government ever previously experienced. The work of the session has been such as will lead to the promotion of the well-being of the people. I do not now desire to prolong the debate; but let any member of the House take the Governor's Speech, and glance through it, and, with one exception, he will find that everything the Government said they intended to propose is now law. Then, let him take the Financial State-

ment, and I think, with two exceptions, every Bill there referred to has been passed. No Government ever brought forward a policy such as we have brought forward and have been so successful in passing. Speaking for the Government, we do not claim the whole credit ourselves; we simply have done our part. I give the credit to those who have so nobly stood by the Government in our difficulties, and who have assisted in passing these measures into law. Then, we were twitted with the Government having suffered a defeat because we were not allowed to introduce a Bill providing for the bounty on coal. Sir, two months ago a debate took place in the House, and the Government were practically told that a large majority of the members of the House did not favour that proposal. But the Colonial Treasurer said that, despite that, the matter would be brought forward. That Bill was brought forward at the same time as the Beet-root Sugar Bill, which was also mentioned in our programme. If we had not brought this Bill forward, what would have been said? We should have been criticized as having mentioned it in the Financial Statement, but it would be said we were afraid to bring it before the House. Well, Sir, we are a Government that are not afraid. We discuss very carefully what we believe to be to the interest of the people, and then we promote it. The rejection of that Bill on its introduction was a pure accident. If the Government had explained it, or had had the opportunity of explaining it, there would have been a different result. Those members who are found generally supporting the Government did not know for the moment that it might be considered as it was considered by the honourable member for Wellington City to-night. And if the Treasurer had had the opportunity of explaining the position the Government took up in respect to the matter, the Government would not have been refused leave to introduce the Bill. Had it been explained I feel satisfied it would have been dealt with as the Beet-root Sugar Bill was dealt with. That was introduced in the same way, but with an explanation given by the Colonial Treasurer, and it was carried by, I think, forty-seven to eleven. I know that members voted on the Coal Bonus Bill not knowing that it might be taken that by so doing they were slighting the Government, and I may say that more than one gentleman expressed regret for not having supported the Government. The Government could, if it had so desired, have brought the matter forward again, and I am satisfied myself that there was no slight intended. It was an accident, and that was proved by the voting on the very next Government Bill which was brought forward, which, when challenged, on going to a division, was carried by forty-six to fifteen. I say that whenever the Government have asked their party to pass any party measure the party has stood loyally by them. We did not make the coal bonus a party question; but the Opposition have never missed an opportunity to vote against the Government,

and they have gone unanimously into the Governmental lobby with those of the Government supporters who for the time being were not prepared to give their support to the Ministry. But there have been other things behind, and I will tell the House what happened. The honourable member for Wellington City (Sir R. Stout) coupled with this the Midland Railway Bill, because during the session the Government have had to ask the House to indorse their policy embodied in the Advances to Settlers Bill, and in the other measures under which we are proposing to raise three-quarters of a million for the purchase of private and Native lands and for the roading of Government lands. The honourable member, I say, knows very well what caused this, but he has never missed an opportunity to point out that already there were certain liabilities incurred this session—he called it loans and borrowing; and it was urged that in addition to this there was to be a further burden in the shape of the £618,000 for the Midland Railway. The honourable gentleman said that was borrowing to a large extent, and that militated against the Midland Railway; but that was not wholly what militated against that measure, for there is no disguising the fact that there are a large number of the members of this House who are determined that the North Island Main Trunk Railway shall be completed, the Manawatu Railway purchased, and the Otago Central completed, and this combination, I say, went together, and that was chiefly why the Midland Railway Bill was rejected. That Bill was not made a party measure, as the Government refused to make it one, because we could not be justified in making it a party question. The honourable gentleman has said so. Very well, that being the case, and the passing of the Bill not having been made a party question, I do not think it comes with very good grace now for the honourable gentleman to tell the Government that we were defeated, simply because the House this session refused to pass the second reading of the Midland Railway Bill. The Midland Railway Bill, I say, ought to have been passed, and I say that those honourable members who voted against it have not done themselves justice, and have not shown a due sense of the responsibility which must devolve upon them in reference to this matter. I say it would have been much better for those who were against borrowing, and who desired to see the colony relieved from responsibility in this matter, if they had not rejected the Bill, for, in my opinion, even though we succeed, it will cost the colony a considerable sum of money to be spent in litigation. Of that I am quite positive; and in the meantime we shall have five million acres of land locked up from settlement, without the slightest prospect of being opened, and settlement will be retarded. I think I have now met point by point the arguments used by the honourable member for Wellington City (Sir R. Stout), and in so doing I hope I have not made use of any unkind words. I think I have not, nor did I wish to do

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so. I may say that I have been here now for something like 'eighteen or nineteen sessions, and have seen many Appropriation Bills during that time, but I do not agree with what the honourable member said yesterday—that it was the general custom for the leader of the Opposition to make a speech, and to be followed only by the Colonial Treasurer or other Minister. I have known the debate on the Appropriation Bill to occupy a whole day, and to be an acrimonious debate; but on this occasion there is nothing but good-will and good-feeling. Nothing, so far, has been said during the debate that will tend to create any ill-feeling. The Government have honestly and conscientiously tried to do their duty to the country and the people, and I believe the result of our efforts will prove beneficial; and, whilst there are many here who may differ as to what has been done by the majority, they should now accept the position and tell the people to take heart. I see already the silver lining to the cloud; the prices of most of our staple products are going up, and our people are rapidly going upon our lands, and our lands are being rapidly opened up and roaded. Seeing that this is the case, let us not be cast down, and, though we may not altogether have done what we wished, at all events what we have done has been done conscientiously and in the true interests of the colony.

Mr. BUCHANAN.—Sir, the honourable gentleman has said that this was the last speech he would make in the House during the present session, and I think it would have been well for the honourable gentleman if he had not delivered it, for a more ineffective speech I have seldom heard delivered from the Government benches. Is it that the defeats and slights he has suffered during the last few days at the hands of his own followers indicate to him what is awaiting him in the country,—that no more during the recess will the honourable gentleman have banquet after banquet, laudation after laudation,—and tell him, in words unmistakable, that he is utterly unworthy of a majority never before at the command of any Premier in the history of the colony? The honourable gentleman commenced very badly, and so, I predict, will he end, for he employed his time during the elections in corrupting the constituencies. Up and down the country he went, using the most unworthy means to influence the elections up to the polling-day. He let it be understood that the polling-day would be on or about a certain date, and then anticipated that date by about a fortnight to suit his own friends. In the case of the Tuapeka, he endeavoured to influence the election in the same way by hurrying on the polling-day, so that the candidate opposed to the Government was placed at a disadvantage. What did he do at the general election in the case of the Native Minister, Mr. Carroll? Instead of following the usual practice of holding the election for the Native members prior to the general election, he fixed a day so that in case Mr. Carroll happened to be defeated for the Waiapu seat he would still

have a chance of contesting a Native electorate. Then, the honourable gentleman has the assurance to tell this House that there are few unemployed in the country, though during this winter the miseries of the unemployed under this great Liberal Government have been greater than during the term of office of any previous Government. I well remember the attitude of the honourable gentleman hurling denunciations at the Atkinson Government because the population was leaving the colony, and assurances that when his party came into office we should very soon have a change in the state of affairs. Sir, the honourable gentleman and his Government have to a large extent created the "unemployed" difficulty by destroying the confidence of the industrial classes in the Government and colony.

AN HON. MEMBER.—I beg to call attention to the state of the House.

MR. BUCHANAN.—I notice the discreditable tactics of the Premier. He has asked his followers to walk out of the House.

MR. SEDDON.—I called attention to the state of the House.

MR. BUCHANAN.—I was going on to say that the honourable gentleman could not deny—I am sorry to see that he is still asking his followers to walk out of the House.

MR. SEDDON.—I assure the honourable gentleman that I have done nothing of the kind. What I did was to draw attention to the state of the House.

MR. BUCHANAN.—I am bound by the rules of the House to accept the honourable gentleman's statement.

MR. E. M. SMITH.—That is the truth.

MR. BUCHANAN.—I was going on to say that the Government have destroyed confidence in the colony, destroyed the wages fund, and they have now had to abandon their non-borrowing election pledges, and the new era of borrowing which they have now inaugurated will inevitably be followed by greatly-increased taxation. The honourable gentleman and his Government were asked again and again during the session whether they intended further taxation for protective purposes, and they answered these questions evasively; but I think this House is justified in assuming that next session we shall have Bills brought in to impose increased taxation upon the taxpayers of the colony. This is what the honourable gentleman's Government is rapidly bringing the colony to, and little wonder is it that the population of New Zealand is leaving the colony for Australia, despite the distress which we know to be prevalent there. In 1887-88, when the honourable gentleman denounced the Atkinson Government for allowing the population of the colony to go away, millions of money, borrowed publicly and privately, were being expended in the Australian Colonies, and New Zealand, as is well known, lost thousands of its population. But what attraction exists in the Australian Colonies at the present moment? None whatever. They have there large numbers of unemployed, but still the population of New Zealand is leaving her

shores. Is this the prosperity predicted from the Liberal measures of his Government when he came into office? It is possible that we might have a fictitious prosperity from the honourable gentleman's borrowing proposals, but it will not last very long. The inevitable taxation will have to be imposed, and, as stated by the leader of the Opposition, those on this side of the House will have to step in, as they did in 1879, when they had to restore the confidence destroyed by the Government of which the honourable gentleman was a follower in that year.

MR. SEDDON.—By raising a big loan.

MR. BUCHANAN.—The honourable gentleman talks about big loans! Can he, a thick-and-thin supporter of the Stout-Vogel and Grey Governments, cast a stone at this side of the House? Why, the honourable gentleman, after that, should have audacity enough to face anything. I am sorry the Minister of Labour has left his seat, as I should like to compliment him upon a speech so much in contrast, for its moderation in tone, with that given by the Premier. He said it was a pleasure to be run through by so pleasant a swordsman as the leader of the Opposition. Sir, the Minister of Labour is hastening fast to his own political funeral, and it would be a mercy to send him there as painlessly as possible. He referred to the Pomahaka purchase, and asserted that the leader of the Opposition would not have been so severe upon it had he not forgotten the Polhill Gully transaction. I remember well the whole of the features of the Polhill Gully purchase, and I say at once that the honourable member for Hawke's Bay had nothing whatever to be ashamed of in that. Well would it have been for the colony's interest if they had on all occasions been guarded as they were in the Polhill Gully purchase. Then, we had a great deal from the Premier as to the railways and the "black list." Why, Sir, there never has been such a scandal connected with the railways for years past. When challenged to set up a Committee of inquiry on the "black list," he told us he had questioned the Railway Commissioners, and that they absolutely denied all the charges of the honourable member for Wellington City. Sir, what would the honourable gentleman's attitude have been if the action of the former Railway Commissioners had been in question? Would he have accepted their denial?

MR. SEDDON.—Yes.

MR. BUCHANAN.—He would! after the charges of corruption he had made against those gentlemen, including the present Chairman.

MR. SEDDON.—No.

MR. BUCHANAN.—Charges of misconduct, charges of corruption, charges of the most damaging character, which he never had the grace to withdraw. Why, Sir, we should have had a Royal Commission appointed instantly, and every power brought to bear to hound them down if he possibly could. But now we have the Commissioners appointed by the honourable gentleman himself, and, despite the spe-

effic charges of the honourable member for Wellington City, he has absolutely refused to grant a Commission of inquiry to see that justice was done to railway officers on the one hand and to the Commissioners on the other. The honourable gentleman has never been able to give one sound reason for his refusal to grant a Commission, and the public can only come to the conclusion that the charges of the honourable member for Wellington City are substantially true, and that the men who were true and loyal to the colony have now been hounded down at the instance of the men who were traitors to the service. What will be the case when the honourable gentleman gets into power on the 1st of January? Creatures of his own will be pitchforked into the service in all directions, and its independence destroyed to a very large extent. Then, Sir, as to the finance of the Government: We had a surplus last year which enabled them to place £250,000 to the credit of the Public Works Fund; but, taking the last Financial Statement delivered by the honourable gentleman opposite, where do we find any hope of a surplus at the end of the current financial year? We are not only losing our population, but our Customs and railway revenues are going down, and, instead of being able to carry on public works out of the surplus of the Consolidated Fund, we have commenced a profligate era of borrowing. Then, take the conduct of the Government regarding questions of large public policy. The honourable member for Wellington City introduced and passed an important measure called the Middle District University College Bill; and, instead of willingly handing over a disused Government residence as a site, they opposed it in every way possible. In contrast to this, what do we find them doing for their supporters? We had a spectacle like the Lake Forsyth Drainage Bill being fought through the House at six o'clock in the morning, after being in Committee all night. Then, we have a sum on the estimates for a wharf at Howick—a bare-faced robbery of the colony—and the bonus of £50,000 on the export of coal. Everything for Government supporters, and not a shilling for any constituency which is opposed to the Government. It has also become quite clear that no reliance can be placed on returns laid on the table. The Government put a return upon the table the other day purporting to show that in the three years ending on the 31st March, 1894, they had placed over six hundred more people upon the land than had been placed in the three years ending the 31st March, 1891. Then, if we turn to the Crown Lands Report—the annual official document furnished for the information of the House—we find the large surplus stated in the return laid lately on the table dwindling down to 371. What are we to say of figures such as these supplied by the present Government? We cannot rely upon any statements supplied to the House. Sir, at this late time of the session, and members being anxious to go, I have no wish to detain the House. I only wish to say that I feel satisfied that when we come to

Mr. Buchanan

the close of next session, the present Government will be in a very different position from that which they occupy to-day; that the country will insist upon a complete change of the unfortunate policy which has been followed by those honourable gentlemen, and they will be succeeded by men having the interest of the colony at heart, and anxious to pursue a very different policy.

Mr. T. MACKENZIE.—I rather regret that I require at this late stage of the session to make some remarks upon a few very important questions which have been before the House this session. In order not to waste the time of Parliament, during the second readings of some measures I have refrained from speaking; and, as my actions have been misunderstood, I take this opportunity of making a few remarks. I also wish to refer to the history of the Licensing Bill in Committee. I exceedingly deprecate the tactics the Government are now following. Sir, they have instructed their followers to leave the chamber; they have given deliberate instructions to their followers to leave this chamber—let the Treasurer contradict it if he can—in order that they shall not hear the damaging arguments which we have to use.

Mr. WARD.—I deny that.

Mr. T. MACKENZIE.—Sir, the rules of Parliament compel me to accept the statement made by the Treasurer, but if it were made outside the House I should take a different course. The honourable gentleman's colleagues, of two and a half hours—between half-past seven and ten o'clock—have occupied two hours of that time, and have not the courage to occupy their position on the Ministerial benches to hear what this side might have to say. I am glad to see the Premier has returned to his place, because, whatever may be his faults, cowardice is not one of them. I am glad he is in his place to hear the statements which we have to make against him.

10.0. In reply to what the Minister of Labour has said, I say that the present Government came into office just when the Atkinson administration had brought this colony into a sound and secure financial position; and I assert that the surplus which enabled this Government to successfully carry on the public works of the colony is already coming to an end. And now, with regard to the taxation proposals, the Government are taking the taxation off the shoulders of those best able to bear it and placing it on those least able to bear it. The honourable gentleman talks about the toilers of this country, and about labour legislation. Sir, his and his Government's pernicious labour legislation has actually kept from and destroyed within this fine country the very employment that would give work to the workers. Take his Masters and Apprentices Bill, his Workmen's Wages Bill, and his Industrial Conciliation Bill: I ask, have these been in the interests of labour? I say they have had the effect of paralysing the arm of industry, and of preventing employment from coming to the workers. Who will start a new industry now? As we

have been told already to-night, he gives them another tract. He gives them paper instead of bread: he gives them Bills. Then, there is the question of the Standing Orders. We have only succeeded in amending the Standing Orders in the direction of destroying wholesome debate in this House. They have encouraged wretched speeches, and have destroyed really good speeches. That has been the whole effect of the new Standing Orders, and as a result we have had the latest sittings and longest session on record. I do not think at this late hour of the night I need go into these failures any further. I simply say that the policy of the Government has been one of "shunt." They have shunted the Licensing Bill; and the Charitable Aid Bill, which the Hon. the Premier stated at New Plymouth was one of the most important things that could engage the attention of this Parliament. Then, there is the question of local government. Has he brought forward that in the manner it should be brought forward? I say, Sir, the only thing they have not shunted is the double taxation this year on the landholders of this country. It has been said truly that the Government did not intend this year to pass the Licensing Bill, and it is largely the question of the Licensing Bill that has brought me to my feet to-night. The question was one of the most important factors of the last general election, and it was due to that being unsettled that some of our ablest men were not returned to the House, and were driven from Parliament. In the Governor's Speech from the Throne use was made of that measure. It was said that ample opportunity would be given to the House to consider this measure. These are the words: "You will be afforded full opportunity of considering the liquor question"—and upon this question the Government graciously permitted their followers to vote according to their consciences;—and it went on to say that a Bill would be brought down to amend the Licensing Act, and so on. Sir, what was the full opportunity? But, before going into that, I would say that a small amending Act was all that was required,—the country had discovered by experience the flaws in the present Act,—and then when the country was in a more tranquil state the Government might have introduced a consolidation measure. What we wanted was a Bill with a few clauses dealing with the licensing law. There was the question of deleting the half proportion, the half having been used to defeat the spirit of the Act. There was the question of the fees going to the Government. There was also the question of whether the bare majority should carry prohibition in the different districts; and there was the question of the railway refreshment-rooms and clubs. Now, this Bill, containing 228 clauses and 150 amendments, which we were supposed to have an ample opportunity of discussing, was not brought down until twelve weeks after the session commenced, and was not in Committee until sixteen weeks after the session opened. And then what occurred? It was introduced

at the end of the session, at the close of a weary week, at twenty minutes past one o'clock on a Saturday morning, in an exhausted House—the majority of us had been up every night that week until daylight; and a whole night was spent over that Bill, sitting until eleven o'clock on Saturday; and I venture to say no greater farce and no greater want of sincerity ever characterized a measure in this House than occurred on the first opportunity we were given of discussing that Bill. I will not follow it through beyond saying that another opportunity was given when clauses 11 and 12 were dealt with. In connection with clause 11, the honourable member for Christchurch City (Mr. Collins) moved that paid advocates should not be eligible for a seat on the Licensing Committee, I opposed his motion, when some one asked, "Why should paid temperance advocates be excluded?" and there was a discussion in connection with that, and I wish to refer to what occurred in Committee in this connection. Now, with regard to paid advocates of either side, I am of opinion that they are not a very desirable class of men,—perhaps the honourable member (Mr. Collins) may not agree with that; and whilst there are, no doubt, a number of genuine men who are paid to advocate temperance, the fact still remains that the existence of paid advocates depends upon a state of unrest, not at all times of the healthiest, and they thus frequently menace the country. The real work of reform is done by those who never receive any fees or any gain for their work; and that is the case in the district I represent. Not one man in connection with the movement there received one farthing for his labours. Sir, in this colony there have been agitators in connection with labour or other movements, whose absolute existence has been dependent upon keeping up a fever of excitement, inducing men to leave situations, thereby depriving families of bread, and becoming a positive curse to the community. What did the paid labour agitators wish during that great strike? They did not wish to see that strike settled, any more than some members in the British Parliament wish to see certain questions settled, or the rabbit wants to see the rabbits exterminated. No; a state of unrest means their political existence. There are one or two other questions I wish to refer to, and one is in connection with the action of Parliament in closing Bellamy's. That, to my mind, is merely a move on the part of a number of persons to obtain *kudos* for a virtue they do not possess. It is true that a number of temperance reformers were in favour of it, because they thought it was a step in the right direction; but the fact remains that the supporters of the liquor interest were seen conspicuous in supporting the closing of Bellamy's, and it was because—according to the man in the street—the liquor interest in Wellington wanted to see Bellamy's closed in order that they might get a share of the trade of Bellamy's. I am now going to point out a curious anomaly between the vote taken on the closing of Bellamy's for all time and the vote

that was taken a little time afterwards on the question that a half-holiday should be insisted upon in connection with all hotels—that the publichouses in Wellington, for instance, should close half a day in the week. And whom do we find voting on that? Why, the first man on the list who voted not to close publichouses for one half-day in the week was the man who moved to close Bellamy's—Major Harris. Then we have Mr. R. McKenzie, Mr. McLachlan, and several others who voted for the closing of Bellamy's, and yet voted against the closing of publichouses for half a day in the week. Now, in connection with the temperance movement there is only one logical position that can be taken up if we are going by majority rule. If that is to be accepted in the country, then you should pass a national prohibition Act, and not have sectional prohibition only. It seems to me a most peculiar thing that you should prohibit some little place at one end of New Zealand from selling liquor while you legalise the introduction of liquor into the country. That is an anomaly which requires some explanation. Now, that brings me to another point, in reference to my own district. I represent a prohibition district.

An Hon. MEMBER.—Oh! do you?

MR. T. MACKENZIE.—Yes; but you could not exist there, because there is no whiskey to be legally had. But, in spite of whiskey being barred there, would you believe it, whiskey is being sold in Clutha now! The effect is that we are making law-breakers, and I say that has a demoralising influence on the people of the district, and it is time that the people, if they are logical at all, and if majority-rule is to be accepted, should go in for absolute State prohibition if they are to have prohibition at all. Now, I have discovered that there are a number of temperance advocates of a class who, I believe, only wish to make a living by the movement—some of them, we know, change sides as things suit—and when I come to approach them on this question and ask them if they are prepared to have prohibition on that logical basis they are not prepared to do so. We had this session an opportunity given to every member to give his opinion upon whether it was right or not to have State prohibition; and how did that vote go? Only twelve members in this House voted that spirits should not be manufactured in New Zealand or imported into New Zealand. It was a Bill introduced by the honourable member for Egmont. This Bill provides for State prohibition. There are only three clauses—"Short Title," "Prohibition," and "Penalty." Now, of the members of the House who voted on that Bill we have a most peculiar mixture. We find, first of all, among the twelve men who voted that it should become law, some of the most genuine reformers, but we find a number of the temperance people uniting with the publican party for the purpose of defeating that Bill. We find Mr. Hall-Jones and Mr. Roderick McKenzie voting on the same side. We find Sir Robert Stout voting with Mr. Seddon, Mr. Earnshaw with Mr. Reeves, Mr. Collins

with Mr. G. J. Smith, Mr. Pirani with Mr. Lawry; and several other honourable members who hold different views voted on the same side. I do not, Sir, wish to be unjust to some of those honourable gentlemen. I should like to point out that they maintained that this Bill did not contain the principle of referring the question to the people of New Zealand, and for that reason they opposed it. But that was a mere question of machinery, for I consulted with my honourable friend the member for Egmont, and he told me he was perfectly prepared in Committee to accept any amendment that would bring the principle of referring the matter to the people into effect. My honourable friend the member for Franklin, when he wanted to deprive us unfortunates who happen to dine at Bellamy's of an occasional glass of wine, was not consistent, for when he had a chance of practising a little self-denial by keeping liquor out of the colony altogether he would not have that on any consideration. That really looked too much like stopping the grog-supply. What I wish to do, Sir, is to expose cant and humbug, and to show the electors of the colony some of the types they have returned. Men have been elected to this House on the temperance ticket whose qualifications would not secure them election for the smallest Municipal Council in New Zealand—men who care no more for genuine temperance reform than my big toe does; but they cunningly saw in this movement an opportunity of gaining a seat, and seized it; and they have taken the places of men—high-minded men—who could not conscientiously bow the knee to every demand that was made, and this Parliament has in consequence been deprived of some of the best men that ever sat in any Legislature in the world. And we can ill spare these men. Therefore we say that the Government ought to have brought this matter in at an earlier period of the session, and to have had it settled, in order that we may not have large questions of State determined not on their merits, but on the influence they may have on some licensing election. We want to see this question settled, we want to see parties settled in this House, and until that is done there will be serious difficulties arising through the maladministration of the affairs of this colony. I met some time ago with a person who takes a prominent interest in these matters. He said, "I helped to put So-and-so in the House, as he is sound on the temperance question." I asked, "Are you satisfied with him?" He replied, "No, I am not, exactly; because he is too much like clay in the hand of the potter; the all-powerful and overwhelming Premier can do what he likes with him." And were is a great amount of truth in that, because, if it is not true, would certain members representing the country electorates in this House have voted as they did upon the land- and income-tax amendments which I moved a few nights ago? If they had the capacity to grasp the far-reaching influence of these questions, would they have voted as they did vote?

Mr. T. Mackenzie

I do not think so; and therefore I take the charitable view that they were incapable of understanding the questions, and, in their blindness, voted against those measures which were in the interests of farmers. Fancy members representing farming constituencies voting against partners in a farm having a right to individualise their interests, to secure their own exemption! Suppose two men took up a rough bush-farm together. Let them pay £2 10s. an acre, making a total of £2,500. Those members voted the other day that these two men were not to be allowed to divide their interests for the purpose of each securing his own exemption, such as he would be entitled to if he had taken up 500 acres; voting that there could be only one exemption in any circumstances, and as applied to valuation in this case there would be no exemption at all. But these same members were prepared to support the Government in carrying out taxation to permit persons to put their money into any other business and divide their interest, and claim exemption to the extent of £300 of income each before paying any taxation at all. Imagine farmers' representatives saying that money borrowed for the purpose of improving a farm should not be exempt from taxation; that a person improving his farm with borrowed money should not be put on the same footing as a person taking money from his own pocket for improvements! My motion aimed at placing them both on the same footing, free. Fancy a man representing agricultural interests and voting against my motion, which provided that two years' land-tax should not be collected on one year! Contemplate farmers' representatives opposing my motion to prevent yearly assessments being required from farmers, and many other questions to which time will not permit me to refer. The fact is, the majority of these men were returned solely on one question; and when great questions affecting the future interests of the colony are to be considered we find them incapable of dealing with them. I do not intend to delay the House much further, beyond saying that I look with the very gravest apprehension at some of the financial Bills introduced by the Treasurer, and, feeling that, I realise how much we now require the aid in Parliament of New Zealand's ablest men. I regret very much that we have gone in for this guarantee of two millions to the bank. I opposed it at the time. We had no right to pass that measure with the meagre information that we had to hand. I entirely disapprove of the Consols Bill. I am glad to think that such modifications have been carried in the Advances to Settlers Bill as to insure a degree of safety. There was not that degree of safety in the Bill as introduced by the Government. To me it is simply preposterous to say that a measure was in the interest of the small people of New Zealand when it permitted money to be advanced on property of the value of £10,000—that is to say, to the extent of £5,000 on town property. There is just one thing I should like to say in connection with the Pomahaka purchase: I would ask the

Minister of Lands to consider the question of the charges made in connection with fixing the price of sections in that property. I believe that if the honourable gentleman goes into the matter carefully he will find that too high a rate has been fixed upon the sections. When the matter was before the Waste Lands Committee the Chief Surveyor failed to show why he required to charge £3 7s. 6d. as an average basis for rental all over the land. At any rate, I hope the Minister will look into the matter, and adjust it equitably. As my time is about up, and in consideration for the feelings of Ministers, I will not touch further on the weakness of their policy.

Mr. PIRANI.—I want to spend a couple of minutes, before the Treasurer replies, with my honourable friend the member for Clutha. He asked the reason why several of us opposed the honourable member for Egmont's Prohibition Bill and yet supported the proposal in the Licensing Bill to give the people power to have prohibition. The distinction is this: I, in common with other honourable members, object to prohibition by legislation, but I am in favour of prohibition by local option.

Mr. WARD.—I do not intend to take up the time of the House long. I want to say one or two words to the last speaker. He touched on two or three points, and he wanted to know how farming representatives could come and support measures that were not favourable to farmers. What did the honourable gentleman do in connection with the Advances to Settlers Bill? Being a farmers' representative, while he twits the supporters of the Government with supporting measures not favourable to farmers, what did he do? When it comes to a measure which, I venture to say, the majority of farmers regard as being of great consequence to their industry, with all his talk about humbug and cant, he votes against it like a man. When the honourable gentleman talks about exposing humbug and cant, I call it trying to expose humbug—and can't. Speaking generally on the debate that has taken place on the Appropriation Bill, I wish to refer to the speech of the leader of the Opposition, who, I presume, was intended to give voice to the general opinions of the Opposition, and the voice of the Opposition so far as the policy measures of the Government are concerned. What did he do? He made not one attack on the measures of the Government that there is any need to reply to in the slightest degree. And it was the same with the senior member for Wellington City. All he said was that by roading and carrying on public works we were burdening the country with debt. That is a sort of generalisation in regard to which it is only necessary to say that we could not carry on necessary works in the country unless we had the necessary funds to do it. The three points in the speech of the leader of the Opposition were these: After a session of four months, aided by his intelligent supporters on that side, what were the three points he took exception to in the Government policy? One of his serious complaints was

that the corrected Order Paper usually arrived in the House late. Another was that the Pomahaka purchase was at too high a value. Without going into the whole question of the investigation, evidence is on record that the majority of witnesses upheld what was done by the Minister and by the department, and even his foes acquit him absolutely of having done anything improper. The other charge which the leader of the Opposition, on behalf of the Opposition, levels against the Government is on the score of the appointment of the Serjeant-at-Arms. I think the leader of the Opposition and those supporting him ought to be a little more generous in matters of this sort in connection with a gentleman who has held a public position for many years, and who had been a member of the House. It does not redound to their credit; and I think every fair-minded person outside will agree with me that if they took such exception to him as Serjeant-at-Arms for political purposes they ought to have taken the same exception when he was on the same level with themselves as a member of the House. Those same honourable members know that they associated with him, and regarded him as being their equal in the House; and yet, when he is unable to answer, they take this attitude—and with what purpose? For the mere purpose of party tactics, and in the endeavour to get at the Government, they drag a man's name through the mud quite regardless of any injury they may do him. I say it is not fairplay. And if this appointment is one of the misdeeds that honourable members have to charge against the policy of the Government, all I can say is that such tactics are not creditable. Now, Sir, there is one other point I want to refer to which was mentioned by the leader of the Opposition, and to which he attached a great deal of importance, showing to what straits they are driven in order to find some charge to make against the Government. I want to refer to the charge of having collected two taxes in one year. The honourable member for Clutha said, Are the representatives of farmers coming here to vote for the collection of two taxes in one year? Are they the farmers' friends? Does he know the history of the property-tax collection? I will just tell him; and I will ask him how he came to support a Ministry which not once, but on more than one occasion, collected the property-tax twice in one year. In 1881-82 the tax was collected on a date less than twelve months after the 1880-81 collection; in 1882-83 it was collected on a date less than twelve months after the 1881-82 collection; in 1883-84 it was collected on a date less than twelve months after the 1882-83 collection; in 1885-86 it was collected on a date less than twelve months after the 1884-85 collection; and in 1888-89 it was collected on a date less than twelve months after the 1887-88 collection. And yet we have the honourable member for Clutha giving a prohibition speech in which he mixes Sir Robert Stout and Mr. Seddon, Mr. Pirani and Mr. Lawry—whiskey and water

Mr. Ward

are said to always mix well, as the honourable gentleman ought to know—and appealing to the farmers, trying to put himself right for having done some very unfair things to the farmers in this country. I ask him, how can they get over these facts?

Mr. BELL.—They are not facts.

Mr. WARD.—I say they are facts. 10.30. I say I have in my hand an official record of the facts. I think the honourable member will agree that such a record would not be given to me unless it contained facts. We must keep the machinery oiled; if at times the machinery runs dry, it must have a further supply of oil. I do not wonder at the deplorable fact that honourable members on that side of the House regret the facts which I have stated. They have for years past been trying to raise a financial critic, but they have not even succeeded in raising a junior in the financial world. Then, again, as to all this talk about the land-tax being collected twice in one year, do honourable members know that we have only received two complaints from farmers from one end of the country to the other against the tax being collected? And yet during the recess we shall find the honourable member for Clutha and others going before their constituents with such statements as we have heard him deliver to-night. I never before saw the honourable gentleman looking as he looks to-night. The honourable member is always jaunty and happy, but to-night he has excelled himself. I suppose the speech of the leader of the Opposition is to be accepted as the typical speech criticizing the actions and policy of the Government during the session. But what is the sum and substance of that speech? There were only four points in regard to which exception was taken to the policy of the Government. Those honourable members were anxious to let the civilised world know that the country would gallop to a deficit when the present Government came into office: but we have never got there. Seeing how all their predictions have been falsified, they take care now when prophesying to guard themselves with certain conditions. I think the country has had enough of this everlasting preaching that the country is going to the dogs. The honourable member for Wairarapa, for instance, told us the old story, that everything is going wrong. But the honourable member knows perfectly well that there is elasticity in the revenue of this country—that it rises and falls from time to time. The honourable member, who was going out, has now returned to the Opposition benches and has taken the seat of the leader of the Opposition. I never felt so happy in this House before. It is a treat to see the honourable member in that seat. How admirably he fills it! I thought he was aiming at something this session, and now we see what it is. On the last day of the session we see that the honourable gentleman has got into the seat of the leader of the Opposition. I congratulate him. Next session, if he can only get a few of our friends to go with him he may be more successful.

Hon. MEMBERS.—Oh!

Mr. WARD.—I was trying to pay the honourable member a compliment. What I should perhaps say is, I hope he may be less successful; and that is saying a good deal. At last the leader of the Opposition has come back. He cannot permit his rival to jump his hardly-won claim. The honourable member for Wairarapa has become convinced that the utterances of the leader of the Opposition have got so much off the track, so far as the Opposition is concerned, that he has taken his place; but the honourable member has not occupied that place five minutes before a messenger or some one has gone out in search of the leader of the Opposition, who has returned and found that the honourable member for Wairarapa has jumped into his shoes. Well, Sir, I can only say that I do not think the proposals of the Government have suffered at the hands of the critics of the Government this evening. We have not had any arguments adduced upon the facts—or, rather, we have not had facts adduced in support of the arguments or criticisms of my honourable friends opposite—for their criticisms on the whole were altogether favourable; and I think I have said nothing offensive in the few remarks I have deemed it necessary to make. I hope that during the recess we shall be able to remove some of the prejudice of honourable members opposite; but I am bound to say that we have been engaged in advocating a progressive policy, but the people of this colony know that the honourable gentlemen opposite have done their best to detract from the efforts of the Government, and no doubt they will continue to do so. Our business during the recess will be to enlighten the people, and, if necessary, to keep them in the right track so far as our proposals are concerned, in order that the Government supporters in different parts of the colony may not be misled by misrepresentation; and I venture to say, on behalf of the Government, that it will not be idle, if action is required in that respect. As for depending in the ordinary way upon a large section of the Press of this colony, I say that, so far as the present Government are concerned, we are not at all likely to do that. We know exactly where our support comes from, and it does not come from the honourable members opposite, but from the people. In conclusion, I can only say, speaking for myself—and I dare say I am uttering the sentiments of my colleagues—that we are all exceedingly delighted to see the last of you honourable gentlemen, and I feel quite sure that you will also be exceedingly glad to see the last of us. I can only hope that, when we meet again, the whole of us will come back in good health and spirits, and in as good a humour as we part on the evening of the last day of the session. I move the third reading of the Bill.

Bill read a third time.

HOROWHENUA BLOCK BILL.

A message was received from the Legislative Council, transmitting this Bill, with amend-

ments, and requesting the concurrence of the House of Representatives in the same.

Mr. SEDDON said that, notwithstanding the agreement which had been come to, the Council had inserted a provision which the Government could not accept, and he therefore moved, That the amendments be considered this day three months.

Motion agreed to, and amendments ordered to be considered this day three months.

The House adjourned at twenty-five minutes to twelve o'clock.

LEGISLATIVE COUNCIL.

Wednesday, 24th October, 1894.

Adjournment.

The Hon. the SPEAKER took the chair at twelve o'clock noon.

PRAYERS.

ADJOURNMENT.

On the motion of the Hon. Sir P. A. BUCKLEY, the Council adjourned at three minutes past twelve o'clock.

HOUSE OF REPRESENTATIVES.

Wednesday, 24th October, 1894.

Appropriation Bills—Business of the Session—South Sea Islands—Adjournment.

Mr. SPEAKER took the chair at twelve o'clock noon.

PRAYERS.

APPROPRIATION BILLS.

Mr. SPEAKER announced that he had waited upon His Excellency the Governor and presented to him the Appropriation Bill and the Public Works Appropriation Bill, to which His Excellency, on behalf of Her Majesty, had been pleased to assent.

BUSINESS OF THE SESSION.

Mr. SPEAKER laid on the table the following schedule of the business transacted during the session:—

1. SELECT COMMITTEES—			
On public matters	...	...	25
On private Bills	...	...	9
			27
2. PUBLIC BILLS—			
Received the Royal assent	...	...	100
Reserved for the signification of Her Majesty's pleasure	...	...	0
Dropped or otherwise disposed of	...	...	93
			193
3. PRIVATE BILLS—			
Received the Royal assent	...	...	0
Dropped	...	...	0
			0
4. PETITIONS PRESENTED—			
From Europeans	...	...	658
From Maoris	...	...	106
			763
5. DIVISIONS—			
In the whole House	...	...	95
In Committee	...	...	235
			330

6. SITTINGS—				
Days of meeting...	...	...	...	81
Hours of sitting—				
Before midnight	578h. 55m.			
After midnight	118h. 13m.			
Daily average ...	...	...	607h. 8m. 8h. 36m.	
7. VOTES AND PROCEEDINGS—				
Questions asked of Ministers	...	...	852	
Entries in Journals	...	...	1,520	
Daily average ...	...	...	—2,372	29
8. ORDERS FOR PAPERS				79
9. PAPERS LAID UPON THE TABLE—				
By command	...	...	...	51
In return to orders	...	...	...	75
In return to addresses	...	...	...	0
By message	...	...	...	1
By Act	...	...	...	89
By leave	...	...	...	* 43
Papers ordered to be printed	...	...	174	
Papers not ordered to be printed...	...	...	85	
			— 259	
10. REPORTS FROM SELECT COMMITTEES—				
From the Public Petitions A to L Committee	...	...	105	
From the Public Petitions M to Z Committee	...	...	263	
From the Native Affairs Committee	...	...	76	
From the Waste Lands Committee	...	...	130	
From the Goldfields and Mines Committee	...	...	29	
From the Local Bills Committee	...	...	34	
From other Committees	...	...	110	
			— 8	

SOUTH SEA ISLANDS.

Mr. SEDDON desired, by leave of the House, to lay upon the table a paper relating to Samoa and the Pacific Islands. It had been compiled by Mr. Coleman Phillips. He would move, That the paper lie upon the table and be printed. Accompanying the paper was a well-executed map which had been prepared by the Lands Department. The map showed nearly the whole of the Pacific Islands, and particularly those islands which were adjacent to New Zealand, and the paper gave a history pretty well of each of these islands. It was a very interesting paper, and one which he thought honourable members should make themselves acquainted with. It was only doing justice to New Zealand to know who were our neighbours and what in the future should be our policy in respect to them. He thought the paper would be a very good paper to have in every school throughout the colony, so that our children might be taught the history of the islands adjacent to New Zealand—so that they might know who were our neighbours, who possessed these islands, and might know something more about them than they did at the present time. He proposed to get an extra number of copies of the paper printed off. The Minister of Education concurred with him in thinking that copies of the paper might be sent to every school in New Zealand, and to the Education Boards. He had no doubt that the Education Boards would fall in with the views which he had just expressed. But little was known regarding the islands by many persons, and as regarded their important bearing on the future of New Zealand. Some years ago a valuable paper on this subject was prepared, and it was ignored. For his part, he cared not

from what source they got valuable information or what "colour" the party might be who gave it, when he believed that information to be of benefit to the colony he thought they were only doing what was just and right in taking advantage of that knowledge. Whilst, of course, not agreeing with many of the opinions expressed in the paper, still he looked upon the paper as a most valuable document, and he had very great pleasure in laying it on the table of the House, and by that means giving the colony the benefit of the information.

Mr. GREEN asked if the paper had been supervised by the Education Department. He quite agreed with the Premier that it was a very important document.

Mr. REEVES said that, if the honourable member meant that before having it sent all round to the schools he should go through it and see that in its present form it was suitable, he agreed with that. He agreed with what the Premier had said.

Dr. NEWMAN would take that opportunity of asking the Premier whether, during the recess, the Government proposed to do anything more with regard to the acquisition of Samoa.

Mr. THOMPSON would like to ask the Premier if he would take into consideration the advisability of preparing the local-government measures which he intended to carry through next session, and distribute copies of the measures among the local bodies previous to the meeting of next session of Parliament. He thought it was well that measures of that kind should be prepared early in the recess and sent round to the local bodies.

Mr. WARD would be glad, when the Premier replied, if he would indicate to the House whether it was not desirable that an opportunity should be given during the recess of visiting Samoa in the "Hinemoa." It would be advantageous to New Zealand if such were done, similarly to the visits that were made by this steamer to other islands of the Pacific, as much interest had arisen in connection therewith, while really little or nothing was known of that group. Honourable members would, he thought, do well to make themselves more acquainted with the affairs of those islands. Although he would not be able to go himself, he would like to see responsible people from this country visit Samoa.

Mr. TANNER heartily approved of the suggestion which had just been made, for New Zealand could not afford to be totally indifferent to the fate of Samoa, any more than she could have viewed with equanimity a different destiny for Fiji or Rarotonga. There was no doubt that this colony would play an important part in the future in the affairs of the islands of the Pacific. Sooner or later these islands would be greatly influenced by what took place in New Zealand, and in all probability the Anglo-Saxon race, which had gained a footing in these islands, would become the dominant race in the Pacific. He approved of Ministers carrying on negotiations with the view of extending our influence in these islands

without incurring undue responsibilities, and always safeguarding the interests of the colony. In that way we might ultimately, by the peaceful conquest of commerce, and common interests, be able to establish a chain of posts which would put us in communication with the people of our own blood on the American continent, and so in course of time English-speaking people would engirdle the earth.

Mr. DUTHIE hoped the question raised by the honourable member for Marsden would receive the attention of the Government. The Premier had during the session intimated that he would deal with the question of local government next session, and he hoped he would deal with it in an adequate manner. The question of hospital and charitable aid especially required attention, and the working of the County Councils and Road Boards required simplification. He thought that before the House met next session the proposed Bills dealing with the question of local government should be in the hands of local bodies, so affording opportunity to those engaged in the work for the expression of their experience. This was desirable in the interests of good local government.

Mr. STEVENS quite agreed with the idea that they should place themselves in close touch with the whole of the Pacific Islands, and not stand aloof from other Powers and other countries; because the day was not far distant when they must have universal federation, especially in commercial matters. He hoped the Government of this colony would not step so far over the mark as to be carried away by mere sentiment, or to forget that true practicability which was necessary in the interests of this country. It had been a fact, and would always remain a fact, that many hundreds of thousands of pounds were spent for mere sentimental purposes; and, whatever the Government might do in the future in connection with the annexation of Samoa and any of the Pacific Islands, he hoped they would look at the practical side of the matter before taking any steps whatever towards annexation, so that no increase of taxation should be placed on the taxpayers of the colony for mere sentiment. He believed he had given his heartiest support to the Government during this session, and he hoped they would not forget the suggestion he had expressed.

Mr. DUNCAN thought that the dying hours of the session was a very inopportune time to deal with this large question, and he thought it would be better to adjourn the discussion of it until next session. He did not wish to disparage by any means the idea of New Zealand becoming acquainted with its surroundings, because that was a very important matter; only he did think this was an inopportune time to bring it up. He had in his mind a great prospect for New Zealand and its surroundings, and, keeping that in view, he thought the Government should not lose sight of the islands adjacent to New Zealand. With regard to local matters, it would be necessary that the question of hospital and charitable aid should

receive the attention of the Government early next session, and there was no better way of doing that effectually than by distributing their proposals at an early date, so that the local bodies might have time to consider them.

Mr. HOGG had no wish to say one word against the proposed trip to Samoa, as picnics of that kind were generally very desirable; but he hoped that, in the event of the "Hinemoa" being despatched to Samoa with members of the Government or members of Parliament, too much importance would not be attached to the circumstance. He thought the Government should remember that a vast amount of responsibility was attached to any effort in that particular direction. As they all knew, Samoa was under a joint protectorate, and they should avoid doing anything to create anything like international jealousy. While we were an arm of the British Empire it was not our duty to do anything that might bring Great Britain into conflict with foreign Powers. We had a fine colony of our own, and had our own work to carry on in connection with it, without bringing upon ourselves an undue responsibility, which might be somewhat difficult to handle in the future. With regard to the suggestion to send copies of Bills, *et cetera*, to local bodies for their consideration, he thought that that would be a very desirable course. He understood it was intended during next session to bring forward some amendment to the present system of local government in New Zealand, and he thought it was absolutely necessary that something of that kind should be done; but the local bodies in New Zealand should be consulted in advance.

Mr. O'REGAN hoped the question of local government would be borne in mind. It was a question of far more importance to the people than the annexation of Samoa. The talk about the annexation of Samoa reminded him of those well-meaning people who gave money to send missionaries to savages while there was more important work to do at Home. The people in the colony were far more concerned about local affairs than about the annexation of Samoa. He fully indorsed all that had been said about spreading our influence in the Pacific Islands, but it was a thing that should not be forced. The Anglo-Saxon race would take its place without artificial forcing. The intention of acquainting our young people with the history and geographical position of the islands might be all very well, but very few of them knew anything about the history of their own colony. There was a good deal of sentiment about the matter, but he hoped they would not allow themselves to be induced through sentiment to spend money for useless purposes.

Mr. WILLIS said, with regard to the suggestion that measures should be put in the hands of the local bodies, he would suggest that the Government should look carefully over their measures, so that they might not be brought forward only to be rejected.

Mr. LAWRY said he made his first speech in the House in 1887, and it was a singu-

lar coincidence that at that time he advocated the very principle the Premier said he was going to inculcate next session in regard to local government. The suggestion that the measures should be circulated beforehand was the best he had ever heard made during the session. The sooner they brought in a comprehensive measure dealing with local government the sooner they would raise the House from the status of a board of works, and have the confidence of the country. This was the last time he would address the House as Government Whip, and he would like to say that he had had in his colleague one of the most loyal and true members ever God made. He would also like to say that during the whole session neither the Premier nor any of his colleagues had asked him to do anything that he would not like to proclaim to the whole of New Zealand. The senior member for Wellington City had talked about the Whips going round and whipping up the party. He would appeal for the last time in his official capacity to every member of the party as to whether he had ever appealed to them to do one thing during the session. Whilst treated in the most generous way by the leaders of the party, he had not been treated generously by some members belonging to that side. With regard to the question of local government, it must take precedence during the recess, and he hoped the Premier would do as suggested in regard to getting the measure prepared early, so that every local body might have time to consider it. And next year, if the Premier brought down a measure that gave them local government, not under old provincial lines, he would have the whole country at his back, and a tenure of office such as no Premier ever had.

Mr. SEDDON complimented the House on the last debate of the session. He felt very great pleasure in bidding adieu to all honourable members, much as he liked them.

Mr. BUCHANAN.—Oh, you will shortly be visiting every one of us.

Mr. SEDDON said, no doubt the honourable member's district and he himself did require looking after. With regard to the paper dealing with Samoa, and the point raised by the honourable member for Waikouaiti as to its being revised by the Education Department, he would not for a moment think of sending it to the Boards without its going through

12.30. the proper channel. If the paper was to be used for school purposes it would necessarily require revision, and probably curtailment, to place it in such a form as would be advantageous to our schools; and he had no doubt that the Minister of Education, who had heard this expression of opinion as to the desirability of our children being taught more about our own colony and the adjacent islands, and less about the historical wars of foreign countries, which were of no practical benefit to them, would consider the suggestion. In the public schools too little was taught with regard to New Zealand, and very little attention was bestowed on the adjacent islands. This colony was geographically the centre, and

must ultimately prove to be the mother colony, of the islands adjacent. It was our duty to look ahead, and provide for what would inevitably occur in years to come. With regard to what had been said respecting members having the opportunity of visiting the adjacent islands, there were times when Ministers would be only too pleased for members to take a trip. He felt that what the Americans, the Germans, and the Mother-country had failed to do in regard to Samoa the Colony of New Zealand could accomplish; and if the "Hinemoa," with members representing both sides of the House, were despatched to Samoa a solution might be evolved, and, no doubt, once and for all this difficult question would be settled. Something required to be done. He was sure every member of the House and every colonist must have been extremely pained to see the use one of Her Majesty's men-of-war had been recently put to in connection with the trouble at Samoa. No doubt, what had been done was the result of a conference of the various Consuls, but it had been very painful to him to see the course that had been followed; and that incident proved very clearly that some action was necessary. Representations had been made from the other colonies and New Zealand touching the matters brought under the notice of the Government prior to the commencement of the session, and the House had indorsed the course the Government had taken. They had no desire to do more than this: to have peace with our neighbours, to see that those inhabiting these islands were not hostile, or in any way inimical to the social or physical well-being of the people of New Zealand; and, in respect to the aboriginal races inhabiting those islands, we could do as much for their protection as we had done for the protection of the Native race of New Zealand. He saw no more difficulty in settling the difficulties there than there was in settling the difficulties of the Native race in this colony. The islanders were a race that should be preserved, but it would not be in the direction of preserving them if the course were adopted that had been followed in many of the islands during the last three or four years, and accounts of which appeared in the papers before the House. Honourable members knew that many valuable lives and much valuable property had been sacrificed in the manner indicated. With regard to the introduction next session of a Local Government Bill, did those honourable members who advised the Government to introduce such a Bill know that by advising the Government to circulate the Bill during the recess they were, more than likely, advising a course that would lead to the absolute rejection of such a measure? That was what would probably happen. It had been said that we had too much government, and that the number of local authorities must be reduced; but when a local body found itself threatened with extinction by an amendment of the law, the members and officials thereof would bring pressure upon the member of Parliament for the district to oppose the

Mr. Lawry

measure. There were nearly twice as many local bodies as were necessary, but, if a measure were brought in to reduce the number by one-half, there would be sufficient opposition on that score alone almost, to insure its defeat and rejection.

Hon. MEMBERS.—No, no.

Mr. SEDDON said that members were very strong to-day, but if they went back and told their constituents that such a measure was absolutely necessary, and that the Government intended to introduce it at the commencement of next session, they would probably subsequently admit that he was right. That was his view, and he did not think that he was far wrong, as, immediately it was announced, the secretaries, clerks, and engineers of the local bodies—the noble army connected with the local bodies—would be transformed into canvassers against the Bill, and so by these means secure the rejection of the measure. However, he might say he had some knowledge of local government, having served a very fair apprenticeship in it, and whether he would be able to submit a measure that would be met with general approval time would prove. He assured the House that he would do his best, and, if he failed, he could not help it. He was pleased to see that what had been done so far by his colleagues and himself had met with the approval of the very large majority of the House, and he thought it would meet with the general approval of the country. He had been rather pained to hear the remarks of the honourable member for Parnell, who stated that his speech on that debate would probably be his last speech in the House. He hoped, however, that would not be so. There were probably some honourable members who held different views on the liquor question from that honourable gentleman's, and who would probably not object to his retiring for next session; but he had always thought that it was well to have both sides fairly given on all questions coming before the House. In respect to such matters as the liquor traffic there must be a give and take, as it was impossible for any one to carry his own views. The matter referred to—the Licensing Bill—had been the only matter this session upon which there had been any feeling, and he would say to his honourable friend the member for Parnell, and to those members of the House who were regretting the non-passing of that measure, that he himself deeply regretted the Bill not being allowed to pass, that had they passed it this session it would have cleared the way for the Local Government and other important Bills next session, and those who had heard the question discussed would clearly understand that the responsibility for the failure to pass the Bill was not upon his shoulders. It had during this debate been said that the settlers should not be given roads and bridges, and that it was undignified for Parliament to discuss such questions; but all he could say was that the views of the thinking men of the colony were against that contention, and that roads and bridges were the lifeblood of settle-

ment, and the withdrawal of the lifeblood of settlement was detrimental to the whole colony. It would perhaps be much better that Parliament should give the money to the local authorities, but for them to see that the money taken from the taxpayers generally—from the consolidated revenue—for this purpose should through this channel be well and wisely expended. But what had been the case in the past? It had been that, whilst Parliament had sometimes intrusted moneys for expenditure to local authorities, the representatives of those local authorities were looking more after themselves and their personal interests than after the general welfare of the district and the larger question of promoting settlement. And these were all dangers they had got to face. In Parliament they had representatives from all parts of the colony and from the districts generally, and hence, in the distribution of public moneys, he thought it had been, generally speaking, shared more fairly than it would have been had the moneys been given to the local bodies.

An Hon. MEMBER.—No.

Mr. SEDDON said, at all events that was one of those matters upon which they would have a difference of opinion. He unhesitatingly said that what had been done and what had been provided in the way of promoting settlement had been well and wisely done, and he did not think any member of the House, no matter what his opinions might be, no matter what party he belonged to, had need to be ashamed of the fact that he had had to do with the providing of money for roads and bridges, and the promotion of settlement in New Zealand. He would finish his address by saying a few words on the same subject as that with which he commenced his first speech this session, and that was with reference to Mr. Speaker. He desired to tender him, on behalf of the House, the assurance of their very great confidence in him. What had been claimed in nominating him for the position he held had been fully verified, and he was sure it would be recognised on both sides of the House that he was expressing the opinion of all when he said that Mr. Speaker had performed his duties impartially and satisfactorily to all, and in such a way that every member had the utmost confidence in and most kindly feeling towards him. He would further compliment the House on this fact: that, although there might perhaps be a little adverse criticism with regard to the proceedings on the Licensing Bill, still there had been nothing done that any member of the House need be ashamed of, or on account of which he need be afraid to face his constituents. That was very pleasing to every member of the House; and he was sure it must also be pleasing to Mr. Speaker, to the Chairman of Committees, and to all concerned. He moved that this paper do lie on the table of the House and be printed; and he took that opportunity of wishing one and all Good-bye, hoping that when they met again it would be in the same kindly spirit as that in which they were parting. As far as enjoyments would

go, he hoped all would be spared so as to enjoy them. He would also further take the opportunity of saying that if anything had occurred in connection with the business of the session, and which as leader of the House he had felt bound to press, and in so doing there had been any soreness or feeling engendered, or if any member felt aggrieved, he could only express regret that it should be so. He had endeavoured to do his duty to the House and to the country faithfully. He probably had asked members to do work at a time when they resented it, and would have preferred to seek rest; but they were there to do the business of the country, and, now it was done, none would regret the extra time devoted thereto. But his colleagues and himself had in view very necessary work, which they believed to be in the interests of the colony. The House had responded; and, in saying Good-bye for the session to members on both sides of the House, he at the same time tendered them hearty good wishes.

Motion agreed to.

Mr. SPEAKER must express his gratification at the manner in which the House had received the remarks which the Premier had been good enough to make concerning himself. It was very pleasant and agreeable to receive that expression of approbation, and he had this one hope: that the feeling expressed towards him to-day might accompany him for the term of his Speakership. It was equally creditable to the members of the House and agreeable to its presiding member in the chair that no occasion had arisen which rendered it necessary that the powers recently conferred on the Speaker should be invoked for the quelling of

Mr. Seddon

disorder; and he hoped that there would always be such a proper feeling on both sides that the rules to which the old members had been so long accustomed would be sufficient to preserve the honour and dignity and the decorum of the House. He thanked them all for the reception they had given to the remarks which fell from the Premier with regard to his conduct in the Speaker's chair during the session now closing. In taking leave of members to-day he desired to express his sincere hope of meeting all his brother members in this House in 1895.

ADJOURNMENT.

Mr. SEDDON moved, That the House do now adjourn until this day week.

The House divided.

AYES, 24.

Buchanan	Hogg	Seddon
Cadman	Houston	Tanner
Carnecross	Mackintosh	Thompson
Carroll	McKenzie, J.	Ward
Collins	Mills	Willis.
Guinness	Newman	<i>Tellers.</i>
Hall	Pinkerton	Morrison
Harris	Reeves	Stevens.
Heke		

NOES, 14.

Duncan	Lawry	Smith, E. M.
Green	McGowan	Steward.
Hall-Jones	McKenzie, R.	<i>Tellers.</i>
Kelly, W.	O'Regan	Buick
Larnach	Pirani	Mackenzie, T.

Majority for, 10.

Motion agreed to.

The House adjourned at seven minutes to one o'clock p.m.

END OF EIGHTY-SIXTH VOLUME.

